



U.S. DEPARTMENT OF ENERGY  
Office of Electricity Delivery and Energy Reliability  
Infrastructure Security and Energy Restoration

# ENERGY ASSURANCE DAILY

Friday Evening, April 13, 2012

## ***Electricity***

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### **Update: SCE Finds More Unusual Wear on Steam Generator Tubes at Its 2,150 MW San Onofre Nuclear Power Plant in California**

Southern California Edison (SCE) said in a statement Thursday that workers have found unusual wear on tubes in the San Onofre nuclear Unit 2 steam generator that is similar to the degradation in Unit 3, though less severe. SCE has kept both units offline since January to test and inspect steam generators, which have been flagged for unusual tube degradations. Eight steam generator tubes recently failed pressure tests at the Unit 3 nuclear reactor, prompting the U.S. Nuclear Regulatory Commission to formalize commitments that SCE must ensure the cause of the tube wear is understood and appropriately addressed before the plant is allowed to restart. The NRC letter formalizes commitments that SCE has made to ensure that the cause of the tube wear in both steam generators is understood and appropriately addressed to ensure safe operation,

<http://www1.whdh.com/news/articles/national/12007195010385/more-wear-found-on-tubes-at-ailing-cal-nuke-plant/>

### **Maryland PUC Orders Construction of Natural Gas-Fired Power Plant in Waldorf**

The Maryland Public Service Commission on Thursday ordered the construction of a new natural gas-fired power plant and awarded a contract to CPV Maryland LLC to build the new facility in Waldorf. The commission also ordered Baltimore Gas and Electric Co., Potomac Electric Power Co., and Delmarva Power & Light Co. to buy electricity from the plant. CPV expects construction to begin later this year for completion in June 2015, according to a company construction manager. The commission expects Maryland will need 650–700 MW of additional generating capacity by 2015 to keep up with growing demand.

<http://www.baltimoresun.com/business/bs-bz-natural-gas-plant-20120412,0,3634451.story>

### **Interior Estimates an Additional 1.5 Million MWh of Renewable Energy Could Be Generated through Hydropower at Existing Reclamation Sites**

The Department of Interior has identified 373 existing Bureau of Reclamation canals and conduits that have the combined potential of generating an additional 365,219 megawatt-hours (MWh) of hydropower annually. This finding builds upon the 191 existing Reclamation dam and reservoir sites identified in 2011 with a potential of 1.2 million MWh annually. Reclamation has now identified a potential for 1.565 million MWh of additional electricity that could be generated annually at existing Reclamation conduits.

<http://www.doi.gov/news/pressreleases/Additional-1-pt-5-Million-Megawatt-hours-of-Renewable-Energy-Could-Be-Generated-through-Hydropower-at-Existing-Reclamation-Sites.cfm>

### **NRG Energy Cancels Plans to Convert 230 MW Big Cajun I Natural Gas-Fired Plant in Louisiana to Burn Coal Due to Low Natural Gas Prices**

NRG Energy Inc. reported it has cancelled plans to convert its 230 MW Big Cajun I natural gas-fired plant to burn coal, according to a spokesman, who said that low natural gas prices have changed the economics of the plan. NRG Energy first proposed the conversion when natural gas prices were much higher. The plant's operator and NRG Energy subsidiary, Louisiana Generating, allowed a state permit to convert the plant to expire.

<http://theadvocate.com/news/2545635-123/big-cajun-i-sticks-with>

### **Update: Entergy's 979 MW Indian Point Nuclear Unit 3 in New York at Full Power by April 13**

Entergy Corp. shut Indian Point Unit 3 Tuesday night to reconnect the nuclear reactor to an auxiliary transformer that was repaired over the past month. On the morning of April 12 the unit was operating at 11 percent.

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

## **NRG Restarts 893 MW Limestone Coal-Fired Unit 1 in Texas April 11 after Transformer Repair**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=167016>

## **Update: Cabrillo Power's 330 MW Encina Gas-Fired Unit 5 in California Returns to Service by April 12**

The unit returned from an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201204121515.html>

## **Mirant's 312 MW Pittsburg Gas-Fired Unit 5 in California Returns to Service by April 12**

The unit returned from an unplanned curtailment of 172 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201204121515.html>

## **Sycamore Cogeneration's 360 MW Sycamore Natural Gas-Fired Unit in California Reduced by April 12**

The unit entered an unplanned curtailment of 210 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201204121515.html>

## ***Petroleum***

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### **Update: Kinder Morgan to Proceed with Proposed 550,000 b/d Expansion of Trans Mountain Pipeline System from Alberta to Port of Vancouver**

Kinder Morgan Energy Partners, L.P. yesterday announced it will proceed with its proposed plans to expand the existing 715-mile Trans Mountain pipeline system, which transports crude oil and refined petroleum products from Alberta to the Westridge Marine Terminal at the Port of Vancouver, following the receipt of 660,000 b/d of binding commercial support through the recently concluded open season. When completed, the proposed expansion will increase capacity on Trans Mountain from the existing capacity of 300,000 b/d to 850,000 b/d, expanding market access for Canadian crude. The preliminary scope of the proposed project includes twinning the existing pipeline within the existing right-of-way, where possible; adding new pump stations along the route; increasing the number of storage tanks at existing facilities; and expanding the Westridge Marine Terminal. Pending the receipt of all necessary permits, Kinder Morgan anticipates construction will begin in 2016 with the proposed project operating by 2017.

<http://www.calgaryherald.com/business/Kinder+expanding+Trans+Mountain+plan/6452835/story.html>

<http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1682579>

### **Update: Shell, U.S. Coast Guard Report Gulf of Mexico Oil Sheen Is Breaking Up, Dissipating April 12**

Royal Dutch Shell Plc reported at 4:30 CST yesterday afternoon that it had conducted additional aerial and subsea surveillance in the central Gulf of Mexico and determined that the estimated six-barrel light sheen spotted on Wednesday has broken up and is dissipating. The U.S. Coast Guard on Friday confirmed that the sheen has significantly shrunk in size and there is not product to be recovered, according to a spokesman. Federal regulators spotted the sheen Wednesday afternoon and notified Shell, which owns the closest facilities to the leak, the Mars and Ursa platforms. Shell has said it is confident the sheen did not originate from Shell operations. Shell was continuing subsea surveillance and was working with U.S. federal regulatory agencies to determine the cause and nature of the sheen.

DJN, 10:38 April 13, 2012

[http://www.shell.us/home/content/usa/aboutshell/media\\_center/news\\_and\\_press\\_releases/2012/04122012\\_sheen\\_3.htm](http://www.shell.us/home/content/usa/aboutshell/media_center/news_and_press_releases/2012/04122012_sheen_3.htm)

[http://www.shell.us/home/content/usa/aboutshell/media\\_center/news\\_and\\_press\\_releases/2012/04122012\\_sheen.html](http://www.shell.us/home/content/usa/aboutshell/media_center/news_and_press_releases/2012/04122012_sheen.html)

### **Update: Nebraska Lawmakers Approve Bill to Resume a State Review of TransCanada's Proposed 830,000 b/d Keystone XL Crude Oil Pipeline**

<http://www.businessweek.com/ap/2012-04/D9U3E04G1.htm>

### **SRU Snag Causes FCCU Emissions at Delek's 60,000 b/d Tyler, Texas Refinery April 11**

Delek U.S. Holdings reported that a control malfunction at the sulfur recovery unit (SRU) No. 2 furnace Wednesday caused sulfur dioxide to flare from the fluid catalytic cracking unit (FCCU) No. 2 flare, according to a filing with the Texas Commission on Environmental Quality. The filing said the emissions lasted for about 6 hours on Wednesday. Reuters, 13:27 April 12, 2012

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=167116>

### **ConocoPhillips Extinguishes a Small, Brief Fire on Sulfur Unit at Its 120,000 b/d Rodeo, California Refinery April 13**

ConocoPhillips extinguished within a few minutes a small fire that started at about 1:00 AM PDT today on a sulfur unit at its Rodeo refinery, according to a spokesman, who said refinery operations were otherwise routine.

Reuters, 11:03 April 13, 2012

### **Equipment Malfunction Leads to Emissions at ConocoPhillips's 139,000 b/d Wilmington, California Refinery April 12**

ConocoPhillips on Thursday reported an unspecified equipment malfunction at its Wilmington refinery led to sulfur trioxide emissions, which were later contained, according to a filing the California Emergency Management Agency.

Reuters, 19:40 April 12, 2012

## ***Natural Gas***

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### **White House Announces Executive Order Forming Interagency Working Group to Support Development of U.S. Natural Gas Resources**

The White House announced in a press release today an Executive Order establishing a high-level interagency working group to facilitate efforts to "take full advantage" of U.S. natural gas resources, while "giving American families and communities confidence that natural and cultural resources, air and water quality, and public health and safety will not be compromised." The Interagency Working Group to Support Safe and Responsible Development of Unconventional Domestic Natural Gas Resources will coordinate agency policy activities, communications with stakeholders, and information sharing. It will also engage in long-term planning with respect to such issues as research, natural resource assessment, and the development of infrastructure.

<http://www.whitehouse.gov/the-press-office/2012/04/13/executive-order-supporting-safe-and-responsible-development-unconvention>

### **Operators Report Mechanical Failure, Unit Shutdown at 130 MMcf/d Midkiff Gas Plant in Texas April 11**

Operators reported a mechanical failure related to a cracked dog house on a compressor frame at the Midkiff gas plant on Wednesday, according to a filing with the Texas Commission on Environmental Quality. Operators immediately shut the unit down to replace the cracked dog house.

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=167089>

### **Update: FERC Scheduled to Discuss Cheniere Energy's Proposed Sabine Pass Liquefied Natural Gas Export Terminal in Louisiana April 19**

<http://www.bloomberg.com/news/2012-04-12/lng-export-plant-verges-on-u-s-approval-amid-shale-glut.html?cmpid=yhoo>

## ***Other News***

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Nothing to report

### **Update: South Sudan Won't Withdraw Its Forces from Sudan's Heglig Oil Field until U.N. Intervenes or Sudan Vows to Cease Attacks**

The South Sudan presidency said in a statement on Thursday that it won't remove its forces from Sudan's 60,000 b/d Heglig oil field, which it captured earlier this week, unless the United Nations deploys neutral troops to Heglig or Sudan vows not to use the field as a base for future attacks on South Sudan. The two countries have been involved in an escalating dispute about oil transport fees. In early February, South Sudan shut down its production of 350,000 b/d of oil, to stop Sudan from seizing it.

[http://www.rigzone.com/news/article.asp?a\\_id=116872](http://www.rigzone.com/news/article.asp?a_id=116872)

### **Militants Claim Responsibility for Eni Oil Pipeline Attack in Nigeria's Niger Delta April 13**

Eni on Friday confirmed a pipeline leading to Tebidaba, in the Clough-Creek area of Nigeria's onshore Niger Delta, was attacked, a spokeswoman said. Eni's unit Agip owns the Tebidaba-Brass pipeline. The Movement for the Emancipation of the Niger Delta (MEND) claimed responsibility for the attack, saying that early Friday morning it destroyed one wellhead and one manifold on Agip trunk lines, according to a statement emailed to reporters.

<http://www.reuters.com/article/2012/04/13/eni-attack-nigeria-idUSL6E8FD19Z20120413>

### **Russia Opens Ust-Luga Oil Export Terminal on Baltic, Slashes Deliveries to Europe via Druzhba Pipeline**

The recently launched oil export terminal at the Baltic port of Ust-Luga was designed a few years ago following pricing spats between Moscow and Belarus, according to reports. The launch of Ust-Luga immediately led to deep cuts in deliveries along the 1.2 million b/d Druzhba pipeline to Poland, Germany, and the Czech Republic, forcing Shell and BP to buy oil cargoes from the Mediterranean spot market to feed their refineries in those countries.

<http://www.reuters.com/article/2012/04/12/russia-oil-exports-idUSL6E8FC5EB20120412>

### **Update: BP's 42,000 b/d Valhall Platform in Norwegian North Sea Returns to Normal Rates by April 13 after Shutting for Unplanned Maintenance Last Month**

Reuters, 10:18 April 13, 2012

### **Pemex to Consider Oil Exploration Offshore Cuba in Gulf of Mexico – Mexican President Calderon**

Reuters, 11:37 April 12, 2012

### **Update: Spain Ramps Up Diplomatic Pressure on Argentina over Possible State Intervention in Respol YPF SA; European Union Expresses Concerns**

[http://www.rigzone.com/news/article.asp?a\\_id=116904](http://www.rigzone.com/news/article.asp?a_id=116904)

## Energy Prices

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U.S. Oil and Gas Prices April 13, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	103.00	103.31	104.92
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	1.87	1.98	4.08

Source: Reuters

## Links

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***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](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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