



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

# ENERGY ASSURANCE DAILY

**Tuesday Evening, May 08, 2012**

## ***Electricity***

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### **Update: Calpine Executes Contracts with California Utilities to Keep 578 MW Natural Gas-Fired Sutter Energy Center in Operation through 2012**

Calpine Corporation announced yesterday that it has executed Resource Adequacy contracts (RA contracts) with three California utilities—Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company (the Utilities)—for the purchase of resource adequacy from the Sutter Energy Center for the period from July 1 through December 31, 2012. The RA contracts will enable Sutter to continue in operation as the California Public Utilities Commission (the Commission) moves forward in developing long-term capacity procurement policies to ensure modern, existing resources remain available to meet California's future power demands. The RA contracts are being submitted for approval to the Commission pursuant to Resolution E-4471, in which the Commission directed the Utilities to enter into contract negotiations with Calpine for the purpose of keeping the Sutter plant online through 2012.

<http://phx.corporate-ir.net/phoenix.zhtml?c=103361&p=irol-newsArticle&ID=1692134>

### **Wisconsin Energy Plans to Restart 615 MW Elm Road Coal-Fired Unit 1 in Wisconsin by May 31 after Repairs; Addresses Other Coal-Fired Units in Wisconsin and Michigan**

Wisconsin Energy said Monday it expects the 615 MW Unit 1 at the Elm Road coal-fired power plant in Wisconsin to return to service by the end of May, after a long maintenance outage. Operators shut Unit 1 by the end of September for an inspection, which revealed deposits containing chlorides in the steam turbines. The 615 MW Unit 2 at Elm Road has continued to operate throughout Unit 1's outage, a Wisconsin Energy spokeswoman said.

Wisconsin Energy also said it was planning to convert its 267 MW Valley coal-fired power plant in Wisconsin to burn natural gas, but first it will require approval to run a natural gas pipeline to the plant. The company expects that decision to be made later this year. Wisconsin Energy and Wolverine Power Cooperative are evaluating a joint venture to keep Wisconsin Energy's 431 MW Presque Isle coal-fired power plant operating on the Upper Peninsula in Michigan. To do so, the companies will have to install new pollution control equipment to comply with federal regulations. Otherwise, the companies may decide to retire the plant by 2017.

<http://www.reuters.com/article/2012/05/07/utilities-wisconsinenergy-elmroad-idUSL1E8G7EQT20120507?feedType=RSS&feedName=utilitiesSector&rpc=43>

### **Update: PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey Ramped Up to 85 Percent by May 8**

Salem nuclear Unit 1 is returning from a week-long outage that began April 30, when the unit automatically tripped off line as workers were testing a system connected to a turbine steam inlet and fire alarms sounded. The cause of the shutdown was traced to a voltage issue in one of the two subsystems of the Solid State Protection System, the plant's emergency reactor shutdown system, according to a spokesman. Operators spent last week trouble-shooting the system to ensure everything was in order, before restarting the unit yesterday. PSE&G believes dust shaken from vibrating pipes during the emergency shutdown might have set off the fire alarms.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>  
[http://www.nj.com/salem/index.ssf/2012/05/pseg\\_nuclears\\_salem\\_1\\_reactor\\_5.html](http://www.nj.com/salem/index.ssf/2012/05/pseg_nuclears_salem_1_reactor_5.html)

### **Update: Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington at Full Power by May 8**

Columbia nuclear unit is returning from a curtailment that began April 30, when the reactor was reduced to 85 percent.

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

## **NRC Begins Special Inspection at Progress Energy's 900 MW Harris Nuclear Power Plant in North Carolina after April Failure of Two Main Steam Isolation Valves**

The U.S. Nuclear Regulatory Commission (NRC) is launching a special inspection at Progress Energy's Harris nuclear power plant in North Carolina to assess the circumstances surrounding the April failure of two main steam isolation valves. The plant had shut down and was in the process of cooling down for refueling on April 21 when two main steam isolation valves failed to close. Following additional operator actions, one of the two valves was closed a little more than half an hour later. The other valve took three hours to close. Main steam isolation valves in a nuclear plant are used to shut off steam and play an important role in limiting the release of that steam during certain accident scenarios. While there were no safety implications related to this event at the Harris plant, there was a potential safety risk had one of those accident scenarios occurred while the valves were in a degraded state.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-030.ii.pdf>

## **Enbridge, First Solar Complete 50 MW Silver State North Nevada Solar Project May 7**

Enbridge Inc. and First Solar, Inc. announced yesterday the completion of Enbridge Inc.'s 50 MW (AC) Silver State North Solar Project in Clark County, Nevada. Enbridge acquired Silver State North in March 2012. First Solar developed and constructed the facility using its advanced thin film photovoltaic modules, and will operate and maintain the project for Enbridge. NV Energy will purchase the facility's output under a 25-year power purchase agreement.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2012&id=1609761>

## **Petroleum**

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### **Update: ExxonMobil Partially Restarts 160,000 b/d North Line in Louisiana May 5–6 after Leak**

ExxonMobil Pipeline Co restarted the portion of its North Line crude pipeline running from St. James, Louisiana, to Anchorage, Louisiana over the weekend, a spokeswoman said in an email. The North Line was shut April 28 when a 1,900-barrel leak was discovered near Torbert, Louisiana. The stretch of North Line that was reopened extends northward from St. James to near Baton Rouge. The stretch affected by the leak, northwest of Baton Rouge, remains shut, the spokeswoman said.

<http://finance.yahoo.com/news/exxon-partially-restarts-louisiana-north-204737132.html>

### **Tankers Carrying Alaska North Slope Crude Oil to U.S. West Coast are Returning with Partial Loads as Refinery Shutdowns Cut Demand – BP Spokesman**

BP Plc reported five tankers carrying Alaska North Slope oil to the U.S. West Coast have returned to Alaska with partial loads since February because refinery shutdowns have cut demand, a BP spokesman said on Tuesday. The spokesman said he believes the drop in demand won't last long, referring to the situation as a "temporary reduction in Alaska North Slope crude processing capacity on the West Coast." He said he didn't know exactly how much crude the returning tankers were carrying, but said that ships with capacity of 1.3 million barrels were sometimes returning with as many as 300,000 barrels.

Reuters, 11:26 May 8, 2012

### **Update: BP Restarting Its 225,000 b/d Cherry Point, Washington Refinery May 7, Three Months after CDU Fire – Sources**

BP Plc on Monday was restarting its Cherry Point refinery after being shut for nearly three months following a fire in the refinery's central crude distillation unit (CDU), according to sources familiar with refinery operations.

Reuters, 16:48 May 7, 2012

### **Unspecified Plant Start-up Causes Emissions at Chevron's 279,000 b/d El Segundo, California Refinery May 7; Chevron Later Reports Unspecified Breakdown, Flaring**

Chevron on Monday reported sulfur dioxide emissions due to an unspecified plant start-up at its El Segundo refinery in a filing with the California Emergency Management Agency. Later that day, Chevron reported unplanned flaring due to an unspecified breakdown at the refinery in a filing with the South Coast Air Quality Management District.

Reuters, 17:06 May 7, 2012

Reuters, 16:47 May 7, 2012

## **Update: Hess's 70,000 b/d Port Reading, New Jersey Refinery Operating Normally May 8 after Compressor Snag May 7**

Hess Corp. reported its Port Reading refinery was operating normally on Tuesday after a compressor malfunction Monday caused a brief episode of flaring, according to a spokeswoman.

Reuters, 08:48 May 8, 2012

## **Flaring from Three Stacks Leads to Heavy Smoke at Delek's 60,000 b/d Tyler, Texas Refinery May 7 – Local Reports**

Reuters, 15:01 May 7, 2012

## **Imperial Cuts Off Feed to Coker Unit after Upset at Its 121,000 b/d Sarnia, Ontario Refinery May 6**

Imperial Oil Ltd. reported a coker unit suffered an upset at its Sarnia refinery on Sunday, sending up a plume of black smoke, and was taken out of service, the company said. The impact the incident will have on supply and operations was not immediately known, a spokesman said. Imperial said in a news release that it had shut off feed to the unit. The rest of the plant was still operating, the spokesman said.

Reuters, 16:15 May 7, 2012

## **Shell Restarts Unspecified Units at Its 255,000 b/d Upgrader and 100,000 b/d Refinery in Scotford, Alberta May 7**

Royal Dutch Shell Plc said on Monday it was restarting unspecified units at its 255,000 b/d upgrader facility and its 100,000 b/d Scotford refinery near Edmonton, Alberta, according to a notice on a community information line. Restarting the units will not impact production, but it might result in intermittent flaring for the next 48 hours, the company said.

Reuters, 16:03 May 7, 2012

## **U.S. Federal Energy Regulatory Commission Denies Enterprise, Enbridge's Request to Set Rates on the Seaway Crude Pipeline; Denial May Increase Bottleneck at Cushing – Analyst**

<http://www.bloomberg.com/news/2012-05-07/enbridge-enterprise-denied-market-rates-on-seaway-pipeline-1-.html>

## **Natural Gas**

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### **PHMSA Issues Bulletin Reminding Gas Pipeline Facilities to Preserve and Verify Records Related to Maximum Allowable Operating Pressure**

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a bulletin yesterday reminding gas pipeline facilities to preserve and verify records related to maximum allowable operating pressure (MAOP). The revisions reflect new requirements for reporting procedures in the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011. Today's advisory follows a Notice issued by PHMSA on April 13, 2012 outlining the agency's proposals to make several minor updates to accident and incident reporting forms for hazardous liquid, gas transmission, and gas gathering pipeline systems. The Notice also explains PHMSA's consideration of a number of changes to the annual report form used by operators of natural gas transmission and gathering pipeline systems.

<http://finance.yahoo.com/news/feds-pipeline-companies-must-keep-231136206.html>

<http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Pipeline/2012-8960.pdf>

<http://www.phmsa.dot.gov/staticfiles//PHMSA/DownloadableFiles/Press%20Releases/phmsa0912%20-%20FINALjl.pdf>

## **Other News**

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### **DHS Reports Active Series of Cyber Intrusions Targeting Natural Gas Pipeline Sector**

The Industrial Control Systems Cyber Emergency Response Team (ICS-CERT), a division of the U.S. Department of Homeland Security (DHS) devoted to cybersecurity, in March identified an active series of cyber intrusions targeting natural gas pipeline sector companies, according to a monthly report. Various sources provided information to ICS-CERT describing targeted attempts and intrusions into multiple natural gas pipeline sector organizations. Analysis of the malware and artifacts associated with these cyber attacks has positively identified this activity as related to a single campaign with spear-phishing activity dating back to as early as December 2011. ICS-CERT recently conducted a series of briefings across the country to share information related to the intrusion activity with oil and natural gas pipeline companies. These briefings provided additional context of the intrusions and mitigations for detecting and removing the activity from networks.

[http://www.us-cert.gov/control\\_systems/pdf/ICS-CERT\\_Monthly\\_Monitor\\_Apr2012.pdf](http://www.us-cert.gov/control_systems/pdf/ICS-CERT_Monthly_Monitor_Apr2012.pdf)  
[http://security.blogs.cnn.com/2012/05/08/cyber-attack-targets-gas-pipeline-companies/?hpt=hp\\_t3](http://security.blogs.cnn.com/2012/05/08/cyber-attack-targets-gas-pipeline-companies/?hpt=hp_t3)

## **International News**

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### **Shell Reports Two More Onshore Oil Pipeline Leaks Due to Theft in Nigeria's Delta Region May 7**

Royal Dutch Shell on Monday reported two new onshore oil pipeline leaks in Nigeria's Delta region, 3 days after declaring force majeure on Bonny Light exports due to outages caused by oil theft. The new leaks were discovered on the trans-Niger pipeline at Akpajo and K-Dere pipeline in Ogoniland after a similar number of leaks caused by hacksaw cuts were repaired over the weekend, according to a Shell spokesman on Tuesday.

<http://www.reuters.com/article/2012/05/08/shell-nigeria-leaks-idUSL5E8G86XO20120508>

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b> May 8, 2012			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	96.19	105.99	101.74
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.30	2.11	4.49

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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