



ENERGY ASSURANCE DAILY

Tuesday Evening, March 27, 2012

Electricity

EPA Proposes New Source Performance Standard to Cut GHG Emissions from New Power Plants; Effectively Bans New Coal-Fired Plants without Carbon-Capture Technology

The U.S. Environmental Protection Agency (EPA) on Tuesday proposed the first ever standards cutting greenhouse gas (GHG) emissions from new power plants, effectively banning new coal-fired stations unless they use carbon-capture technology. The New Source Performance Standard, which has been proposed under the Clean Air Act, would set a limit of 1000 pounds of carbon dioxide (CO₂) emissions per megawatt hour, according to an EPA news release. The average U.S. natural gas-fired plant emits 800 to 850 pounds of CO₂ per megawatt; coal-fired plants emit an average of 1,768 pounds of CO₂ per megawatt. The proposed rule wouldn't apply to existing power plants, including those making modifications to comply with other air-pollution rules. The rule would also exempt new plants that are permitted and under construction within the next 12 months. The Obama administration will accept public comments on the proposal for 60 days before finalizing the rule; it is unclear whether the administration will sign the rule into law before the November presidential election.

DJN 11:11, March 27, 2012

http://www.washingtonpost.com/national/health-science/epa-to-impose-first-greenhouse-gas-limits-on-power-plants/2012/03/26/gIQAiJTscS_story.html?hpid=z4

<http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceac8525735900400c27/9b4e8033d7e641d9852579ce005ae957!OpenDocument>

Update: Wolf Creek Restarts 1,165 MW Wolf Creek Nuclear Unit 1 in Kansas March 26 after 10-Week Outage; Ramps Up to 9 Percent by March 27

Wolf Creek Nuclear Operating Corp restarted and reconnected its Wolf Creek nuclear plant to the grid on Tuesday, according to the U.S. Nuclear Regulatory Commission (NRC). Operators declared an unusual event and shut the reactor January 13 after a failure of a main generator electrical breaker was followed by an unexplained loss of power to a startup transformer. According to an NRC spokesman, a Wolf Creek investigation indicated foreign material may have been present in the newly installed breaker that failed. Operators replaced that and another similar breaker. Investigators traced the startup transformer problem to improper insulation on a wiring connection which has been repaired, the NRC spokesman said.

<http://www.reuters.com/article/2012/03/27/utilities-operations-wolfcreek-kansas-idUSL2E8ERSAV20120327>

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

DTE Delays Plans to Transfer Spent Fuel at Its 1,089 MW Fermi Nuclear Unit 2 in Michigan until It Reinforces Reactor Building's Floor

DTE Energy is delaying plans to transfer used nuclear fuel stored in a pool inside the Fermi Unit 2 plant to a system of outside storage casks until next summer, because it must first reinforce the reactor building's first-floor flooring. Used fuel from the reactor is stored on racks and immersed in water in a cooling pool in the reactor building. At the Fermi plant, the Unit 2 fuel pool is running out of storage space. Operators planned to move some of the fuel into huge casks for storage on an outside concrete pad on plant grounds, but engineering reviews raised concerns about whether the first floor could withstand the impact of a 300,000-pound loaded cask if an earthquake toppled it during the move. To address this risk, DTE will reinforce the flooring later this year or early next year.

<http://www.monroenews.com/apps/pbcs.dll/article?AID=/20120323/NEWS01/703229971/-1/NEWS>

Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Reduced to 31 Percent by March 27

On the morning of March 26 the unit was operating at 94 percent.

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

Update: Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina Reduced to 55 Percent by March 27

On the morning of March 26 the unit was operating at 98 percent.

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

AEP Restarts 558 MW Welsh Coal-fired Unit 1 in Texas March 27 after Unspecified Outage Activity

AEP reported it was restarting Unit 1 after outage activity and expected related emissions to occur until April 3.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=165931>

Update: Delta Power's 240 MW Crockett Cogen Gas-Fired Unit in California Returns to Service by March 26

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201203261515.html>

Duke, Progress Promise to Enhance Transmission System in North and South Carolina in Bid to Gain FERC Merger Approval

Duke Energy Corp. and Progress Energy Inc. said Monday they will build new power transmission lines or enhance existing ones to gain approval from the U.S. Federal Energy Regulatory Commission (FERC) for Duke's buyout of Progress Energy, which was announced in January 2011. FERC twice last year denied approval because it was concerned the companies were not doing enough to protect competition in their North Carolina and South Carolina home markets. FERC has suggested the companies could sell power plants, build new transmission lines, or give up control of their transmission system to a regional operator. Duke and Progress Energy say they will launch seven transmission projects to expand the ability of wholesale customers within the region to access energy sources from outside retailers. The transmission projects include one new transmission line in Eastern North Carolina already being planned, new equipment that increases transmission capacity of existing power lines, and adding extra lines to existing towers, a Progress Energy spokesman said. The projects could be completed within three years, he said.

<http://finance.yahoo.com/news/duke-progress-promise-build-power-162117859.html>

Petroleum

Update: Enterprise, Enbridge Announce 450,000 b/d Expansion of Seaway Crude Oil Pipeline from Cushing to U.S. Gulf Coast

Enbridge Inc. and Enterprise Products Partners L.P. yesterday announced that they have secured capacity commitments from shippers to proceed with an expansion of the Seaway Pipeline that will more than double its capacity to 850,000 b/d by mid-2014. During the supplemental binding open commitment period, Enterprise and Enbridge received additional commitments that support construction of a 512-mile, 30-inch twin line along the route of the Seaway Pipeline, adding 450,000 b/d of capacity to the existing system. This capacity can be expanded with the addition of incremental pump stations. Commitments from shippers include those for volumes originating at Cushing, Oklahoma and those for volumes originating at Flanagan, Illinois and transiting to the Seaway System via Enbridge's Flanagan South Pipeline, which Enbridge plans also to expand (see details in story below). Enterprise and Enbridge are nearing completion of the first phase of the reversal of the Seaway Pipeline, which will provide 150,000 b/d of southbound takeaway capacity from Cushing to the Gulf Coast by June 1, 2012. Following pump station additions and modifications, which are expected to be completed by the first quarter 2013, capacity would increase to 400,000 b/d, assuming a mix of light and heavy grades of crude oil.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2012&id=1589619>

Enbridge to Expand Capacity to 585,000 b/d on Flanagan South Pipeline Project from Illinois to Oklahoma to Enhance Gulf Coast Access Projects

Enbridge Inc. yesterday announced that it is upsizing its Flanagan South Pipeline from Flanagan, Illinois to Cushing, Oklahoma to a 36-inch diameter line with an initial capacity of 585,000 b/d. The expanded Flanagan South Pipeline is required to accommodate additional commitments for Gulf Coast service originating from a recently completed open season. Should additional needs arise, the line can be expanded to 800,000 b/d through the addition of pumping capacity. The Flanagan South Pipeline is expected to be in service by mid-2014. The Flanagan South Pipeline will be constructed along the route of Enbridge's existing Spearhead Pipeline between the Flanagan Terminal, southeast of Chicago, to Enbridge's Cushing Terminal in Oklahoma.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2012&id=1589620>

Update: Kinder Morgan to Further Increase Crude Oil Storage Capacity at Trans Mountain Pipeline's Edmonton, Alberta Terminal

Kinder Morgan Energy Partners, L.P. today announced plans to construct an additional 1.2 million barrels of merchant storage capacity at Trans Mountain pipeline's Edmonton terminal in Strathcona County, Alberta. Kinder Morgan previously announced in November 2011 that it would build 2.4 million barrels of storage at the Edmonton facility. All 3.6 million barrels of storage capacity are expected to be in service by late 2013. Kinder Morgan is currently in active discussions with other companies for further expansion that will ultimately allow for over 6 million barrels of dedicated storage at the terminal.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1677087>

Update: Chevron Completes Cleanup after Oil Spill at Its 330,000 b/d Pascagoula, Mississippi Refinery March 26; Line that Leaked Remains Shut for Repairs

Chevron Corp. said Monday it had recovered the heavy oil that spilled into Bayou Casotte after a pipe was discovered leaking earlier this month, according to reports. The line that leaked is still clamped for repairs and inspection, a company manager said, and the cause of the leak is still under investigation.

http://blog.gulflive.com/mississippi-press-news/2012/03/chevron_refinery_oil_spill_cle.html

BP Reports Hydrofluoric Acid Leak in Alkylation Unit at Its 455,790 b/d Texas City, Texas Refinery March 27

BP Plc on Tuesday reported a hydrofluoric acid leak in Alkylation Unit 3 at its Texas City refinery led to a shelter-in-place warning on the refinery grounds. Operators sprayed water over the leak site to limit the spread of vapor and drained the remaining acid into a storage tank, the spokesman said. A preliminary report issued to the Texas Commission on Environmental Quality estimated that about 100 pounds of hydrofluoric acid were released. DJN, 12:15 March 27, 2012

Natural Gas

Chevron Phillips Chemical Announces 22,000 b/d NGL Fractionation Unit Expansion at the Sweeny Plant in Old Ocean, Texas

Chevron Phillips Chemical Company LP will expand the natural gas liquids (NGL) fractionator complex at its Sweeny Plant to increase capacity by approximately 22,000 b/d, according to a press release yesterday. The release cites as a main driver the rapid development of natural gas, crude oil, and NGLs from shale formations in the region, and Chevron Phillips Chemical will take additional raw NGL product from the Eagle Ford and Permian basins for conversion into consumer and commercial products at the plant. The NGL fractionation unit at Sweeny is currently made up of two trains and has a capacity of 116,000 b/d.

<http://www.cpchem.com/en-us/news/Pages/Chevron-Phillips-Chemical-To-Expand-the-NGL-Fractionation-Unit-at-the-Sweeny-Plant-in-Old-Ocean,-Texas---.aspx>

Other News

Nothing to report

International News

Kurdistan Regional Government Curtails Exports to 50,000 b/d from Northern Iraq amid Disputes with Baghdad

A spokesman for Iraq's Kurdistan regional government said on Monday that it had decided to reduce exports to 50,000 b/d because of a lack of payment from the country's central government in Baghdad, and that it would cease exports altogether in a month if payments are withheld. Iraqi Oil Minister Abdul Kareem Luaibi said earlier this month that central authorities had only received 65,000 b/d of oil from the Kurdish region since the start of the year, less than half of the 175,000 b/d expected.

Reuters, 12:02 March 26, 2012

Update: Total Reports North Sea Gas Leak Is Ongoing; Production Shut at Two Platforms

Total S.A. said Tuesday it was exploring all options, including drilling a relief well, to end an ongoing gas leak at its Elgin production platform in the North Sea, according to reports. The company evacuated all 238 workers off the Elgin platform 240 kilometers (150 miles) east of the Scottish city of Aberdeen after it sprang a leak Sunday for unknown reasons. Total has shut down all production from Elgin as well as the neighboring Franklin field, which together produced around 130,000 barrels of oil equivalent a day on average in 2011. The precise cause of the leak remained unclear Tuesday. In addition to drilling a relief well to stop the leak, officials were considering pouring heavy mud into the well. Another option is to wait for the well to simply run out of gas within a few weeks. The U.K. Coast Guard has established two-mile exclusion zone around the platform affected by the leak. Shell U.K. announced Tuesday it was evacuating workers off its nearby Shearwater platform and Noble Hans Deul drilling rig and suspended drilling operations as a precautionary measure, according to reports.

DJN, 10:29 March 27, 2012

<http://www.ft.com/intl/cms/s/0/5916609a-776d-11e1-827d-00144feab49a.html#axzz1qKIN79pJ>

<http://finance.yahoo.com/news/north-sea-gas-leak-forces-100510968.html>

Energy Prices

U.S. Oil and Gas Prices			
March 27, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	106.98	106.25	104.41
NATURAL GAS Henry Hub \$/Million Btu	2.16	2.14	4.27

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 and 1:00 PM Eastern Time every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM Eastern Time every Thursday.

ENERGY ASSURANCE DAILY

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

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