



ENERGY ASSURANCE DAILY

Wednesday Evening, May 16, 2012

Electricity

Update: PG&E's 407 MW Helms Hydro Unit 1 in California Returns to Service by May 15

The unit returned from an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201205151515.html>

Update: GenOn's 215 MW Mandalay Gas-Fired Unit 2 in California Returns to Service by May 15

The unit returned from an unplanned curtailment of 130 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201205151515.html>

Petroleum

Update: Sunoco to Restart Fire-Damaged CDU at Its 335,000 b/d Philadelphia, Pennsylvania Refinery May 16 – Trade Source

Sunoco Inc. will restart the crude distillation unit (CDU) at its Philadelphia refinery later today, a trade source familiar with refinery operations said Wednesday. A brief fire in the Girard Point section of the refinery last Wednesday damaged the CDU, boring a hole in the unit. The refinery is expected to restore full rates by the weekend, the source said. A company spokesman declined to comment.

Reuters, 08:11 May 16, 2012

Update: BP Confirms Its 225,000 b/d Cherry Point, Washington Refinery Should Be Fully Operational by the End of May

BP Plc confirmed its Cherry Point refinery should be fully operational by the end of May, if restart procedures go well, a spokesman said. The refinery has been shut since mid-February, when a fire damaged the crude distillation unit (CDU). BP halted restart activities last Thursday when a problem developed on the CDU—a setback the spokesman characterized as minor and said was addressed.

<http://www.bellinghamherald.com/2012/05/16/2523236/bp-cherry-point-restart-under.html>

Update: FCCU to Remain Idled until End of May at Delek's 60,000 b/d Tyler, Texas Refinery after Power Snag Last Week

Delek U.S. Holdings Inc. reported the fluid catalytic cracking unit (FCCU) upset by a power interruption at the Tyler refinery last week will remain idled until the end of the month. The refinery expects crude oil throughput to average 45,000–50,000 b/d in May, and it expects normal operations to resume by the end of the month.

<http://www.reuters.com/article/2012/05/15/delekus-idUSL4E8GF99H20120515>

Update: Pasadena Refining's 100,000 b/d Pasadena, Texas Refinery Resumes Normal Operations after Weekend Power Loss

Pasadena Refining Systems Inc. on Tuesday said all process units at its Pasadena refinery are operating at normal rates after a weekend power loss caused two boilers and the fluid catalytic cracking unit to go off line. The shutdowns had no impact to customer commitments, a company spokeswoman said.

<http://www.foxbusiness.com/news/2012/05/15/pasadena-refining-says-texas-refinery-returns-to-normal-rates/>

Compressor Upsets Lead to Coker Emissions at Valero's 310,000 b/d Port Arthur, Texas Refinery May 15

Valero Energy Corp. reported two separate compressor upsets led to emissions from the refinery's delayed coker unit (DCU) on May 15, according to filings with the Texas Commission on Environmental Quality and U.S. National Response Center. The first incident occurred in the morning as workers were troubleshooting a faulty governor valve and a low hydrogen flow to the reactor resulted. The unit depressured automatically, and operators later returned the compressor to normal operating conditions. The DCU was listed as a source of emissions in the filing. Later on Tuesday, Valero reported flaring from the DCU when the DCU fractionator overhead drum filled, causing the wet gas compressor to trip on high suction drum level. Operators put two coker drum modules on circulation and reduced the other module to a minimum charge rate. The drum level was lowered to allow the compressor to be restarted. A Valero spokesman said the incident had no material impact to production.

DJN, 11:43 May 16, 2012

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168486>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168503>

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1011610

Saturate Gas Compressor Trip Leads to Flaring at Valero's 83,000 b/d Houston, Texas Refinery May 15

A saturate gas compressor trip resulted in emissions at Valero Energy Corp.'s Houston refinery, a company spokesman said on Tuesday. The company earlier reported flaring at the north west portion of the refinery around 8:15 PM local time on Tuesday, according to a message posted on a community information line. The spokesman said there was no material impact to production.

Reuters, 22:49 May 15, 2012

ESP Shuts, Causes FCCU Emissions at Citgo's 163,000 b/d Corpus Christi, Texas Refinery May 15

Citgo on Tuesday reported that, while operators were working on the Unibon Unit's power management, the fluid catalytic cracking unit's (FCCU) feed diversion activated, shutting the electrostatic precipitator (ESP) and resulting in increased opacity from the FCCU stack. Operators later restarted the ESP and restored normal operations.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168464>

Power Outage Causes Emissions at Valero's 180,000 b/d Memphis, Tennessee Refinery May 14

Valero Energy Corp. reported sulfur dioxide emissions due to a power outage at its Memphis refinery late Monday night, according to a filing with the U.S. National Response Center.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1011508

Refinery Fire Quickly Extinguished at Co-Op's 100,000 b/d Regina, Saskatchewan Refinery May 15

Consumers' Co-operative Refineries Limited reported a fire that broke out in a pump house at its Regina refinery Tuesday night was quickly contained by emergency crews, according to reports. Officials suspect the fire, which began around 8:20 PM local time, was caused when leaking fluid in the pump house ignited. Officials are investigating the ignition source. Operations at the refinery were expected to continue as normal this morning, a refinery executive said.

<http://www.leaderpost.com/news/Refinery+fire+quickly+contained/6627998/story.html>

Natural Gas

Enbridge Reports AGI Unit Shutdowns at Its Tilden Gas Plant in Texas May 16

Enbridge reported early Wednesday morning that acid gas injector (AGI) Unit 1 went down due to high first-stage suction pressure, and AGI Unit 2 went down due to fifth-stage high discharge pressure, 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=168481>

Shell, Partners Move Forward with Proposed ‘LNG Canada’ Export Project in Kitimat, British Columbia

Shell, Korea Gas Corporation (KOGAS), Mitsubishi Corporation, and PetroChina Company Limited on Tuesday announced they are developing a proposed liquefied natural gas (LNG) export facility in Western Canada, near Kitimat, British Columbia, to export LNG to global markets, including Asia. The proposed “LNG Canada” project includes the design, construction, and operation of a gas liquefaction plant and facilities for the storage and export of LNG, including marine off-loading facilities and shipping. LNG Canada will initially have two LNG processing units, or trains, each with the capacity to produce 6 million tonnes of LNG annually, with an option to expand the project in the future. The partners will decide whether to move ahead with the project’s development after conducting engineering work and environmental assessments, as well as consultations with local communities and other stakeholders. Start-up could come around the end of the decade, assuming all necessary regulatory approvals and investment decisions.

http://www.shell.com/home/content/media/news_and_media_releases/2012/lng_canada_15052012.html

Other News

Industry Study Demonstrates E15 Blended Gasoline Can Cause Mechanical Damage on Certain Vehicles

The Coordinating Research Council (CRC), whose sustaining members are the American Petroleum Institute and a group of automobile manufacturers, today released the results of a 2-year study on engine durability that showed fuel containing 15 percent ethanol (E15) can have adverse effects on certain models of cars. Adverse effects included damaged valves and valve seats, diminished vehicle performance, misfires, engine damage, as well as poor fuel economy and increased emissions. The U.S. Environmental Protection Agency in April approved E15 for use in cars and light trucks whose model year is 2001 or newer. Auto-industry groups have said the fuel should not be made available until the potential impacts of its use are adequately tested.

<http://www.globalautomakers.org/media/press-release/15-ethanol-fuel-raises-consumer-concerns-new-study-demonstrates-vehicle-failures>

<http://crcao.org/reports/recentstudies2012/CM-136-09-1B%20Engine%20Durability/CRC%20CM-136-09-1B%20Final%20Report.pdf>

Update: Aventine to Start Production at 113 MMGal/Yr. Aurora West Ethanol Plant in Nebraska in June

Aventine Renewable Energy Holdings announced this week it plans to start up the new Aurora West ethanol plant in June, according to reports. The company completed construction on the plant in August 2011 but has delayed starting production for financial and other reasons.

http://www.auroranewsregister.com/index.php?option=com_content&view=article&id=4652:aventine-to-fire-up-new-plant&catid=13:featured-articles

DOE Announces Uranium Enrichment Project at USEC’s Paducah Gaseous Diffusion Plant in Kentucky

The U.S. Department of Energy—in collaboration with Energy Northwest (EN), the Tennessee Valley Authority (TVA), and USEC Inc.—today announced the finalized details of a transfer of depleted uranium to EN that will be enriched at USEC’s Paducah Gaseous Diffusion Plant during the next year and ultimately result in fuel for EN and TVA.

<http://energy.gov/articles/doe-announces-transfer-depleted-uranium-advance-us-national-security-interests-extend>
<http://energy.gov/downloads/paducah-background-factsheet>

DOI Releases Update on Unused Oil and Gas Leases

The U.S. Department of Interior today released a report that shows more than two thirds of federal offshore acreage leased by industry and more than half of federal onshore leased acreage in the lower 48 states remains idle—neither producing nor under active exploration or development by companies who hold those leases.

<http://www.doi.gov/news/pressreleases/DOI-Releases-Update-on-Unused-Oil-and-Gas-Leases.cfm>
<http://www.doi.gov/news/pressreleases/loader.cfm?csModule=security/getfile&pageid=296238>

International News

Update: Total Kills Elgin Well Leak in North Sea after Pumping Heavy Mud for 12 Hours; Well Had Been Leaking Since March 25

Total SA today announced that a well intervention operation has stopped the G4 well leak on the Elgin complex, according to a press release. The well intervention operation, which involved pumping heavy mud into the leaking well, stopped the leak 12 hours after it began on May 15. The G4 well had been leaking since March 25. Total evacuated the platform and halted production March 26, and later said the leak likely began after pressure rose in a capped well. Operators will closely monitor the well in coming days to confirm the complete success of the intervention.

<http://www.elgin.total.com/elgin/pressrelease.aspx?contentid=854>

Energy Prices

| U.S. Oil and Gas Prices | | | |
|---|-------|----------|----------|
| May 16, 2012 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 92.78 | 96.33 | 97.38 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.38 | 2.27 | 4.09 |

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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