



ENERGY ASSURANCE DAILY

Monday Evening, March 11, 2013

Electricity

PJM Grid Operator Authorizes More Than 750 Transmission Grid Improvement Projects in 2012 to Meet ‘Massive’ Generator Fuel Shift

PJM Interconnection on Thursday announced that it authorized in 2012 more than 750 electric transmission grid improvement projects, with a total cost of more than \$5 billion, to help address “massive” shifts in the fuels used to generate electricity. PJM operates and plans the transmission grid serving 60 million people in 13 U.S. Eastern states and the District of Columbia. Its recently published *2012 Regional Transmission Expansion Plan* identifies transmission system enhancements needed to keep electricity flowing while meeting the challenges of power plant retirements, the rapid switch to natural gas as a generator fuel, the growth of wind power, and states’ renewable energy requirements. Between November 1, 2011 and December 31, 2012, PJM received 104 retirement requests for 13,868 MW of generation, mostly related to more stringent environmental regulations and the low cost of natural gas. The trend continues in 2013 with formal notice in January of the retirement of an additional 1,697 MW of generation.

http://www.pjm.com/~media/about-pjm/newsroom/2013-releases/20130307-rtep_report_published.ashx

<http://www.pjm.com/documents/reports/rtep-documents/2012-rtep.aspx>

Update: New Jersey BPU Outlines Recommended Measures for Improving Utilities’ Response to Major Storms

Officials representing the New Jersey Board of Public Utilities (BPU) on Thursday testified before a state Assembly Telecommunications and Utilities Committee panel regarding the board’s new recommendations for improving utilities’ response to major storms. The BPU in late January adopted 103 recommended measures drawn up in response to customer complaints after Tropical Storm Irene in 2011 and Hurricane Sandy last year. The board is finalizing the new rules with state utility companies and plans to implement most of the measures by the start of hurricane season on June 1.

<http://www.businessweek.com/ap/2013-03-08/bpu-outlines-storm-response-rules-to-nj-assembly>

<http://www.nj.gov/bpu/newsroom/announcements/pdf/20130123.pdf>

Pepco Reports Electric Reliability Improvements in Maryland and Washington, D.C.

Pepco on Thursday reported that from 2011 to 2012, outages on feeders that the utility has serviced as part of a strategic reliability improvement plan decreased day-to-day by 39 percent, and for those feeders that did have outages, the length of the outage was on average 42 percent shorter. Pepco began the strategic initiative in September 2010 to improve reliability by trimming trees and replacing underground cable and power lines that span thousands of miles.

<http://www.pepco.com/welcome/news/releases/archives/2013/article.aspx?cid=2272>

Texas Utility Regulators Weighing Options for a Long-Term Strategy to Attract Investment in New Power Plants

Texas Public Utility Commission (PUC) Chairman Donna Nelson on Thursday said the commission should have all the information it needs by fall to decide how best to attract investment in new power plants needed to ensure enough electricity is available to keep pace with the growing economy in the state. The commission made changes in the past year to boost the wholesale power price cap to attract investment in new power plants, but electricity supplies remain tight. The PUC is studying two general options: whether to modify the Electric Reliability Council of Texas’s existing energy-only market to incorporate more demand-response programs that pay customers to curtail electric use when supplies are tight, or to create a capacity market that pays generators to be available in future years.

<http://www.reuters.com/article/2013/03/07/ceraweek-texas->

[idUSL1N0BYBV420130307?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43](http://www.reuters.com/article/2013/03/07/ceraweek-texas-idUSL1N0BYBV420130307?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

http://www.ercot.com/news/press_releases/show/26406

Update: Southern's 1,149 MW Vogtle Nuclear Unit 2 in Georgia Shut by March 11

Vogtle 2 was returning from a scheduled refueling and maintenance outage and had ramped up to 88 percent power by March 9 when it was first reduced to 22 percent power by March 10, and then shut by March 11.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: Exelon's 1,022 MW Clinton Nuclear Unit in Illinois Restarts by March 9, Ramps Up to Full Power by March 11

Exelon Corp. on Monday reported that its Clinton nuclear unit returned to full power today following electrical repairs on the non-nuclear side of the plant. The unit returned from an outage that began March 7, when a main generator trip and subsequent turbine trip due to a fuse failure resulted in a reactor scram from 97 percent power. Operators replaced the failed fuse and restarted the unit by March 9.

http://www.exeloncorp.com/Newsroom/Pr_20130310_Clinton_Online.aspx

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramped Up to 85 Percent by March 9

The FitzPatrick nuclear unit is returning from an outage that began by March 4, when operators took the reactor offline to repair a feedwater heater tube leak. Operators restarted the unit by March 7.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Reduced to 76 Percent by March 11

On the morning of March 10 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

NRC Cites 5 U.S. Nuclear Power Plants For Degraded Levels of Performance in 2012

The U.S. Nuclear Regulatory Commission (NRC) on Thursday issued annual assessment letters to the nation's 104 operating commercial nuclear power plants regarding their performance in 2012. As of the end of December, 99 plants were in the two highest performance categories. Three nuclear reactors were in the third performance category with a degraded level of performance, including the Columbia Generating Station in Washington, Perry 1 in Ohio, and Wolf Creek in Kansas. One reactor, Browns Ferry 1 in Alabama, is in the fourth performance category and requires increased oversight because of a safety finding of high significance. The Fort Calhoun plant in Nebraska is in an extended shutdown with significant performance issues and is currently under a special NRC oversight program distinct from the normal performance levels. Since the end of the 2012 reporting period, Duke Energy announced its intention to decommission its Crystal River 3 plant in Florida. This brings the number of operating commercial nuclear power reactors in the United States to 103.

<http://www.nrc.gov/reading-rm/doc-collections/news/2013/13-013.pdf>

Duke Delays Fire Safety Upgrades at Its Oconee Nuclear Power Plant in South Carolina Until 2016, More Than 3 Years Behind Original Schedule

Duke Energy on Tuesday met with the U.S. Nuclear Regulatory Commission (NRC) to explain why fire safety upgrades at the Oconee Nuclear Station, originally slated for completion by the end of 2012, may not be complete until 2016. Operators cited "quality issues with vendors" and problems in assessing the full breadth and scope of the project for the delays. Duke asked in July 2012 for an extension until 2014 to finish the project, but the NRC denied the request. Temporary fire safety measures are now in place, including portable water pumps for firefighting, enhanced training for employees, and mutual-aid agreements with Oconee County's emergency management office.

<http://www.independentmail.com/news/2013/mar/05/nuclear-station-fire-improvements-delayed-until/>

NRC to Increase Inspections at FirstEnergy's Beaver Valley Nuclear Power Plant in Pennsylvania to Address Underground Pipe and Tank Degradation

The U.S. Nuclear Regulatory Commission (NRC) on March 5 informed FirstEnergy Corp. that it will increase inspections at the company's Beaver Valley Power Station to better review efforts to deal with underground pipe and tank degradation. The notice included few other details. In January the NRC cited FirstEnergy for failing to perform timely tests of a shock-absorption system, or "snubbers," on the steam piping of Beaver Valley Unit 2. The NRC said an unnamed official at the plant in 2007 or 2008 unintentionally miscoded the testing schedule for the snubbers.

<http://triblive.com/news/adminpage/3611231-74/plant-beaver-nuclear#axzz2Mrpw00nW>

Update: NRC Denies Appeal for Foreign-Owned UniStar's Proposal to Build 1,600 MW Nuclear Unit at Constellation's Calvert Cliffs Nuclear Power Plant in Maryland

The U.S. Nuclear Regulatory Commission (NRC) today upheld a previous denial by the NRC's Atomic Safety and Licensing Board (ASLB) to issue a license to French-owned UniStar Nuclear to build a new reactor at Constellation's Calvert Cliffs Generating Station in Maryland. The ASLB first denied the request on August 30, 2012, citing the 1954 Atomic Energy Act, which prohibits the NRC from issuing a reactor license to any company owned by a foreign corporation or government. UniStar Nuclear is wholly owned by Electricite de France, which is itself 85 percent owned by the government of France. The company filed a petition to appeal the ASLB's decision in October 2012.

<http://www.reuters.com/article/2013/03/11/nirs-nuclear-nrc-idUSnPnDC74768+160+PRN20130311>

<http://www.somdnews.com/article/20130311/NEWS/130319989/1229/commission-denies-appeal-for-calvert-cliffs-3-application&template=southernMaryland>

Update: NRC Releases Mitsubishi Report Detailing Design Flaws on Replacement Steam Generator Tubes Installed at SCE's San Onofre Nuclear Power Plant in California

The U.S. Nuclear Regulatory Commission (NRC) on Friday released a redacted report submitted by Mitsubishi Heavy Industries (MHI) detailing the root causes of design flaws on replacement steam generator tubes installed at Southern California Edison's (SCE) San Onofre Nuclear Generating Station in 2010 and 2011. Both units at San Onofre have been shut since January 2012, when operators discovered that excessive vibration had prematurely damaged the steam generator tubes. The MHI report cites ineffective tube supports, dry steam, and high steam flow velocity as the causes of the premature tube wear. Critics have said the MHI report shows the utility was aware of problems with the generator design when the replacement tubes were installed. SCE's parent company Edison International on Friday said MHI repeatedly reassured SCE of the efficacy of the design, and reiterated that an NRC augmented inspection team reported last July that MHI's use of faulty computer modeling in the design process caused the company to inadequately predict the dryness of the steam, measured by void fraction, in the replacement steam generators. SCE said it never rejected a proposed design change to address void fraction based on its impact on compliance with federal regulations, as has been suggested by plant critics.

Reuters, 17:15 March 8, 2013

<http://pbadupws.nrc.gov/docs/ML1305/ML130570012.html>

<http://www.edison.com/pressroom/pr.asp?id=8094>

NRC Says Entergy's Palisades Nuclear Power Plant in Michigan at Risk of Pressurized Thermal Shock

The U.S. Nuclear Regulatory Commission (NRC) on Thursday announced it will hold a webinar on March 19 to discuss pressurized thermal shock and how it relates to Entergy's Palisades nuclear power plant. Pressurized thermal shock could occur in a rare accident scenario in which a large amount of cold water has to be injected into the reactor, resulting in its rapid cooling, which could compromise the vessel's integrity, especially as it ages and becomes more brittle. The NRC has said that the Palisades reactor vessel will reach its "embrittlement limits" in 2017. If operators don't take steps to address the issue before then, they will have to shut the reactor. Other nuclear power plants with pressurized water reactors are facing similar challenges, but Palisades is one of the plants closest to its embrittlement limit. Entergy said it plans to perform additional inspections in 2013 and submit an updated evaluation to the NRC in the spring of 2014.

<http://pbadupws.nrc.gov/docs/ML1306/ML13067A241.pdf>

<http://www.reuters.com/article/2013/03/08/utilities-entergy-palisades-idUSL1NOC0B0520130308?feedType=RSS&feedName=marketsNews&rpc=43>

North Sky River Energy's 160 MW North Sky River Wind Project in California Returns to Service by March 10

The unit returned from an unplanned outage that began by March 9.

<http://content.caiso.com/unitstatus/data/unitstatus201303101515.html>

Mirant's 312 MW Pittsburg Natural Gas-Fired Unit 5 in California Returns to Service by March 10

The unit returned from an unplanned outage that began by March 5.

<http://content.caiso.com/unitstatus/data/unitstatus201303101515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201303051515.html>

GenOn's 320 MW Etiwanda Natural Gas-Fired Unit 3 in California Shut by March 10

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201303101515.html>

AES's 175 MW Redondo Natural Gas-Fired Unit 6 in California Returns to Service by March 8

The unit returned from an unplanned outage that began by March 5.

<http://content.aiso.com/unitstatus/data/unitstatus201303081515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201303051515.html>

City of Vernon's 134 MW Malburg Natural Gas-Fired Unit in California Returns to Service by March 8

The unit returned from an outage that began by March 7 and was due to both planned and unplanned causes.

<http://content.aiso.com/unitstatus/data/unitstatus201303081515.html>

AES's 226 MW Huntington Beach Natural Gas-Fired Unit 1 in California Shut by March 8

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201303081515.html>

Petroleum

Update: Shell Restarts 300,000 b/d Houston-to-Houma Crude Oil Pipeline by March 8 after Temporary Shutdown Due to Leak in Louisiana March 7

Shell Pipeline on Friday reported its Houma-to-Houston crude oil pipeline had resumed service after a temporary shutdown on a segment of the pipeline last Thursday due to a small leak near Iowa, Louisiana. Shell estimates that a single barrel of oil had leaked, according to a filing with the U.S. National Response Center. The cause of the spill is still under investigation.

Reuters, 20:09 March 8, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1040314

Phillips 66 Restarts Its 247,000 b/d Sweeny, Texas Refinery after Power Loss Shuts Several Process Units March 10; Says It Will Take Several Days to Resume Normal Operations

Phillips 66 on Monday said it would take several days to resume normal operations at its Sweeny refinery after a loss of power from a third-party power supplier resulted in a temporary shutdown on Sunday. Several process units shut down or experienced operational difficulties due to the power loss, resulting in flaring and excess emissions, according to a filing with the Texas Commission on Environmental Quality. Plant safety systems functioned properly during the upset. Operators began restart procedures Sunday night.

Reuters, 12:21 March 11, 2013

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=180220>

Shell Reports Equipment Failure, Brief Fire at Its 329,800 b/d Deer Park, Texas Refinery March 9; Unclear Whether Incidents Were Related

Shell Oil Co. reported an unspecified equipment failure at its Deer Park refinery during normal operations on Saturday resulted in a release of acid gas to the flare stack, according to a filing with the U.S. National Response Center. Operators later reported a small fire was quickly extinguished at the plant on Saturday, without specifying the units involved. The cause of the incident is under investigation.

Reuters, 01:36 March 11, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1040507

Natural Gas

Southern Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas March 7 and March 10

Southern Union Gas Services reported it was flaring low pressure inlet gas at its Keystone plant last Thursday because field compressors went down, and Unit 23 was also down for repairs, according to a filing with the Texas Commission on Environmental Quality. Operators on Sunday reported they were flaring low pressure gas again because field compressors were down, and because Unit 23 wasn't operating due to electrical problems.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=180134>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=180213>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
March 11, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	91.35	89.73	107.80
NATURAL GAS Henry Hub \$/Million Btu	3.57	3.54	2.24

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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