



ENERGY ASSURANCE DAILY

Wednesday Evening, March 21, 2012

Electricity

State Allows Georgia Power to Retire 602 MW of Oil- and Coal-Fired Generation in Georgia Due to EPA Pollution Regulations

The Georgia Public Service Commission (PSC) yesterday approved Georgia Power's request to retire two coal-fired units totaling 569 MW at Plant Branch in Putnam County, Georgia by the end of 2013 and one 33 MW oil-fired unit at Plant Mitchell in Mitchell County, Georgia in 2012. Georgia Power filed its application to retire these plants due to pending U.S. Environmental Protection Agency regulations. The decision allows Georgia Power to replace the generation from these plants by purchasing 998 MW of additional generation from three Southern Power Company generation plants (Harris, West Georgia, and Dahlberg) under purchase power agreements, beginning in 2015. The PSC also approved the company's request to initiate construction of pollution controls at its Plant Bowen Units 1-4, Plant Wansley Units 1-2, and Plant Hammond Units 1-4.

<http://www.reuters.com/article/2012/03/20/usa-power-georgia-idUSL1E8EKPL820120320?feedType=RSS&feedName=financialsSector&rpc=43>
<http://www.psc.state.ga.us/GetNewsRecordAttachment.aspx?ID=166>

First Wind to Build 69 MW Kawaihoa Wind Project in Oahu and 21 MW Kaheawa Wind II Project in Maui

First Wind Holdings LLC yesterday announced that it has obtained financing for its 69 MW Kawaihoa Wind project on Kamehameha Schools' Kawaihoa Plantation lands on Oahu's North Shore. Early construction work on the project began in December 2011 and is expected to be completed by the end of 2012. The project's thirty 2.3 MW Siemens wind turbines will have the capacity to generate enough energy to power as much as five percent of Oahu's annual electrical demand. In December 2011, the Hawaii Public Utilities Commission approved a power purchase agreement between Kawaihoa Wind and the Hawaiian Electric Company. First Wind is also currently building a wind project in Maui, Kaheawa Wind II, which will consist of 14 wind turbines capable of generating 21 MW of energy.

http://www.firstwind.com/sites/default/files/Kawaihoa%20Financing%20Press%20Release%20032012_FINAL.pdf

NorthWestern Energy to Build 40 MW Spion Kop Wind Project in Montana

NorthWestern Energy has approved Compass Wind to move forward with construction on the 40 MW Spion Kop Wind Project near the central Montana community of Geysers. The Montana Public Service Commission approved placement of the project into the company's regulated rate base in mid-February. The Spion Kop Wind Project will include twenty-five 1.6 MW GE wind turbines. Construction is set to begin later this spring, and the project is due to be completed by the end of the year.

<http://www.northwesternenergy.com/OurCompany/NewsCenter/displaynews.aspx?Article=7076&item=20>

Court Sets Aside CPUC Approval of PG&E's Plans to Build 586 MW Natural-Gas Fired Power Plant in California

The First District Court of Appeal in San Francisco on March 16 voted to set aside the California Public Utilities Commission's (CPUC) decision to allow Pacific Gas and Electric Company (PG&E) to complete construction on a new 586 MW natural gas-fired power plant in Contra Costa County in June 2016. In voting to allow the plant to come online in June 2016, the CPUC said the new plant would address increasing power needs, the clean-burning fuel would reduce greenhouse gas emissions, and PG&E might lose its financing if approval were delayed. The Utility Reform Network (TURN) opposed the vote, arguing it hadn't had time to compile evidence or present its findings against the project. The District Court agreed with TURN and voted to set aside the CPUC decision.

http://www.mynews4.com/news/state/story/Court-sets-aside-approval-of-gas-plant-in-Oakley/w_veORjf8U6IEOFuwVikKg.csp?rss=3303
<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2012/03/20/BA8J1NMB75.DTL>

Update: Vermont Appeals Court Decision Permitting Entergy to Continue Operating 563 MW Vermont Yankee Nuclear Plant

Vermont has argued state law can require Entergy to shut the Vermont Yankee nuclear power plant when its first federal operating license expires March 21, 2012. In January the U.S. District Court found that federal laws governing nuclear power plants, particularly with regard to safety, preempt state laws. Vermont appealed that ruling to the Second Circuit Court of Appeals in New York, arguing the state could shut the plant through the Vermont Public Service Board, which is considering Entergy's application for a new certificate of public good, by preventing Entergy from storing any spent fuel beyond March 21. Pending a decision on that appeal, the District Court blocked the state from shutting the plant over the spent fuel issue because it found a shutdown would cause "irreparable harm" to Entergy and the plant's workers. The Board has not said when it will decide on Entergy's application for the certificate of public good.

<http://www.reuters.com/article/2012/03/20/utilities-entergy-vermontyankee-idUSL1E8EKGDD20120320>

Update: Indiana-Michigan Power's 1,060 MW D.C. Cook Nuclear Unit 2 in Michigan Shut by March 21

On the morning of March 20 the unit was operating at 69 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Petroleum

Obama to Expedite Permit for Southern Portion of Keystone XL Pipeline – Source

President Obama is expected Thursday to announce his administration's intention to expedite the permit for the southern half of TransCanada's proposed Keystone XL pipeline project, according to a source familiar with the President's plans. Late in February TransCanada announced it would build the Cushing to U.S. Gulf Coast portion of the Keystone XL Project as a stand-alone Gulf Coast Project, for service in mid-to-late 2013. Reports yesterday quote a White House official as saying, "On Thursday, the president will reiterate his administration's commitment to expediting the construction of a pipeline from Cushing, Oklahoma to the Gulf of Mexico, relieving a bottleneck of oil and bringing domestic resources to market."

<http://whitehouse.blogs.cnn.com/2012/03/20/obama-to-fast-track-southern-half-of-keystone-xl-pipeline/>

USW Members at Tesoro's 125,000 b/d Anacortes, Washington Refinery Authorize Bargaining Committee to Call a Strike

United Steelworkers (USW) members at Tesoro's Anacortes, Washington refinery voted Monday to give their negotiating committee the authorization to call for a strike if necessary. This is the second Tesoro location to give strike authorization. The Golden Eagle refinery in Martinez, California was the first to do so two weeks ago. Members are concerned about retaining their ability under the National Labor Relations Act to bargain over any benefit changes or eliminations the company wants to make, a USW official said.

http://www.usw.org/media_center/releases_advisories?id=0521

Chevron Reports Ruptured Pipe at Its 330,000 b/d Pascagoula, Mississippi Refinery March 19

Chevron reported that early Monday morning cutter stock was discharged from a ruptured pipe into a ditch that runs in front of its Pascagoula refinery, according to a filing with the U.S. National Response Center. Crews were placing a boom around the spill and waiting for a contractor to make repairs, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1006142

Update: Valero Says Flaring Related to Valve Issue on a Light Ends Unit at Its 139,000 b/d Wilmington, California Refinery March 19

Valero Energy Corp. said on Tuesday that the flaring it reported the day before was related to a valve issue on a light ends unit at its Wilmington refinery, according to a company spokesman, who said the incident has had no material impact to production.

Reuters, 15:03 March 20, 2012

CenterPoint Energy Gas Files with FERC to Establish Perryville Hub Trading Point for Natural Gas in Northeastern Louisiana

CenterPoint Energy Gas Transmission Company, LLC (CEGT) announced today a filing with the Federal Energy Regulatory Commission (FERC) to amend certain provisions in its tariff to establish a Perryville Hub Trading Point (PTP) within the existing Perryville Hub (PVH) that can be accessed for primary or secondary receipt and/or delivery of natural gas using the company's firm and interruptible transportation and wheeling services. The PTP will have access to receive or deliver natural gas from the 21 interconnects CEGT has with interstate pipelines in the Perryville Hub, in northeastern Louisiana. CEGT also proposes to establish the PTP as a site for trading or title transfers of natural gas between the company's shippers and/or non-shippers. In 2013, the PVH will directly connect with the 7 Bcf Perryville Gas Storage project. The company expects the PTP tariff sheets to go into effect in May 2012.

<http://www.centerpointenergy.com/newsroom/newsreleases/2758403db2236310VgnVCM10000026a10d0aRCRD/>

Power Outage Shuts AGI Units at Enbridge's Tilden Gas Plant in Texas March 20

Enbridge reported that acid gas injector (AGI) Units 1 and 2 went down due to a power outage Tuesday, according to a filing with the Texas Commission on Environmental Quality. Operators responded immediately to correct situation and minimized emissions by sending all vented gas to the flare.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166198>

Clean Energy to Partner with Saddle Creek Corporation to Develop Natural Gas Fueling Stations Nationwide

<http://www.businesswire.com/news/home/20120319005367/en/Clean-Energy-Signs-Strategic-Partnership-Saddle-Creek>

Other News

MIT Researchers Say Storing CO2 in Deep Saline Aquifers Can Stabilize Emissions from U.S. Coal-Fired Power Plants at Current Levels for 100 Years

A new study by researchers at the Massachusetts Institute of Technology (MIT) shows that there is enough capacity in deep saline aquifers in the United States to store at least a century's worth of carbon dioxide (CO2) emissions from the nation's coal-fired power plants. The study clarifies the potential of carbon capture and storage (CCS) to mitigate emissions in the United States by capturing, compressing, and storing CO2 in deep saline aquifers, more than half a mile below the surface and far below the freshwater sources used for human consumption and agriculture. The researchers show that in the United States, if CO2 production from power generation continues to rise at recent rates, then CCS can store enough CO2 to stabilize emissions at current levels for at least 100 years.

http://www.eurekalert.org/pub_releases/2012-03/miot-mrs031912.php

<http://www.pnas.org/content/early/2012/03/15/1115347109.abstract>

International News

U.S. Exempts 11 Nations from Economic Sanctions after Those Nations Reduce Petroleum Purchases from Iran

U.S. Secretary of State Hillary Rodham Clinton on Tuesday granted exemptions from U.S. economic sanctions against Iran to Belgium, Britain, the Czech Republic, France, Germany, Greece, Italy, the Netherlands, Poland, Spain, and Japan because they have significantly reduced their purchases of petroleum from Iran. President Obama must decide by March 30 whether oil prices and supplies are sufficient enough to levy sanctions later this year on countries that still buy oil from Iran.

http://www.cbsnews.com/8301-202_162-57401046/u.s-exempts-11-nations-from-iran-sanctions/

Energy Prices

U.S. Oil and Gas Prices			
March 21, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	106.90	106.05	102.12
NATURAL GAS Henry Hub \$/Million Btu	2.19	2.15	3.98

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 EST every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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