



ENERGY ASSURANCE DAILY

Wednesday Evening, April 03, 2013

Electricity

Cyber Security for Smart Grid Industrial Control Systems Continues to Face Funding Challenges – Navigant Report

Discussions of security for smart grid industrial control systems (ICS) among utilities, vendors, systems integrators, and public regulators have become more common in recent years, and utilities as a group appear to be better informed of cyber risks to their grids and substations. However, funding for these upgrades remains spotty, according to a recent report from Navigant Research. The report, "Industrial Control Systems Security", examines in detail the market dynamics and most important technology issues for the emerging smart grid control systems security sector. The report profiles key providers of control systems cyber security, and provides detailed analysis of the market by smart grid application, by region, and by type of control system technology, including human-machine interfaces, control consoles, telecommunications, and device controllers. Worldwide market forecasts for 2012 through 2020, segmented by application, by technology, and by region, are also presented. An Executive Summary of the report is available for free download on the Navigant Research website.

<http://www.navigantresearch.com/newsroom/smart-grid-industrial-control-systems-continue-to-face-funding-challenges>

Update: SCE&G's 966 MW Summer Nuclear Unit 1 in South Carolina Restarts by April 2, Ramps Up to 38 Percent by April 3

The unit restarted and ramped up to 2 percent by April 2 and 38 percent by April 3. South Carolina Electric & Gas Company (SCE&G) took the unit offline March 22 for a planned mid-cycle maintenance outage to replace to a reactor coolant pump seal that hadn't been performing as desired.

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

Update: Southern's 870 MW Hatch Nuclear Unit 2 in Georgia Ramped Up to 99 Percent by April 3

On the morning of April 2 the unit was operating at 77 percent.

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

Malfunction Causes Turbine Oil to Spill into Grand River from BWL's 350 MW Eckert Power Plant in Michigan March 31

Less than 300 gallons of turbine oil spilled into the Grand River in Michigan on Sunday night due to an equipment malfunction at the Lansing Board of Water and Light's (BWL) Eckert Power plant. The incident occurred when the malfunction caused turbine oil to spill and overflow a containment area, causing the oil to reach a portion of the plant adjacent to the river near downtown Lansing. BWL said it has notified the Environmental Protection Agency and the Michigan Department of Environmental Quality of the incident and it is following standard cleanup procedures under the inspection of MDEQ.

http://www.lansingstatejournal.com/article/20130401/NEWS01/304010069/BWL-reports-oil-spill-Grand-River?nclick_check=1

<http://www.lbwl.com/company.facilities.aspx>

Update: PHMSA Issues Corrective Order to Exxon after Pegasus Pipeline Oil Spill in Arkansas

The Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) on Tuesday issued ExxonMobil a corrective action order after an oil spill from the company's 96,000 b/d Pegasus Pipeline near Mayflower, Arkansas on Friday. Federal officials ordered Exxon to test the pipeline, address immediate safety concerns and submit a remedial work plan before it can resume operations. The order stated that about 3,500 to 5,000 barrels of oil spilled as a result of the pipeline rupture. The 20-inch crude oil pipeline originates in Patoka, Illinois and terminates in Nederland, Texas.

<http://finance.yahoo.com/news/feds-send-corrective-order-exxon-235532509.html>

Update: Phillips 66 Restarts Some Units at its 198,400 b/d Ponca City, Oklahoma Refinery

Phillips 66 is in the process of restarting some units at its 198,400 b/d Ponca City, Oklahoma Refinery. Several units were shut down over the weekend and Monday because of severe weather. Some units were already restarted but officials declined to specify which ones.

Reuters, 12:18 April 3, 2013

U.S. Chemical Safety Board to Present Interim Report from August 2012 Chevron Richmond, California Refinery Fire April 19

<http://www.csb.gov/newsroom/detail.aspx?nid=462>

Kinder Morgan Announces Open Season for Proposed 277,000 b/d Freedom Crude Oil Pipeline to Serve California Refining Centers

Kinder Morgan Freedom Pipeline LLC, a subsidiary of Kinder Morgan Energy Partners, L.P., is conducting a binding open season for a pipeline to transport crude oil from the Permian Basin of West Texas to serve the refining complexes of northern and southern California. The Kinder Morgan Freedom Pipeline is the only westbound crude oil pipeline proposed from the Permian Basin and would enable the transportation of crude oil from the Wink-Midland, Texas area to anticipated intrastate pipeline interconnection locations near Emidio and Pentland, California. The project would have an initial capacity of approximately 277,000 b/d. As currently planned, the Kinder Morgan Freedom Pipeline Project will consist of the following major components: Conversion to crude oil service of approximately 740 miles of existing natural gas pipeline currently owned by EPNG, as well as a return to service of inactive EPNG lines and construction of new crude pipeline; and pumping stations and construction of approximately 22 miles of new pipeline for interconnections in California and approximately 200 miles of pipeline between Wink and El Paso, Texas. Subject to receiving customer support and regulatory approvals, construction of the pipeline could begin by June 2015, with an in-service date planned in the late fourth quarter of 2016.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1802592&highlight=>

Natural Gas

Substation Power Failure Shuts Atlas Pipeline's 195 MMcf/d Midkiff Gas Plant in Texas April 3

A power failure at the Sherryland substation has shut Atlas Pipeline's Midkiff gas plant, according to a filing with the Texas Commission on Environmental Quality. Emissions were associated with the shutdown.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=180845>

Electrical Malfunction Shuts AGI Units at Enbridge's Tilden Gas Plant in Texas April 2

Enbridge reported electrical malfunctions in one portion of gas processing as well as compressor malfunctions caused acid gas injector (AGI) Units 1 and 2 to shut down at its Tilden gas plant Tuesday evening, according to filings with the Texas Commission on Environmental Quality. As operators were restarting the units, process gas was routed to flare to mitigate emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=181173>

Other News

Nothing to report.

International News

Update: South Sudan to Restart Oil Production Next Week

South Sudan hopes to restart oil production next week after more than a year of closure, following a border security deal with Sudan. Negotiations are taking place for the final paperwork required to resume crude oil production from South Sudan's oil fields, and flows through pipelines and ports in the north. South Sudan expects to initially start pumping around 30,000-40,000 b/d of crude as early as next week, before reaching a pre-independence capacity of around 350,000 b/d within two months. Analysts expect the country's exports to resume by next month.

http://www.rigzone.com/news/article_pf.asp?a_id=125547

ExxonMobil Proposes World's Biggest Floating LNG Facility Off the Coast of Australia

ExxonMobil Corp. and partner BHP Billiton Ltd. propose to develop the world's biggest floating liquefied natural gas (FLNG) facility off the coast of northeastern Australia. Exxon and BHP will anchor a vessel extending 495 meters at sea to tap into the remote Scarborough natural gas field offshore Western Australia. The proposed facility would produce between 6 million and 7 million metric tons of LNG a year for several decades. Early design work would begin next year, ahead of a final investment decision in 2014-15, Exxon said in a filing to the federal government's environment department. First production is targeted for 2020. The Scarborough field is estimated to hold up to 10 trillion cubic feet in gas reserves.

http://www.rigzone.com/news/oil_gas/a/125521/ExxonMobil_Plans_Worlds_Biggest_FLNG_Facility

Energy Prices

U.S. Oil and Gas Prices			
April 3, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	95.67	96.19	104.68
NATURAL GAS Henry Hub \$/Million Btu	4.07	3.99	1.88

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

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