



ENERGY ASSURANCE DAILY

Thursday Evening, March 29, 2012

Electricity

Transformer Failure Cuts Power to 24,000 KIUC Customers on Kaua'i, Hawaii March 28

Kaua'i Island Utility Cooperative (KIUC) reported an island-wide power outage on Wednesday was caused when a transformer failure tripped generation units at its Port Allen Power Generating Station on Kaua'i, according to reports. The accident knocked out power to approximately 24,000 customers, the utility said. As of 9:15 PM local time last night, KIUC had restored power to approximately 90 percent of customers affected by the incident, according to reports.

<http://www.hawaiinewsnow.com/story/17281509/breaking-island-wide-power-outage-on-kauai>

FPL to Build 1,277 MW Natural Gas-Fired Plant, Replace Four Aging Gas-Fired Units at Its Port Everglades Energy Center in Florida

The Florida Public Service Commission this week approved a plan from Florida Power & Light (FPL) to build a 1,277 MW natural gas-fired plant at its Port Everglades energy center in Broward County. FPL plans to replace four aging gas-fired units, totaling 1,200 MW, at the facility with new combined-cycle units. Pending an air permit and other regulatory approvals, FPL expects construction to begin in 2014 and commercial operation to begin in 2016, according to an FPL spokesman.

<http://www.reuters.com/article/2012/03/28/utilities-nextera-porteverglades-idUSL2E8ESWMV20120328?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Turbine Trip Shuts Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina March 28

Progress Energy reported an automatic reactor trip occurred on Unit 2 Wednesday afternoon, according to a filing with the U.S. Nuclear Regulatory Commission. The reactor trip, which occurred when the unit was operating at 55 percent, was the result of a turbine trip from a B Steam Generator Hi Level. Operators are investigating the cause of the incident. All reactor coolant pumps remained running, and the reactor was stable at the time of the filing.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120329en.html>

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

STP's 1,251 MW South Texas Nuclear Unit 1 in Texas Reduced to 75 Percent by March 29

On the morning of March 28 the unit was operating at full power.

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

Update: Wolf Creek's 1,165 MW Wolf Creek Nuclear Unit 1 in Kansas Ramped Up to 95 Percent by March 29

On the morning of March 28 the unit was operating at 48 percent.

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

Dynegy's 335 MW El Segundo Gas-Fired Unit 4 in California Shut by March 28

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201203281515.html>

Update: Mississippi PSC Asks for Proposals on Proceeding with Construction of Southern Co.'s 582 MW Coal-Fired Power Plant Project

The Mississippi Public Service Commission (PSC) has asked Mississippi Power Co., a unit of Southern Co., and the Sierra Club to submit by April 2 proposals on how to proceed with the Kemper County coal-fired power plant. The Mississippi State Supreme Court on March 15 voted unanimously to reverse the PSC's May 2010 approval of Mississippi Power's proposed project to build the plant. The court said the PSC failed to satisfy state law requiring that the plant benefit the utility's customers, and it sent the case back to the PSC. The PSC must now clarify its rationale for approving construction of the plant. The Sierra Club wants the plant construction stopped; Mississippi Power has said it will continue construction of the plant and is confident the project will ultimately be approved.

<http://finance.yahoo.com/news/miss-psc-requests-proposals-coal-171928700.html>

Cross-Border Partnership to Build 450 MW Solar Power Plant in Baja California, Mexico

SolFocus, Inc., Grupo Musa, and Synergy Technologies, LLC today announced the launch of a project to build a 450 MW solar power plant in Baja California near Tecate, Mexico. The project will be built in 50 MW tranches, with construction on the first tranche starting in late 2012 for operation before the end of 2013. The first four of nine 50 MW tranches have been financed so far. The power plant, which will use SolFocus Concentrator Photovoltaic (CPV) equipment, will be owned and operated by SolMex Energy S.A. de C.V., the new company formed by Grupo Musa and Synergy Technologies for the production of solar energy in Mexico. The partnership will build the power plant on land owned by Grupo Musa near Tecate. Grupo Musa will use most of the energy from the initial 50 MW installation to meet energy demands at its various facilities in Northern Mexico.

<http://www.solfocus.com/en/news-events/press-releases/2012-03-29.php>

Petroleum

SCOT Unit Trips Offline at ConocoPhillips's 362,000 b/d Wood River, Illinois Refinery March 28

ConocoPhillips on Thursday reported a Shell Claus Off-Gas Treating (SCOT) unit tripped offline late Wednesday morning at its joint-venture refinery in Wood River, Illinois, according to a filing with state regulators.

<http://www.reuters.com/article/2012/03/29/refinery-operations-conoco-woodriver-idUSWNAB671920120329?feedType=RSS&feedName=industrialsSector&rpc=43>

BP-Husky Shuts Heat Exchanger Due to Leak at Its 125,600 b/d Toledo, Ohio Refinery March 27

BP-Husky Refining LLC reported a leak in a heat exchanger caused a release of approximately 40.9 pounds of low-concentrated benzene into cooling water, which was discharged to the environment, according to a filing with the U.S. National Response Center. Operators were reducing pressure and preparing to shut the unit down at the time of the filing, and they had not yet secured the release.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1007037

ConocoPhillips Reports Unspecified Unit Upset at Its 239,400 b/d Westlake, Louisiana Refinery March 28

ConocoPhillips reported an unspecified unit upset Wednesday afternoon led to a release of sulfur dioxide at its Westlake refinery, according to a filing with the U.S. National Response Center. Operators had secured the release at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1007131

FCCU Air Blower Fails, Leads to Flaring at ExxonMobil's 344,500 b/d Beaumont, Texas Refinery March 27

ExxonMobil Corp. reported a fluid catalytic cracking unit (FCCU) main air blower instrument failed at its Beaumont refinery on Tuesday, resulting in flaring, according to a filing with the Texas Commission on Environmental Quality. Operators repaired the instrument and resumed normal operations, but they anticipated some impact to production.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=166545>

Enterprise's Girardeau Terminal in Missouri Runs Out of Sub-Octane Gasoline March 29, Expects More Supplies March 31

Enterprise Products Partners said on Thursday its Cape Girardeau terminal in Missouri had run out of sub-octane gasoline and wasn't expecting more supplies until midday Saturday, according to reports. Enterprise had previously reported outages of ultra low sulfur diesel (ULSD) and dyed ULSD at the terminal.

Reuters, 11:44 March 29, 2012

Investors Ask Drillers to Estimate the Amount of Natural Gas They Flare at U.S. Shale Oil Operations; Raise Concerns about Pollution and Financial Waste

Thirty-six investors representing \$500 billion in assets sent a letter to 21 oil drillers, including Continental Resources Inc., ExxonMobil Corp., and Chesapeake Energy Corp., asking the companies to disclose by May 1 the amount of natural gas they are flaring at their shale oil operations in North Dakota, Texas, Colorado, and Ohio. Drillers flare the natural gas they can't capture as they collect oil—a practice investors say is a wasteful financial risk. Emissions from flaring and venting natural gas cause air pollution and increase global warming, threatening the industry's license to operate, the investors said in the letter. One third of the gas North Dakota produces is flared, according to the state's government. The investors want to work with production companies to plan solutions to the problem while shale oil production is still in its relative infancy, according to one investment analyst.

Reuters, 23:32 March 29, 2012

Natural Gas

U.S. Natural Gas Storage Owners Halt Injection Services Due to Storage Field Constraints; Storage Sites across U.S. at Their Fullest Ever for March

Owners of some U.S. natural gas storage sites this week rejected some supplies to ensure sufficient space to meet all of their contractual commitments over the summer, an indicator that huge supplies of shale gas from newly exploited deposits might have a significant impact on the market later this year. TransCanada's ANR Storage halted gas injection services indefinitely for interruptible clients this week, "due to storage field constraints," according to a notice on its website. Normally operators don't begin rejecting interruptible customers until much later in the year, when gas levels are higher. Storage sites across the country are at their fullest ever for March, after a mild winter that left stocks more than 50 percent above normal for this time of year. Market analysts are concerned the supply glut will lead producers to sell gas below market prices—in a market whose natural gas prices are already at a 10-year low.

Reuters, 15:55 March 28, 2012

Product Pump Motor Failure Causes Pressure Spike, Leads to Flaring at Enterprise's Mont Belvieu NGL Complex in Texas March 27

Enterprise Product Partners reported a product pump motor failure on Tuesday caused a pressure spike in the system at its natural gas liquids fractionation complex in Mont Belvieu, according to a filing with state regulators. Operators immediately reduced pressure on the system and lined up another pump, flaring excess pressure as necessary, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166517>

Exterran Reports Engine Shutdown at Its 50 MMcf/d Reinecke Gas Plant in Texas March 27

Exterran reported Engine 74156 shut down on left bank manifold pressure at its Reinecke gas plant on Tuesday, according to a filing with the Texas Commission on Environmental Quality. Upon restarting the unit, operators found antifreeze in the crank case. They shut the engine back down to investigate the issue.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166521>

Other News

Nothing to report

International News

Update: Valero Completes Shutdown of Its 235,000 b/d Aruba Refinery March 28

Valero Energy Corp. on Wednesday said it had completed shutting down its Aruba refinery. The company announced March 19 that it was shutting the refinery due to low margins.

Reuters, 14:26 March 28, 2012

Update: Sudan, South Sudan withdraw Forces to Previous Positions, Halt Attacks on Major Oilfields March 28

South Sudan's troops pulled out of Sudan's oil-producing Heglig area after two days of clashes, both sides said on Wednesday. The United Nations confirmed each country had committed Wednesday to withdraw its forces to previous positions, and that representatives from both governments were due to meet in Addis Ababa on March 30. The two countries have been involved in an ongoing, escalating dispute about how much the landlocked South Sudan should pay to transport its oil through Sudan. In early February South Sudan shut down its production of 350,000 b/d of oil, most of which it exports to China, to stop Sudan from seizing it. Heglig contains a large oil field that pumps around half of Sudan's 115,000 b/d of oil output, according to reports.

Reuters, 15:59 March 28, 2012

Energy Prices

U.S. Oil and Gas Prices			
March 29, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	103.46	104.78	104.14
NATURAL GAS Henry Hub \$/Million Btu	2.05	2.21	4.35

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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