



ENERGY ASSURANCE DAILY

Monday Evening, May 07, 2012

Electricity

Update: TVA Accelerates Plans to Idle 686 MWs of Coal-Fired Generation in Tennessee and Alabama; Shuts Three 413 MW Raccoon Mountain Hydro Units in Tennessee

Tennessee Valley Authority (TVA) reported in a quarterly earnings statement last week that it plans to idle the two 107 MW coal-fired Units 5 and 6 at the Johnsonville Fossil Plant in Tennessee and the 472 MW coal-fired Unit 5 at the Colbert Fossil Plant in Alabama by October 1, sooner than required by environmental agreements, for economic reasons. TVA announced last spring its intention to retire 18 coal-fired generation units in Tennessee and Alabama to comply with more stringent air pollution regulations issued by the U.S. Environmental Protection Agency. Last week, the utility reported it also shut three of the four 413 MW units at the Raccoon Mountain pumped storage hydropower plant in Tennessee in March after inspections revealed cracking in the rotor poles and the rotor rim on Unit 2 and similar cracking conditions on Units 1 and 4. Those units are expected to be shut for repairs for several months, the report said. Raccoon Mountain Unit 3 remains in service.

Reuters, 09:55 May 7, 2012

Update: MidAmerican Solar and First Solar Announce Start of Major Construction at 550 MW Topaz Solar Farms in California May 3

MidAmerican Solar and First Solar, Inc. announced the start of major construction at Topaz Solar Farms, a 550 MW photovoltaic project located in San Luis Obispo County, California. When complete, the Topaz project will be the largest solar electric power plant in the world. The Topaz project is owned by MidAmerican Solar and will be constructed, operated, and maintained by First Solar. Construction began in November 2011 and is expected to be complete by early 2015. Pacific Gas and Electric Company will purchase the electricity from the Topaz project under a 25-year power purchase agreement.

<http://investor.firstsolar.com/releasedetail.cfm?ReleaseID=670213>

Update: SCE's 2,150 MW San Onofre Nuclear Units 1 and 2 in California Likely to Remain Shut "into the Summer" – Edison CEO

Reports indicate the San Onofre nuclear station in California is likely to remain offline into the summer as plant operator Southern California Edison (SCE) continues to inspect steam generator tube degradations and develop a remediation plan for approval by the U.S. Nuclear Regulatory Commission. Edison International's CEO told investors last week that SCE would likely "keep one or both of the units offline into the summer," straining the utility's ability to meet peak electricity demand, according to reports. The plant's two units have been offline since January, when workers detected premature wear on the steam generator tubes.

<http://www.reuters.com/article/2012/05/04/utilities-edison-sanonofre-idUSL1E8G4CU520120504?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Update: PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey Restarts, Ramps Up to 18 Percent by May 7

Salem nuclear Unit 1 is returning from an outage that began April 30, when the unit automatically tripped off line for unknown reasons as workers were testing a system connected to a turbine steam inlet and fire alarms sounded. PSE&G believes dust shaken from vibrating pipes during the emergency shutdown might have set off the fire alarms, but the incident was still under investigation early last week.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>
<http://www.delawareonline.com/article/20120502/NEWS/205020308/Salem-reactor-remain-offline?odyssey=mod%7Cnewswell%7Ctext%7CHome%7Cs>

Dominion's 810 MW Surry Nuclear Unit 1 in Virginia Shut by May 6

On the morning of May 5 the unit was operating at 88 percent.

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

Dominion's 925 MW North Anna Nuclear Unit 1 in Virginia Ramped Up to 96 Percent by May 5

On the morning of May 4 the unit was operating at 82 percent.

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

Update: Dynegy's 754 MW Moss Landing Gas-fired Unit 6 in California Returns to Service by May 5

The unit is returning from an unplanned outage that began by April 29.

<http://content.aiso.com/unitstatus/data/unitstatus201205051515.html>

Circulating Water Line Leak Shuts Southwestern's 360 MW Harrington Coal-Fired Unit 1 in Texas May 4

Southwestern Public Service Co. reported Harrington Unit 1 developed a leak in the expansion joint on the circulating water line last Friday, according to a filing with the Texas Commission on Environmental Quality.

Operators immediately shut the unit for repairs, the filing said.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=168146>

Petroleum

Enbridge to Replace 243,000 b/d Crude Oil Line 6B in Michigan after Rupture; Proposes New Line 79 to Deliver Crude to Marathon's Detroit Refinery

Enbridge Energy Partners LP applied earlier this month to the Michigan Public Service Commission for siting authority to install 50 miles of pipeline to replace its Line 6B from Ortonville to Marysville, Michigan. The company plans also to install 110 miles of pipeline in parts of central and southwestern Michigan, which will allow it to retire the existing Line 6B from Griffith, Indiana to Sarnia, Ontario. Line 6B, which transports predominantly heavy crude oil from tar sands deposits in western Canada to refineries in Detroit, Toledo, Ontario, and Pennsylvania, ruptured in July 2010, spilling about 850,000 gallons of oil into the Kalamazoo River. The line has been operating at 80 percent of its pre-spill pressure since September 2010, with a current capacity of 243,000 b/d. Upon approval and completion of the project, the new Line 6B will have a capacity of more than 400,000 b/d. In a separate, pending application, Enbridge has also proposed a new Line 79 to run through part of Washtenaw County, Michigan to connect with other pipelines delivering crude oil to the Marathon Petroleum Co. refinery in Detroit. Enbridge hopes to begin construction on both projects in July, to have the new Line 6B and Line 79 in place by September 2013.

http://www.downstreamtoday.com/news/article.aspx?a_id=36176

Update: SemGroup, Chesapeake Energy, and Gavlion Finalize Glass Mountain Pipeline Joint Venture Agreements to Build 140,000 b/d Crude Oil Pipeline in Oklahoma

SemGroup Corporation, Chesapeake Energy Corporation, and Gavlion, LLC today announced the formation of Glass Mountain Pipeline LLC and the signing of definitive agreements to build a previously announced 210-mile crude oil pipeline extending eastward from two laterals in northwestern Oklahoma to Gavlion's Cushing facility, where the joint venture will own 1 million barrels of crude oil storage. The new pipeline will have an initial capacity of approximately 140,000 b/d and 440,000 barrels of intermediate storage. Construction of the pipeline is expected to begin this summer for operation in the fall of 2013. The pipeline system is expected to meet midstream requirements resulting from drilling activity in western Oklahoma and the Mississippi Lime play.

<http://ir.semgroupcorp.com/phoenix.zhtml?c=235216&p=irol-newsArticle&ID=1692295>

Citgo Reports Power Loss, Flaring at Its 167,000 b/d Lemont, Illinois Refinery May 7

Citgo Petroleum Corp. on Monday reported a power loss at its Lemont refinery resulted in flaring, according to a filing with the Illinois Emergency Management Agency. The flaring was ongoing at the time of the filing.

Reuters, 10:44 May 7, 2012

Marathon Returning Process Units at Its 455,790 b/d Texas City, Texas Refinery to Planned Rates after Power Snag May 5

Marathon Petroleum Corp. on Monday said it was continuing to return its Texas City refinery to normal operations after a loss of power Saturday, a spokesman said. The company reported an external power loss very early Saturday morning led operators to quickly shut process units at the refinery, an incident that lasted approximately 2 hours, according to a filing with the Texas Commission on Environmental Quality. Operators began returning those units to service as soon as external power was restored, the spokesman said.

DJN, 10:23 May 7, 2012

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168133>

Unspecified Malfunction Triggers Flaring at Flint Hills' 288,468 b/d Corpus Christi, Texas Refinery May 6

Flint Hills Resources reported an unspecified malfunction at its East Plant triggered flaring on Sunday at its Corpus Christi refinery, according to a filing with the Corpus Christi Local Emergency Planning Committee. The flaring stopped later that day, according to a subsequent filing.

Reuters, 17:53 May 6, 2012

Motiva Reports Corrosion Issue in Fuel Gas System at Its 285,500 b/d Port Arthur, Texas Refinery May 7

Motiva reported its Port Arthur refinery is currently experiencing a corrosion issue in the plant's fuel gas system that requires maintenance on some of the existing piping, according to a filing with state regulators. To remedy the corrosion issue and perform necessary repairs, operators are planning to temporarily place into service three compressors at the West Side Gas Plant (WSGP). The use of the WSGP compressors will help maintain fuel gas system reliability during the maintenance activity and will reduce the potential for a fuel gas flaring event during the maintenance work.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168138>

Hess Reports Emissions from Its 70,000 b/d Port Reading, New Jersey Refinery May 7

Hess Corp. on Monday reported smoke released from a flare at its Port Reading refinery for a period of about 10 minutes, according to a filing with the New Jersey Department of Environmental Protection

Reuters, 09:45 May 7, 2012

Shell Restarts Unspecified Unit at Its 100,000 b/d Scotford, Alberta Oil Sands Facility May 5

Royal Dutch Shell Plc said it was restarting an unspecified unit at its Scotford upgrader facility near Edmonton, Alberta on Saturday, according to a notice on a community information line. The company said the start-up could cause intermittent flaring for a 24-hour period. Shell had reported maintenance on a unit at the facility on Thursday.

Reuters, 21:07 May 6, 2012

Natural Gas

KBR Announces Construction Deal for 200 MMcf/d Shale Gas Processing Project near Fort St. John, British Columbia May 3

KBR on Friday was awarded a general works contract for the construction of a 200 MMcf/d sweet natural gas processing plant near Fort St. John in British Columbia, according to a press release. KBR's Canadian subsidiary, KBR Wabi, will execute all mechanical, structural, architectural, concrete (structural and other), electrical, and instrument works for the project. The release does not give information about the operator of the plant.

<http://www.kbr.com/Newsroom/Press-Releases/2012/05/03/KBR-Selected-to-Construct-Shale-Gas-Processing-Facility/>

Record Gas Use by U.S. Utilities Fails to Drive Up Price; Inventories Remain High

U.S. utilities used 34 percent more natural gas for generating electricity in February than a year earlier, Energy Department data show, but the increase in use hasn't triggered a forecasted boost to the fuel's price from near 10-year lows. Inventory remains high due to output from new shale fields and a mild winter, which has depressed electricity sales, the Energy Department said.

<http://www.bloomberg.com/news/2012-05-06/record-gas-use-by-u-s-utilities-fails-to-drive-up-price-energy.html>

Engine Valve Malfunction Shuts AGI Compressor at Regency's 290 MMcf/d Waha Gas Plant in Texas May 4–5

Regency Energy Partners reported an acid gas injector (AGI) compressor shut down Friday night on low suction pressure due to hot valves on the inlet compressor engine, according to a filing with state regulators. Operators repaired the engine valves and reset and restarted the AGI compressor early the next morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168130>

High Interstage Scrubber Level Shuts Turbine at DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas May 6

DCP Midstream reported a turbine went down Sunday morning due to high interstage scrubber level, according to a filing with the Texas Commission on Environmental Quality. Operators drained the scrubber and restarted the turbine.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168139>

Enbridge Reports Repeated AGI Unit Shutdowns at Its Tilden Gas Plant in Texas May 5–6

Enbridge reported repeated acid gas injector (AGI) unit malfunctions at its Tilden gas plant over the weekend, according to filings with the Texas Commission on Environmental Quality. AGI Units 1 and 2 went down early Saturday morning after an emergency shutdown valve tripped. AGI Unit 1 went down that evening due to first-stage high level alarm, and AGI Unit 2 went down later that night due to left bank no flow alarm. On Sunday, both AGI units went down due to a power outage.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168131>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168134>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168137>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168140>

Other News

Suspected Copper Thief Cuts Live Wire, Leaves 2,300 Southern California Edison Customers without Power May 5

<http://abcnews.go.com/blogs/headlines/2012/05/man-cuts-live-wire-leaves-thousands-without-power/>

Officials Investigate Multiple Thefts of Copper Grounding Wires, Equipment from Met-Ed Electric Substations in Pennsylvania

<http://readingeagle.com/article.aspx?id=383853>

International News

Shell Shuts 60,000 b/d Nembe Creek Trunkline for Repairs, Declares Force Majeure on Bonny Light Loadings in Nigeria May 4 Due to 'Incessant' Theft, Illegal Bunkering

The Shell Petroleum Development Company of Nigeria Ltd (SPDC) declared force majeure on outstanding cargoes of Bonny Light Thursday due to "incessant crude theft and illegal bunkering" on the Nembe Creek Trunkline, the company said in a release. Shutting the line for repairs will result in a deferment of some 60,000 b/d of production, the release said. SPDC is working to repair the line and resume production as quickly as possible.

<http://www.businessweek.com/ap/2012-05/D9UI2H180.htm>

http://www.shell.com.ng/home/content/nga/aboutshell/media_centre/news_and_media_releases/2012/bonny_force_majeure.html

Update: Argentine Lawmakers Issue Final Approval of Bill to Nationalize Largest O&G Producer YPF SA, Seize 51 Percent Stake from Spain's Repsol YPF SA

http://www.rigzone.com/news/article.asp?a_id=117599

Energy Prices

U.S. Oil and Gas Prices May 7, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	97.29	104.27	101.74
NATURAL GAS Henry Hub \$/Million Btu	2.30	2.05	4.49

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 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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