



ENERGY ASSURANCE DAILY

Wednesday Evening, May 01, 2013

Electricity

ERCOT Expects Tight Operating Reserves This Summer, Long-Term Outlook Shows Improvement

The Electric Reliability Council of Texas (ERCOT) today released its final summer Seasonal Assessment of Resource Adequacy, which anticipates tight operating reserves this summer as power demands peak at 68,383 MW, slightly above the 68,305 MW all-time record set August 3, 2011. The amount of generation available to serve peak electric needs is forecast at 74,438 MW, including 925 MW of new coal-fired generation from the Sandy Creek Energy Station and about 700 MW of new wind-power resources. A preliminary outlook for fall 2013 anticipates sufficient resources to serve expected demand. ERCOT also released a semiannual update to its long-term Capacity, Demand and Reserves (CDR) report, which indicates the planning reserve margin for summer 2014 is expected to fall at 13.8 percent, slightly above ERCOT's current 13.75-percent target, but up from 10.9 percent when the last report was released in December. Although reserve margins after 2014 remain below the 13.75 percent target, the future outlook has improved continually since 2011. The 10-year outlook shows peak demand increasing to nearly 69,700 MW in summer 2015, with growth continuing annually up to more than 76,000 MW in 2023.

http://www.ercot.com/news/press_releases/show/26433

ComEd Says Distribution Automation Devices are Reducing Service Interruptions in Its Illinois Service Territory

ComEd on Tuesday announced it submitted this month to the Illinois Commerce Commission (ICC) a progress report showing accomplishments in the first year of its smart grid program, including the installation of 470 Distribution Automation (DA) devices. Distribution Automation routes power around potential problem areas, often with no noticeable interruption in service. Installation of these devices resulted in 82,000 fewer customer power interruptions in 2012, ComEd said. During the severe storms that hit the Chicago area in mid-April, DA devices prevented 20,000 service interruptions. Over the course of the 10-year grid modernization program, ComEd is increasing the percentage of its customers served by DA from 55 to nearly 90 percent. The utility invested a total of \$32 million in the installation of DA in 2012 and is increasing the investment to over \$44 million this year.

https://www.comed.com/newsroom/news-releases/Pages/newsroomreleases_04302013.pdf

Update: New York 'Energy Highway Task Force' Says Initiative to Modernize the State's Energy Infrastructure Under Way and On or Ahead of Schedule

The New York Energy Highway Task Force on Tuesday announced the availability of a progress report on the State's initiative to upgrade and modernize the State's energy infrastructure—the New York Highway Blueprint—and said that all of the actions called for in the plan are under way and on or ahead of schedule. The Blueprint, which the Task Force first submitted to Governor Andrew Cuomo in October 2012, includes a range of measures to provide up to 3,200 MW of additional electric generation and transmission capacity and clean power generation through up to \$5.7 billion in private- and public-sector investments. The Blueprint Update reflects the progress to date on each of the Blueprint's 13 recommended measures.

<http://www.nypa.gov/press/2013/040129.html>

http://www.nyenergyhighway.com/PDFs/Blueprint/EHBPPT/Blueprint_Update_April%202013.pdf

Update: SCE's May Retire San Onofre Nuclear Power Plant in California If Restart Plans Are Rejected – Chairman

Edison International on Tuesday reported costs related to the shutdown of the San Onofre Nuclear Generating Station in California reached \$553 million through March 31, including \$109 million for repairs and inspections and \$444 million for replacement power. Both units at the plant, which is operated by Edison's subsidiary Southern California Edison (SCE), have been shut since January 2012, when operators discovered premature tube wear on the steam generators. The U.S. Nuclear Regulatory Commission must approve plans to restart each unit. In a conference call with investors on Tuesday, Chairman Ted Craver said the company may consider retiring one or both reactors if SCE isn't permitted to restart Unit 2, which is less damaged than Unit 3. A decision on whether to retire the reactors would likely be made by the end of this year, Craver said.

<http://finance.yahoo.com/news/calif-reactors-might-retired-restart-005608026.html>

NRC to Increase Oversight of Exelon's Three Mile Island Nuclear Power Plant in Pennsylvania after Inspections Reveal Flooding Protection Issue

The U.S. Nuclear Regulatory Commission (NRC) on Tuesday reported it will increase its oversight of Exelon's Three Mile Island 1 nuclear power plant based on an inspection finding involving the protection of safety equipment from flooding. During a walkdown of Three Mile Island 1's protections against flooding last fall, NRC inspectors determined that the company had failed to identify and correct a problem involving electrical cable conduits located in the plant's air intake tunnel. The conduits had not been adequately sealed to maintain the integrity of the flood barrier. The NRC has determined the inspection finding should be categorized as white, or a safety issue of low to moderate safety significance. This will result in additional scrutiny until the agency is satisfied the relevant issues have been properly evaluated and satisfactory corrective actions have been developed and implemented.

<http://www.nrc.gov/reading-rm/doc-collections/news/2013/13-019.i.pdf>

NRC Cites Dominion for Violating Fire Drill Requirements at Its Kewaunee Nuclear Power Plant in Wisconsin

The U.S. Nuclear Regulatory Commission (NRC) today reported it has proposed a \$70,000 civil penalty against Dominion Energy Kewaunee Inc. after determining that between August 2009 and December 2011, operators at the Kewaunee nuclear power plant had not properly conducted fire drills and had falsified fire drill records. The NRC has determined the inspection finding should be categorized as white, or a safety issue of low to moderate safety significance. Dominion announced last year plans to shut down and decommission the plant due to poor economics. The plant will stop operation on May 7.

<http://www.nrc.gov/reading-rm/doc-collections/news/2013/13-015.iii.pdf>

Update: Exelon's 1,111 MW La Salle Nuclear Unit 1 in Illinois Ramps Up to 70 Percent by May 1; 1,111 MW Unit 2 Restarts by April 30, Ramps Up to 28 Percent by May 1

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. Operators restarted Unit 1 on April 30. LaSalle 2 is returning from an outage that began April 25, when operators manually scrammed the reactor after the condenser circulating water pumps tripped due to a high level in the turbine condenser pit, which was caused by a leak on the upper manway of the condenser water box during maintenance activity.

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

Update: Exelon's 1,022 MW Clinton Nuclear Unit in Illinois at Full Power April 30

Exelon Corp. reported the Clinton Power Station returned to full power Tuesday evening following repairs to the hydraulic control system that regulates the speed on the main turbine. Operators had taken the unit offline on April 26 after they observed low hydraulic pressure on the control system that regulates main turbine speed. Both the turbine and main generator are on the non-nuclear side of the plant. Operators restarted the unit by April 28.

http://www.exeloncorp.com/Newsroom/pr_20130501_nuclear_clintonrts.aspx

NRG Texas Restarts Its 614 MW WA Parish Coal-Fired Unit 8 in Texas by April 30

NRG Texas reported emissions at its WA Parish plant Tuesday morning during startup procedures on Unit 8, 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=182250>

Xcel Investigating Cause of Emissions at Its 568 MW Tolk Coal-Fired Unit 1 in Texas

April 26

Xcel Energy reported it was investigating the cause of two brief episodes of emissions from its Tolk Unit 1 on April 26, according to a filing with the Texas Commission on Environmental Quality. The filing lists the Tolk power plant, Unit 1, and the Unit 1 boiler as sources of emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182140>

PSE&G Proposes Investments in More Than 142 MW of New Solar-Powered Systems and Capacity in New Jersey

Public Service Enterprise Group (PSE&G) on Tuesday reported it has reached an agreement with the New Jersey Board of Public Utilities (BPU) and certain other parties on its proposal to increase spending on renewable energy under its Solar Loan and Solar 4 All investment programs. Under the agreement, which will now be subject to comment by all parties, PSE&G will invest up to \$199 million on 97.5 MW of new solar-powered systems as part of the Solar Loan III program. The agreement also provides for PSE&G to invest approximately \$247 million to develop 42 MW of new solar capacity on landfills and brownfields, and 3 MW in smaller pilot programs as part of the Solar 4 All extension. The capital investment would occur over a 3-year period. A decision by the New Jersey BPU is anticipated no later than May 31.

<http://www.pseg.com/info/media/newsreleases/2013/2013-04-30.jsp>

Petroleum

Reuters Report Outlines Industry and State Actions to Restore and Strengthen U.S. East Coast Fuel Supply Infrastructure 6 Months after Hurricane Sandy

A Reuters analysis published Tuesday outlines actions that some companies and State agencies have taken to restore and strengthen fuel supply infrastructure on the East Coast in the 6 months since Hurricane Sandy crippled the region, drawing on interviews with two dozen officials, industry groups, and oil firms.

<http://www.reuters.com/article/2013/04/30/us-usa-sandy-fuel-idUSBRE93T0DG20130430>

<http://www.reuters.com/article/2013/04/30/us-usa-sandy-fuel-factbox-idUSBRE93T0DT20130430>

TransCanada Restarts 590,000 b/d Keystone Crude Oil Pipeline after Shutting Line for a Few Hours to Repair Electrical Equipment April 30

TransCanada Corp. on Tuesday reported its Keystone crude oil pipeline had restarted and was resuming normal operations after being shut for a few hours to work on a piece of electrical equipment, according to a spokesman. The pipeline carries Canadian crude from Hardisty, Alberta to storage hubs in Patoka, Illinois and Cushing, Oklahoma.

Reuters, 16:41 April 30, 2013

Chevron Says a Utah–Idaho Petroleum Products Pipeline Will Remain Shut Throughout Tests after Failing Stress Test April 29

Chevron Corp. reported a petroleum products pipeline that carries diesel and jet fuel between its Salt Lake City, Utah refinery and Boise, Idaho remained shut Tuesday after a failure occurred between Bear River and Ogden during testing on Monday. Operators were investigating the cause of the failure, and the pipeline will remain shut-in throughout the testing, a spokesman said. Local media said the pipeline failed a stress test that had been ordered by the U.S. Pipeline and Hazardous Materials Safety Administration.

Reuters, 12:10 April 30, 2013

ExxonMobil Reports 1-Barrel Leak from Shut 90,000 b/d Pegasus Crude Oil Pipeline in Missouri April 30

ExxonMobil Corp. has confirmed that an oil spill occurred Tuesday on its Pegasus crude oil pipeline in Ripley County, Missouri. An ExxonMobil spokeswoman said the company has nearly completed cleaning up the 1-barrel leak, which was reported Tuesday by a resident who saw oil staining on the surface near the pipeline. The pipeline has been out of service since March 29, when it ruptured and spilled 5,000 barrels of oil in Mayflower, Arkansas.

Reuters, 11:44 May 1, 2013

Magellan Reports Unspecified Spill from Pipeline into Waterway at Franklin Park, Illinois April 30

Magellan Midstream Partners reported a spill or leak of an unknown quantity of an unspecified material from a pipeline into a waterway at Franklin Park, Illinois, according to a notice with State pollution regulators on Tuesday. Reuters, 04:19 May 1, 2013

Tesoro Delays Restarting Units, Reduces Crude Rates at Its 120,000 b/d Anacortes, Washington Refinery Due to Unplanned Repairs – Source

Tesoro Corp. has delayed restarting units at its Anacortes refinery after a 2-month turnaround because of unplanned repairs on a crude reformer, according to a person with knowledge of the work. The crude unit is running at reduced rates and the fluid catalytic cracking unit was expected to restart Monday, the person said. A spokeswoman said Tuesday that the Anacortes refinery is performing planned maintenance and that it did not anticipate any impact to its product supply commitments. Operators had reported an equipment startup at the refinery on April 16 in a filing with State environmental regulators.

<http://www.bloomberg.com/news/2013-04-30/portland-gasoline-premium-jumps-as-tesoro-startup-said-delayed.html?cmpid=yhoo>

Update: Valero to Start Operation of New 60,000 b/d Hydrocracker at Its 270,000 b/d Norco, Louisiana Refinery in July

Valero Energy Corp expects to finish building a new 60,000 b/d hydrocracker at its Norco refinery in June and start production from the unit in July, the company said April 30.

<http://www.proactiveinvestors.co.uk/columns/fullermoney-markets/12847/energy-markets-report-including-phillips-66-has-reported-gas-flaring-at-its-wood-river-illinois-refinery-12847.html>

Electrical Malfunction Affects SRU Operations at Delek's 60,000 b/d Tyler, Texas Refinery April 30

Delek US Holdings reported excess sulfur dioxide emissions from the No. 2 Cat Flare at its Tyler refinery Tuesday morning were due to an electrical malfunction affecting sulfur recovery unit (SRU) operations, according to a filing with the Texas Commission on Environmental Quality. In addition to the No. 2 Cat Flare, operators reported emissions from the SRU 1/2 Incinerator, SRU 1/2 Tail Gas Incinerator, and Sulfur Recovery Plant. Operators restarted the SRU-2 and Shell Claus Off-gas Treating units as quickly as possible to minimize emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182278>

Suncor to Start Railing In 20,000–40,000 b/d of Western Crude Oil to Its 130,000 b/d Montreal, Canada Refinery Later This Year – CEO

Suncor Energy Inc. is working to bring more western crude oil, including production from oilsands in Western Canada, to its Montreal refinery, CEO Steve Williams said Tuesday. The company aims to start sending between 20,000 and 40,000 b/d of crude oil to its Montreal refinery via rail some time later this year, and it's backing both TransCanada Corp.'s Energy East pipeline proposal and Enbridge Inc.'s Line 9 reversal as a means to bring western crude to Montreal by pipeline. It may also consider reviving a shelved project to add a coker to its Montreal refinery to process heavier crude types. If approved by the company's board, restarting that project could happen "reasonably quickly" as much of the work has already been finished and equipment is already at the site. A decision on whether to restart that project could happen late this year or early next year.

<http://www.news1130.com/2013/04/30/suncor-shares-rise-on-dividend-hike-share-buyback-earnings-beat/>

Natural Gas

Update: Peregrine Restarts Partial Operations at Its Fire-Damaged 18 Bcf Ryckman Creek Natural Gas Storage Site in Wyoming by April 30

Peregrine Midstream Partners reported its Ryckman Creek natural gas storage facility in southwestern Wyoming resumed partial operation by Tuesday following a fire at the site earlier this month. Damage assessments were ongoing, a company official said. A fire erupted at the site April 20 and was extinguished by April 22. The site has interconnections with five interstate natural gas pipelines, all of which are connected to the Opal Hub in Wyoming. Reuters, 15:38 April 30, 2013

NGPL Declares Force Majeure at No. 106 Natural Gas Compressor Station in Nebraska Due to a Mechanical Failure April 30

Natural Gas Pipeline Co. of America (NGPL) on Tuesday declared force majeure at its No. 106 natural gas compressor station in Gage County, Nebraska due to a mechanical failure on one of the units, according to a notice posted at the company's website. The compressor station is located in segment 11 of the pipeline's Midcontinent zone, and the outage requires the company to reduce throughput capacity northbound out of segment 11. The outage will impact any gas received south of compressor station 106, including transport associated with storage injections, until repairs are completed. Operators could not estimate the duration of the outage at the time the notice was posted. NGPL's approximately 9,800-mile system is one of the largest transporters of natural gas into the Chicago market and one of the largest in the country, delivering nearly 5 Bcf/d.

<http://www.reuters.com/article/2013/04/30/energy-kindermorgan-forcemajeure-idUSL2N0DH29T20130430?feedType=RSS&feedName=marketsNews&rpc=43>
<http://pipeline.kindermorgan.com/infoposting/noticeDetail.aspx>

Enbridge to Build 150 MMcf/d Cryogenic Natural Gas Processing Plant in East Texas

Enbridge Energy Partners, L.P. on Tuesday announced that the company plans to construct a 150 MMcf/d cryogenic natural gas processing plant near Beckville, Texas in the Cotton Valley Play. Adding the Beckville plant will expand Enbridge's processing capacity to approximately 820 MMcf/d in the Cotton Valley and Haynesville shale regions. The plant will interconnect with existing natural gas liquids infrastructure in the area. Enbridge expects to begin construction of the East Texas Beckville Plant and associated facilities in late 2013 and begin service by early 2015.

<http://finance.yahoo.com/news/enbridge-energy-partners-l-p-200323088.html>

Shut Field Units Leads to Flaring at Southern Union's 140 MMcf/d Keystone Gas Plant in Texas April 29

Southern Union Gas Services reported it was flaring inlet low-pressure gas at its Keystone plant overnight Tuesday and Wednesday morning because several field units were not operating, 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=182234>

Control System Error Shuts Compressor at Lone Star's Mont Belvieu NGL Facility in Texas April 28

Lone Star reported it had to depressurize a deethanizer tower at its Mont Belvieu natural gas liquids (NGL) facility on Sunday after a control system error caused a refrigeration compressor to shut, 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=182183>

Other News

USGS Releases Oil and Gas Assessment for Bakken and Three Forks Formations in North Dakota, South Dakota, and Montana

The United States Geological Survey (USGS) on Tuesday released an updated oil and gas resource assessment for the Bakken Formation and a new assessment for the Three Forks Formation in North Dakota, South Dakota, and Montana. The assessments found that the formations contain an estimated mean of 7.38 billion barrels (BBO) of undiscovered, technically recoverable oil, including 3.65 BBO in the Bakken Formation and 3.73 BBO in the Three Forks Formation. This assessment of both formations represents more than a twofold increase over the estimated mean resource of 3.65 BBO of undiscovered oil in the Bakken Formation given in a 2008 assessment. Since the 2008 USGS assessment, more than 4,000 wells have been drilled in the Williston Basin, providing updated subsurface geologic data. These two formations are estimated to also contain a mean of 6.7 trillion cubic feet of undiscovered, technically recoverable natural gas and 0.53 billion barrels of undiscovered, technically recoverable natural gas liquids. This estimate represents a nearly threefold increase in mean natural gas and a nearly threefold increase in mean natural gas liquids resources from the 2008 assessment, due primarily to the inclusion of the Three Forks Formation.

http://www.usgs.gov/blogs/features/usgs_top_story/usgs-releases-new-oil-and-gas-assessment-for-bakken-and-three-forks-formations/?from=title

Enbridge Launches Online Pipeline Emergency Training for First Responders

Enbridge Inc. and Enbridge Energy Partners, L.P. (the Partnership) today announced the launch of an online portal to offer free, customized pipeline emergency training to first responder organizations located along Enbridge's and the Partnership's more than 50,000 miles of onshore pipelines comprising several pipeline systems in the United States and Canada. The program material is based on *Pipeline Emergencies*, a pipeline emergency response training program developed by the National Association of State Fire Marshals (NASFM). The NASFM materials were adapted to provide information specific to pipelines operated by Enbridge and the Partnership.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2013&id=1714795>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
May 1, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	90.30	90.43	105.99
NATURAL GAS Henry Hub \$/Million Btu	4.30	4.27	2.11

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>

Please direct comments and questions to: ead@oe.netl.doe.gov