



ENERGY ASSURANCE DAILY

Wednesday Evening, April 24, 2013

Electricity

Distributing Generation Units More Widely Will Make U.S. Grid More Resilient, Less Vulnerable to Terrorist Attack – FERC Chairman

The U.S. Federal Energy Regulatory Commission (FERC) Chairman Jon Wellinhoff said at a recent energy summit that distributing generation units more widely on the U.S. grid, such as by deploying fuel cells and rooftop solar panels, will make the system more resilient and less vulnerable to terrorist attacks.

<http://www.bloomberg.com/news/2013-04-23/rooftop-solar-seen-protecting-u-s-power-grid-from-attack.html?cmpid=yhoo>

Midwest ISO Prepared for Summer Power Demand; Remains Focused on Impacts of Future Coal Retirements

The Midwest Independent Transmission System Operator (MISO) on Tuesday announced that its 2013 Summer Assessment analysis has concluded that ample resources are available to serve the region's expected peak demand for power this summer. MISO expects demand in the region to peak at 91,532 MW and that 117,267 MW of capacity will be available during the 2013 summer season. The forecasted 28.1 percent reserve margin significantly exceeds MISO's reserve requirement of 14.2 percent. Though it does not anticipate reliability-related impacts this summer, the grid operator said it was continuing to prepare for challenges associated with recent environmental regulations. The combination of competitive natural gas prices and the impacts from environmental regulations will lead to coal-fired unit retirements and outages for retrofitting, MISO expects these issues to begin affecting its system within the next few years. MISO continues to collaborate with stakeholders and the natural gas industry to ensure the impacts of these factors are fully understood and mitigated.

<https://www.midwestiso.org/AboutUs/MediaCenter/PressReleases/Pages/MISOPreparedforSummerPowerDemand.aspx>

Update: Southern, Turner Renewable Acquire 139 MW Campo Verde Solar Project Under Construction in California

Southern Company on April 23 announced its subsidiary Southern Power and Turner Renewable Energy have acquired the 139 MW Campo Verde Solar Project from First Solar, Inc. The Campo Verde Solar Project will be built, operated, and maintained by First Solar. Construction of the plant began in Imperial County in December 2012 and commercial operation is targeted for fall 2013. Electricity generated by the plant will serve a 20-year power purchase agreement with San Diego Gas & Electric Company (SDG&E), a subsidiary of Sempra Energy.

<http://southerncompany.mediaroom.com/index.php?s=43&item=2831>

Update: STP's 1,251 MW South Texas Nuclear Unit 2 in Texas at Full Power by April 24

South Texas 2 has returned to full power after an outage that began January 8, when operators shut the reactor after a main transformer failure ignited a brief fire, which damaged the transformer. Operators restarted the unit by April 10.

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

Pump Failure Shuts Luminant's 593 MW Big Brown Coal-Fired Unit 2 in Texas April 23

Luminant reported Big Brown Unit 2 tripped Monday afternoon when a booster fan oil pump failed due to faulty electrical wiring, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182036>

LADWP's 900 MW Intermountain Coal-Fired Unit 2 in Utah Shuts by April 23

The unit shut due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201304231515.html>

Update: GenOn's 741 MW Ormond Beach Natural Gas-Fired Unit 1 in California Returns to Service by April 23

The unit returned from an unplanned outage that began by April 22.

<http://content.caiso.com/unitstatus/data/unitstatus201304231515.html>

Update: AES's 498 MW Alamitos Natural Gas-Fired Unit 5 in California Returns to Service by April 23

The unit returned from an unplanned outage that began by April 20.

<http://content.caiso.com/unitstatus/data/unitstatus201304231515.html>

Update: GenOn's 320 MW Etiwanda Natural Gas-Fired Unit 3 in California Returns to Service by April 23

The unit returned from an unplanned outage that began by March 10.

<http://content.caiso.com/unitstatus/data/unitstatus201304231515.html>

Update: PCWA's 218 MW Middle Fork and Ralston Hydro Unit in California Returns to Service by April 23

The unit returned from a curtailment of 206 MW that began by April 22 and was due to both planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201304231515.html>

Petroleum

Loss of Steam, Hydrogen Production Shuts Two CDUs at Motiva's 600,000 b/d Port Arthur, Texas Refinery by April 24 – Sources

Two of three crude distillation units (CDUs) at Motiva's Port Arthur refinery – the 80,000 b/d VPS-2 and the 205,000 b/d VPS-5— were out of production on Wednesday due to the loss of a plant that produces part of the steam and hydrogen required by the refinery over the weekend, according to sources familiar with refinery operations. The outage also led to reductions in gasoline production. The refinery's largest CDU, which accounts for 325,000 b/d of capacity, has remained in operation since restarting on April 21 following a power outage.

Reuters, 10:33 April 24, 2013

Citgo Reduces Rates on All FCCUs at Its 163,000 b/d Corpus Christi, Texas Refinery after Water in the Feed Causes Disruption April 23

Citgo Petroleum Corp. reported that water in the feed to its Corpus Christi East Plant's fluid catalytic cracking units (FCCUs) resulted in a disruption in the units' operation Tuesday morning, according to a filing with the Texas Commission on Environmental Quality. Operators immediately dropped unit rates and placed each unit into circulation. Investigators were working to identify and isolate the source of the water. Operators were waiting for the source to be found and addressed before returning the units to normal operations. The event led to emissions from the East Plant FCCU 1, East Plant FCCU 2, and the No.1 and No. 2 FCCU.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182046>

Exchanger Leak Causes Emissions at Valero's 142,000 b/d Corpus Christi, Texas Refinery April 23

Valero Energy Corp. reported an exchanger leaked into the East Plant Complex 8 Cooling Tower at its Corpus Christi refinery Tuesday morning, causing emissions in to the atmosphere, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182043>

Equipment Failure Causes Butadiene Release at Motiva's 234,000 b/d Norco, Louisiana Refinery April 23

Motiva Enterprises reported release of butadiene due to an equipment failure at its Norco refinery on Tuesday, according to a filing with the U.S. National Response Center. Operators were working to affix a clamp to secure the leak but had not yet stopped the release at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1044756

Gas Plant Glitch at Phillips 66's 362,000 b/d Wood River, Illinois Refinery Results in Sulfur Dioxide Emissions April 23

Phillips 66 reported a glitch at a gas plant at its Wood River refinery on Tuesday resulted in sulfur dioxide emissions, according to a filing with State pollution regulators.
Reuters, 04:00 April 24, 2013

Update: Enbridge to Start Construction on Project to Replace 243,000 b/d Crude Oil Line 6B in Michigan in August

Enbridge Energy LP on Tuesday reported construction on a project to replace part of its Line 6B crude oil pipeline in Michigan is expected to begin in August. The pipeline project, first announced in May 2012, consists of approximately 110 miles of new 36-inch pipeline and 50 miles of new 30-inch pipeline, all of which replace certain 30-inch pipeline segments of Enbridge's existing crude oil pipeline. Upon completion of this project, Enbridge will have replaced the entire length of Line 6B with new pipeline from Griffith, Indiana to the St. Clair River in Marysville, Michigan. After the new pipeline is installed, Enbridge will deactivate the old pipeline but leave it in place. The new Line 6B will have a capacity of more than 400,000 b/d. The company plans to deactivate the existing line by October 2013, with the new line coming into service soon after that.

<http://www.freep.com/article/20130423/NEWS04/304230106/Macomb-County-Enbridge-pipeline>

Praxair to Supply NWR's Planned 150,000 b/d Sturgeon Bitumen Blend Refinery in Alberta

Praxair on Monday announced it has entered into a long-term agreement with North West Redwater Partnership (NWR) to build, own, and operate an air separation facility at NWR's Sturgeon refinery, which is scheduled to come online near Edmonton, Alberta in 2016. NWR has completed designs, ordered and received long-delivery equipment, and secured all the necessary regulatory approvals to build a three-phase, 150,000 b/d bitumen blend refinery that will produce diesel, diluent, and other products for the Alberta and world markets. Construction is expected to begin in the spring of 2013.

<http://www.hydrocarbonprocessing.com/Praxair-to-supply-planned-NWR-refinery.html>

http://www.nwrpartnership.com/index.php?option=com_content&view=article&id=2&Itemid=3

Natural Gas

Two AGI Units Shut at Enbridge's Tilden Gas Plant in Texas after Electrical Contractor Trips Breaker April 23

Enbridge reported that an electrical contractor inadvertently tripped the main breaker at a substation Tuesday morning, causing the Tilden plant's acid gas injector (AGI) Units 1 and 2 to go offline, according to a filing with the Texas Commission on Environmental Quality. All process gas was routed to the flares to mitigate emissions.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=182050>

Excelerate Energy Files Application with FERC for the Aguirre Offshore GasPort LNG Import Facility in Puerto Rico

Aguirre Offshore GasPort LLC, a wholly owned subsidiary of Excelerate Energy, on April 17 filed an application with the U.S. Federal Energy Regulatory Commission (FERC) to build and operate a floating offshore liquefied natural gas (LNG) regasification facility off the southern coast of Puerto Rico. The Aguirre Offshore GasPort® is a proposed LNG import facility and would include an offshore berthing platform and a 4.1-mile subsea natural gas pipeline. The facility would supply the Puerto Rico Electric Power Authority's (PREPA) 1,492 MW Central Aguirre Power Complex with natural gas as an alternative power generation fuel. The plant currently uses fuel oil and diesel fuel to generate power. Converting the power plant to dual-fuel capability is needed for PREPA's to comply with the U.S. Environmental Protection Agency's Mercury and Air Toxics Standards, Aguirre Offshore said. According to the Aguirre application, the LNG project would be able to store up to 3.2 Bcf of LNG and would deliver 500 MMcf/d of gas directly to the plant, with a peak deliverability of 600 MMcf/d. The companies anticipate FERC will issue the draft Environmental Impact Statement (EIS) in the third quarter 2013 and a final EIS early 2014. Pending approval from FERC, the facility is expected to be in-service in early 2015.

Reuters, 19:15 April 22, 2013

<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13237183>

<http://excelerateenergy.com/application-ferc-aguirre-offshore-gasport-lng-import-facility-pu>

Mississippi Barges Slowed after Corp of Engineers Shuts Numerous Locks North of St. Louis Due to High Water

The U.S. Army Corps of Engineers on April 20 closed locks in Clarksville and Winfield, Missouri, both north of St. Louis, in anticipation of high water. According to the Army Corps, the closures are essential to protect critical components and facilities and be able to restore services as quickly and economically as possible after water levels recede. Heavy rains have led the Corps to close seven locks further north on the river, blocking barge and other traffic.

<http://www.bloomberg.com/news/2013-04-23/mississippi-barges-slowed-by-flooding-following-record-drought.html?cmpid=yhoo>

<http://www.mvs.usace.army.mil/Media/NewsReleases/tabid/9091/Article/13101/corps-of-engineers-closes-three-locks-due-to-high-water.aspx>

Update: Aemetis Restarts 60 MMGal/Year Keyes Ethanol Plant in California April 22 after Upgrades to Start Producing Advanced Biofuels

Aemetis, Inc. on Monday announced that its 60 MMGal/Yr. ethanol facility in Keyes, California is restarting production after a maintenance outage that included upgrades that will allow the facility to produce Advanced Biofuel. The plant will start up using corn as the principal feedstock, with grain sorghum or a feedstock blend used after startup to maximize operating income. In December 2012, the Environmental Protection Agency (EPA) approved the use of grain sorghum feedstock along with biogas in a combined heat and power system to produce an Advanced Biofuel containing approximately 50 percent lower carbon content than gasoline. The Keyes facility is now able to produce Advanced Biofuel to support EPA requirements for advanced fuels.

<http://www.aemetis.com/aemetis-announces-restart-of-60-million-gallon-per-year-keyes-biofuels-plant-2/>

Update: POET Resumes Production at Its 46 MMGal/Year Macon Ethanol Plant in Missouri by April 23

POET Biorefining announced Tuesday that it has resumed ethanol production at its Macon plant after suspending operations on February 1 due primarily to a lack of available corn from last year's drought.

<http://poet.com/pr/poet-macon-resumes-production>

Purified Renewable Energy Shuts Its 25 MMGal/Year Ethanol Plant in Minnesota due to Bankruptcy

Purified Renewable Energy LLC has shuttered its recently reopened ethanol plant in Buffalo Lake, Minnesota due to bankruptcy. Former owner Minnesota Energy first opened the plant in 1997, but closed the facility due to poor economics in April 2010. Purified Renewable bought the facility in April 2012 and was working to bring it back online but faced a series of setbacks, including two fires last fall.

<http://www.startribune.com/business/204211671.html>

Update: Startup of Osage's 65 MMGal/Year Appomattox Ethanol Plant in Virginia Very Unlikely after Sale to British Company

Osage Bio has sold its Appomattox Bio Energy Plant in Hopewell, Virginia to a British company, which is expected to dismantle the facility and ship most of its component parts to England for use in a British ethanol plant in northeastern England. Osage had planned to open the plant, which was designed to run primarily from barley stock, to open in the first quarter of 2010, but fires and related production problems caused delays. In May 2011 the company announced the facility was for sale.

<http://southeastfarmpress.com/print/grains/virginia-ethanol-plant-apparently-headed-england>

Obama Administration Announces 21 Million Acre Oil and Gas Lease Sale Offshore Texas

The U.S. Bureau of Ocean Energy Management (BOEM) on Wednesday announced that Interior will offer more than 21 million acres offshore Texas for oil and gas exploration and development in a lease sale that will include all available unleased areas in the Western Gulf of Mexico Planning Area. Proposed Lease Sale 233, scheduled to take place in New Orleans in August, will be the third offshore auction under the Administration's Outer Continental Shelf Oil and Gas Leasing Program for 2012–2017 (Five Year Program). BOEM estimates the proposed sale could result in the production of 116 to 200 million barrels of oil and 538 to 938 billion cubic feet of natural gas.

<http://www.doi.gov/news/pressreleases/obama-administration-announces-21-million-acre-oil-and-gas-lease-sale-offshore-texas.cfm>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
April 24, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	90.43	86.65	103.13
NATURAL GAS Henry Hub \$/Million Btu	4.27	4.21	1.89

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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