



ENERGY ASSURANCE DAILY

Tuesday Evening, April 30, 2013

Electricity

ISO-New England Says Electric Supply During Upcoming Summer Should Be Sufficient to Meet Demand

ISO New England Inc., the operator of the region's bulk power system and wholesale electricity markets, on Monday reported electricity supplies during the upcoming summer in the region are expected to be sufficient to meet consumer demand under normal weather conditions. ISO New England forecasts that demand for electricity could peak at 26,690 MW, or rise to 28,985 MW under extreme heat. If all the region's power plants were running at maximum output, the total amount of electricity produced would be approximately 31,760 MW.

http://www.iso-ne.com/nwsiss/pr/2013/2013_summer_outlook_final.pdf

NRC Issues Notice Cautioning Nuclear Power Plant Operators to Look Out for Water Damage on Spent Fuel Tanks

The U.S. Nuclear Regulatory Commission on April 16 issued an informational notice cautioning nuclear power plant operators that store spent fuel in dry casks to look out for water damage. The notice details how moisture can degrade specific structures and components associated with dry spent fuel storage operations. The commission said that by obtaining baseline measurements and performing periodic evaluations, operators can detect degradation before the structures and components of a storage system are unable to perform their intended function. The notice cites incidents involving water-damaged spent fuel containers at the Peach Bottom Atomic Power Station and Three Mile Island independent spent fuel storage installation.

<http://pbadupws.nrc.gov/docs/ML1232/ML12320A697.pdf>

http://www.ydr.com/business/ci_23109538/nrc-cautions-power-plants-water-damage-and-spent

Update: Exelon's 1,111 MW LaSalle Nuclear Unit 1 in Illinois Restarts, Ramps Up to 22 Percent by April 30

LaSalle 1 is returning from an outage that began April 27, when operators identified a through-wall leak in the body of a Reactor Core Isolation Cooling System steam supply inboard isolation bypass warm-up valve, which qualifies as a pressure boundary leakage requiring shutdown.

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

Update: Entergy's 858 MW Arkansas Nuclear Unit 2 in Arkansas Ramps Up to 94 Percent by April 30

On the morning of April 29 the unit was operating at 29 percent.

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

LCRA Restarts 615 MW Fayette Coal-Fired Unit 2 in Texas April 25 after Boiler Tube Repairs

The Lower Colorado River Authority (LCRA) reported operators began startup procedures for Fayette Unit 2 on April 25 following an outage to repair a water wall boiler tube leak, according to a filing with the Texas Commission on Environmental Quality. Operators also replaced a faulty cable on the "A" phase of the station service transformer, which had failed and resulted in a unit trip on March 15, and an outboard seal on the Main Boiler Feed Pump. Operators expected restart procedures to take approximately 40 hours.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182202>

Update: LADWP's 900 MW Intermountain Coal-Fired Unit 2 in Utah Returns to Service by April 29

The unit returned from an outage that began by April 23 and was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201304291515.html>

First Solar's 130 MW Topaz Solar Unit in California Shuts by April 29

The unit shut due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201304291515.html>

IPL Files with the Iowa Utilities Board to Proceed with Proposed 600 MW Marshalltown Natural Gas-Fired Power Plant

Interstate Power and Light Company (IPL), a subsidiary of Alliant Energy Corporation, filed today with the Iowa Utilities Board (IUB) a proposed settlement agreement reached between the company and the Iowa Office of Consumer Advocate (OCA) which, if approved by the IUB, would allow IPL to proceed with its plans to construct the Marshalltown Generating Station (MGS), a 600 MW, combined-cycle natural gas power plant in Marshalltown, Iowa. The IUB has scheduled an evidentiary hearing to consider IPL's request for a generation certificate for MGS as well as to consider IPL's proposed ratemaking principles. This hearing is scheduled to begin on May 21, 2013. IPL expects to receive an IUB decision on MGS by the fourth quarter 2013. Pending approval from the IUB and all other regulatory approvals, IPL expects to place MGS into service in the spring of 2017.

<http://www.alliantenergy.com/AboutAlliantEnergy/Newsroom/NewsReleases/032802>

Copper Wire Theft Causes Explosion, Fire at Westar Energy Substation, Knocks Out Power to 1,500 Customers in Wichita, Kansas

Thieves broke into a Westar Energy substation on Sunday and stole copper wire, causing a fire and an explosion that knocked out power to 1,500 of the utility's customers in South Wichita. Westar officials said there have been more than 50 copper thefts at area substations this year, a significant increase from the 4 incidents reported last year.

http://articles.kwch.com/2013-04-28/copper-thefts_38884019

Petroleum

Lightning Strike Causes Explosions, Fire at Oil Storage Facility in Texas April 27

Local officials reported lightning during thunderstorms Saturday afternoon struck an oil storage facility in northwest Harris County, causing six tanks of various sizes to explode and igniting a fire. Firefighters were able to quickly extinguish the fire.

<http://www.khou.com/news/local/Fire-marshal-says-lightning-may-have-sparked-fire-at-oil-storage-facility-205034211.html>

Process Upset Results in Emissions During DCU Startup Operations at Motiva's 600,000 b/d Port Arthur, Texas Refinery April 25

Motiva Enterprises reported that during startup operations on a delayed coker unit (DCU) at its Port Arthur refinery Thursday evening, a process upset resulted in the over-pressuring of the Naphtha Splitter Drum, resulting in emissions, according to a filing with the Texas Commission on Environmental Quality. Operators stabilized the unit to minimize emissions, which were reported from the DCU, the DCU-1, and the DCU-1 Flare Stack. Separately, sources familiar with refinery operations on Thursday said operators were planning to begin returning a 205,000 b/d crude distillation unit to production on Friday.

Reuters, 17:55 April 26, 2013

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182149>

Valero Reports Distillate Hydrotreater Startup at Its 310,000 b/d Port Arthur, Texas Refinery April 29

Valero Energy Corp. reported startup operations were underway on a distillate hydrotreater at its Port Arthur refinery, according to a spokesman, who said the work did not have a material impact on production.

Reuters, 11:29 April 29, 2013

Unspecified Process Upset Causes Emissions at Phillips 66's 146,000 b/d Borger, Texas Refinery April 29

Phillips 66 reported an unspecified process upset at its Borger refinery Monday morning caused emissions from Area C, a flare, and the refinery, 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=182214>

Lyondell Says Its 270,600 b/d Houston, Texas Refinery Running Above Capacity in Q2 as Its Refines Lighter Crudes after CDU, Coking Unit Overhaul

LyondellBasell Industries NV on Friday said its Houston refinery was running above capacity as it refines more light crude oil following an overhaul in the first quarter. The refinery has been processing 290,000 b/d in the second quarter, Chief Executive Jim Gallogly said. Crude oil throughput in the first quarter averaged 173,000 b/d, or about 63 percent of capacity. Overhauling a crude distillation unit (CDU) and a coking unit has enabled the refinery to now run a crude slate that includes 20 percent light crude. Prior to the overhaul, the refinery had run mostly heavy, sour crude oil, primarily from Venezuela, leaving the plant unable to process new supplies of light crude coming from south Texas.

Reuters, 12:25 April 26, 2013

Flare Gas Recovery Compressor Fails at Phillips 66's 362,000 b/d Wood River, Illinois Refinery April 30

Phillips 66 reported the loss of a flare gas recovery compressor at its Wood River refinery on Tuesday, according to a filing with State pollution regulators.

Reuters, 10:10 April 30, 2013

Shell Reports Unspecified Major Unit Startup at Its 156,400 b/d Martinez, California Refinery April 25

Royal Dutch Shell Plc reported an unspecified major unit was starting up at its Martinez refinery on Thursday, according to a filing with the Contra Costa Health Department Hazardous Materials Program.

Reuters, 16:41 April 26, 2013

Update: TransCanada Says Its 400,000 b/d Keystone Marketlink Crude Oil Pipeline from Cushing to Port Arthur on Track for Commercial Operation by December 2013

TransCanada Corp. on Friday reported it was on track to begin commercial operation of its 400,000 b/d Keystone Marketlink pipeline between Cushing, Oklahoma and Port Arthur, Texas in December 2013, according to a filing with the Federal Energy Regulatory Commission. Construction of a lateral pipeline to take crude to Houston should begin in mid-2013 and be completed by mid-2014, the company said. The Marketlink pipeline is the southern leg of TransCanada's proposed Keystone XL pipeline, which is currently awaiting permits before the segment between Alberta, Canada and Cushing can be constructed.

Reuters, 14:59 April 26, 2013

<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13244181>

<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13244182>

Apache Shuts Oil Platform in Gulf of Mexico after Pump Malfunction Causes Discharge April 28

Apache Corp. reported it shut down Ship Shoal Block 178A oil platform after discovering a discharge of crude oil into the Gulf of Mexico on Sunday afternoon, according to a filing with the U.S. National Response Center. A pump malfunction caused the discharge, which produced an oil slick that was a mile long and 100 feet wide, the filing said. Operators secured the release and were making repairs.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1045368

EPL Oil and Gas Shuts-in Crude Oil Well in Gulf of Mexico April 28 after Leak Develops on Flow Line from Well to Platform April 27

EPL Oil and Gas reported a discharge of crude oil from an underwater flow line from a well to its Block 27 South Pass platform in the Gulf of Mexico on Saturday morning, according to a filing with the U.S. National Response Center (NRC). Operators said the discharge was caused by internal corrosion on the line, and that they had secured the release. On Sunday, EPL reported in another NRC filing that it shut-in the well due to the leak.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1045278

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1045364

Update: Alberta Government Charges Plains Midstream Canada for 2011 Oil Spill from Rainbow Crude Oil Pipeline

The Alberta government has charged Plains Midstream Canada with three violations under the Environmental Protection and Enhancement Act in relation to a 2011 oil spill on the NPS20 Rainbow Pipeline in Northern Sunrise County. The April 28, 2011 pipeline failure resulted in a release of approximately 28,000 barrels of crude oil. Charges include failing to repair and remedy the effects of the leak. Alberta's Energy Resources Conservation Board in February 2013 issued four high-risk enforcement actions for inadequate backfill and compaction procedures, inadequate operations and maintenance procedures, inadequate leak detection and response, and failure to test its emergency response plan.

<http://www.reuters.com/article/2013/04/26/plainsallamerican-pipeline-idUSL3N0DDDJ320130426?feedType=RSS&feedName=governmentFilingsNews&rpc=43>

Suncor Plans to Boost Alberta Oil Sands Output by 100,000 b/d over Next 4 Years Through Small-Scale Projects

Suncor Energy Inc. plans to increase its oil sands production by 100,000 b/d over the next four years through small-scale projects, Chief Executive Steve Williams said on a conference call Tuesday. New production will come from debottlenecking projects at its northern Alberta oil sands operations and expansions of its mining and thermal oil sands assets.

Reuters, 09:45 April 30, 2013

Natural Gas

Update: Progress Energy, Partners Secure First LNG Buyer for Proposed Pacific NorthWest LNG Export Facility in British Columbia

Progress Energy Canada Ltd., Pacific NorthWest LNG Ltd., and Petroliam Nasional Berhad (PETRONAS) on Monday announced the companies have closed the previously announced transaction under which JAPEX Montney Ltd., the Canadian subsidiary of Japan Petroleum Exploration Co. Ltd. (JAPEX), acquire a 10 percent interest in Progress Energy Canada's natural gas assets in northeast British Columbia and in the proposed Pacific NorthWest liquefied natural gas (LNG) export facility on Canada's West Coast near Prince Rupert, British Columbia. As part of the transaction, JAPEX has agreed to buy a 10 percent share of the liquefied natural gas (LNG) facility's production for a minimum of 20 years for domestic use in Japan. The proposed facility will comprise an initial development of 2 LNG trains of 6 million tonnes per annum (mtpa) each and a subsequent development of a third train of 6 mtpa.

<http://www.progressenergy.com/progress-energy-canada-and-petronas-close-lng-investment-transaction-with-japan-petroleum-exploration-co-ltd-and-secure-first-lng-buyer>

Acid Gas Compressor Shuts on Equipment Failure at Regency's 290 MMcf/d Waha Gas Plant in Texas April 28

Regency Energy Partners reported an acid gas compressor at its Waha plant shut down Sunday night on high rod-load pressure alarm, according to a filing with the Texas Commission on Environmental Quality. Operators repaired and restarted the unit by the following evening.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182222>

Southern Union Shuts SRU at Its 140 MMcf/d Keystone Gas Plant in Texas to Repair Re-Heater Leaks April 29

Southern Union Gas Services reported it was shutting a sulfur recovery unit (SRU) at its Keystone plant on Monday to repair a possible leak or leaks on the re-heater, according to a filing with the Texas Commission on Environmental Quality. Operators expected the unit to be shut for approximately 7 days.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=181934>

Power Loss Leads to Flaring at Kinder Morgan's 147 MMcf/d Yates Gas Plant in Texas April 25

Kinder Morgan reported its Yates plant experienced a full power outage last Thursday when a genset went offline while a second genset was already shut for planned maintenance, and the electrical feed coming from its third party power provider cut out as well, according to a filing with the Texas Commission on Environmental Quality. The power loss led to flaring and affected the plant's Automated Gas Control system for about an hour before power was restored.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182119>

Electrical Surge Cuts Power to Enbridge's Tilden Gas Plant in Texas, Shuts 2 AGI Units April 29

Enbridge reported that while trying to activate electrical power to a building at its Tilden plant that contains plant controls, the initial surge created a fault, cutting power to the plant and shutting acid gas injector (AGI) Units 1 and 2, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=182223>

Other News

Canergy Selects Chemtex and Beta Renewables to Develop 25 MMGal/Year Cellulosic Ethanol Project in California

Canergy, LLC, an advanced biofuels company based in California, on Tuesday announced that it has selected Chemtex and Beta Renewables for the development of a 25 million gallon a year (MMGal/Year) cellulosic biofuels facility to be located in the Imperial Valley of California. Construction of the new facility is targeted to begin in the first quarter of 2014, pending successful completion of permitting and financial activities. The facility is expected to be operational in 2016.

<http://www.prweb.com/releases/2013/4/prweb10685439.htm>

Explosion, Fire Shuts Koda Energy's Biomass Plant in Minnesota April 25

Koda Energy, a joint venture with Rahr Malting Company, reported an explosion at its biomass facility in Shakopee, Minnesota last Thursday afternoon. The fire caused damage to two biomass fuel silos and their conveyor system, as well as the truck unloading facility, Koda Energy said. A smoldering fire remained as of reports Thursday, but it was expected to burn itself out. Operators were investigating the cause of the explosion and could not say when the company would resume operations.

<http://minnesota.cbslocal.com/2013/04/25/grain-elevator-explosion-fire-reported-in-shakopee/>

<http://www.shakopeedakota.org/newsroom/fact-sheets/koda-energy-fact-sheet>

International News

Saboteurs' Blast Nearly Halts Flow of Oil on 110,000 b/d Maarib Crude Oil Pipeline in Yemen April 30; Follows Sabotage to Maarib's Power Lines April 29 – Officials

Saboteurs on Tuesday blew up Yemen's main crude oil pipeline linking oilfields in the country's eastern Maarib province to an export terminal on the Red Sea, almost halting the flow of oil, officials said. The same group late on Monday sabotaged Maarib's power lines, leaving the province in "total darkness" and bringing operations at a natural gas plant to a halt, another official said.

<http://www.dailystar.com.lb/News/Middle-East/2013/Apr-30/215585-yemen-pipeline-attacked-oil-flow-halts-officials.ashx#axzz2Rx7EDIsR>

Nexen Says 210,000 b/d Buzzard North Sea Oil Field to Restart within 24 Hours after Steam Release Shuts Production April 29

Nexen Inc. on Tuesday reported a release of steam onboard the Buzzard oilfield platform Monday night triggered a low-level gas alarm, prompting operators to shut-in production at the oilfield, which had been pumping steadily at its maximum capacity of about 210,000 b/d for much of April. Nexen said it had discovered what had caused the steam release and expected production to resume within 24 hours. The field also produces natural gas and exports it via the Frigg pipeline system to Scotland's St. Fergus terminal.

<http://uk.finance.yahoo.com/news/1-uks-buzzard-oilfield-shuts-110635667.html>

Update: Petrobras Says Chevron May Resume Limited Output at Its Frade Offshore Crude Oil Field in Brazil as Early as This Week

Chevron Corp. could restart production at its Frade field offshore Brazil as early as this week, an executive with Petroleo Brasileiro SA, which owns 30 percent of the field, said on Monday. Chevron operates the field and owns 52 percent of the its output. Chevron suspended operations at the field in March 2012 after a November 2011 oil spill and subsequent leaks. Brazil's oil regulator, the ANP, on April 8 announced it had approved Chevron and its partners to restart output at Frade at a limited rate, but production has yet to begin. The ANP said it expects Chevron to restart output at a rate of about 20,000 b/d, below the 60,000 b/d output the field had been producing at the time of its closure, because Chevron is not permitted to use water or gas injection to increase the flow of oil from the reservoir. Previous use of such methods had caused small leaks in the well walls.

<http://www.reuters.com/article/2013/04/29/petrobras-results-conference-idUSL2N0DG17P20130429?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Energy Prices

U.S. Oil and Gas Prices			
April 30, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	93.21	89.17	104.27
NATURAL GAS Henry Hub \$/Million Btu	4.28	4.33	2.05

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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