



ENERGY ASSURANCE DAILY

Thursday Evening, May 17, 2012

Electricity

Update: EmberClear's Good Spring Power Project in Pennsylvania Increases to 300 MW; Changes Fuel Source from Coal to Natural Gas

EmberClear Corp. plans to increase the power generation at its proposed Good Spring Power Plant in Schuylkill County, Pennsylvania from 270 MW to 300 MW, according to news reports. The company also announced it now plans to build a natural gas combined cycle power plant, instead of the previously announced coal integrated gasification combined cycle power plant. The low cost of natural gas and the uncertainty surrounding regulations on emissions from coal-fired power plants have made it favorable to use natural gas as the primary fuel source for the plant. EmberClear is preparing to begin construction in 2013.

<http://www.newswire.ca/en/story/976339/good-spring-power-project-increases-to-300-mw>

Alliance Power, RMT to Build 67 MW Colorado Highlands Wind Project

Alliance Power, Inc. has selected RMT, Inc. to design and construct the 67 MW Colorado Highlands Wind project in Logan County, Colorado. The project includes the installation of 42 GE 1.6-MW wind turbines, a 34.5/115-kV power substation, a 6.2-mile, 115-kV project transmission line, and interconnection switchyard to the Western Area Power Administration's system. Construction of the Colorado Highlands Wind project commenced in late April 2012. The project is scheduled to be operational by the end of 2012. Tri-State Generation and Transmission Association will purchase the full output of the project under a 20-year power purchase agreement.

http://www.rmtinc.com/utility/press_co_highlands_award.php

Sempra, BP Wind Energy to Build 21 MW Auwahi Wind Farm in Hawaii

Sempra U.S. Gas & Power and BP Wind Energy today announced plans to jointly develop the Auwahi Wind farm in Hawaii. Located in southeastern Maui, the 21 MW wind farm will utilize eight Siemens wind turbines. Initial construction activities are underway and full mobilization at the site is slated to begin by the end of the second quarter 2012. The project is expected to be in commercial operation by year-end 2012. Maui Electric Company will purchase the entire power output from the wind farm under a long-term agreement.

<http://sempra.mediaroom.com/index.php?s=19080&item=128587>

AES's 495 MW Alamos Gas-Fired Unit 6 in California Shut by May 16

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201205161515.html>

PG&E's 407 MW Helms Hydro Unit 1 in California Shut by May 16

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201205161515.html>

AES's 215 MW Huntington Beach Gas-Fired Unit 4 in California Reduced by May 16

The unit entered an unplanned curtailment of 124 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201205161515.html>

Enbridge Energy Partners Announces Major Expansions of Its Lakehead Crude Oil Pipeline System

Enbridge Energy Partners, L.P. yesterday announced it is moving forward with further expansions of its crude oil mainline pipeline system. The Lakehead System expansions are designed to increase deliveries to various refinery markets in the Upper Midwest, eastern Canada and, through connecting Enbridge pipelines, the U.S. Gulf Coast.

Expansion of the Lakehead System includes:

- Increasing capacity on the 36-inch Alberta Clipper pipeline (Line 67) from 450,000 b/d to 570,000 b/d into the Superior, Wisconsin Terminal;
- Increasing capacity on the 42-inch Southern Access pipeline (Line 61) between the Superior Terminal and the Flanagan, Illinois Terminal from 400,000 b/d to 560,000 b/d;
- Increasing capacity on the Spearhead North pipeline (Line 62) between Flanagan, Illinois and the Griffith, Indiana Terminal from 130,000 b/d to 235,000 b/d;
- Installing a new 330,000-barrel tank at the Griffith Terminal;
- Replacing sections of Line 6B in Indiana and Michigan (combined with previously announced replacements of 75 miles of Line 6B) to increase capacity from 240,000 b/d to 500,000 b/d; and
- Replacing portions of the existing 30-inch Line 6B with 36-inch pipe.

These projects are expected to be placed into service during 2013 and 2014.

http://www.enbridgepartners.com/Reports/reportif_partners.aspx?pl=0&rptSite=5&rpt=%2fphoenix.zhtml%3fc%3d63707%26p%3dirol-news%26nyo%3d0&tmi=475&tmt=5

Enbridge Proceeding with Additional Eastern Access Projects for Growing Production from Western Canada, Bakken Shale

Enbridge Inc. yesterday announced it has secured commercial support to proceed with additional Eastern Access projects, to expand its access to markets in North America for growing production from western Canada and the Bakken Shale. The additional Eastern Access projects include:

- An 80,000 b/d expansion of Enbridge's Toledo Pipeline (Line 17), which connects with the Enbridge mainline at Stockbridge, Michigan and serves refineries at Toledo, Ohio and Detroit, Michigan, for service in early 2013; and
- A re-reversal of Enbridge's 240,000 b/d Line 9B from Westover, Ontario to Montreal, Quebec, to serve refineries in Quebec, in early 2014.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2012&id=1615198>

Imperial Oil to Sell 88,000 b/d Dartmouth, Nova Scotia Refinery, Related Supply Terminals for Economic Reasons

Imperial Oil Limited announced today it is "evaluating the future" of its Dartmouth refinery for economic reasons. The company will market the refinery and related supply terminals to prospective buyers in the coming months and consider conversion to a terminal, as well as other alternatives. The related terminals operate at Dartmouth, NS, Sydney, NS, Corner Brook, NL, Sept-Iles, QC, and Cap aux Meules in the Magdalen Islands. The company hopes to make a decision about the sale or other alternatives by first quarter 2013, depending on the response to marketing efforts. The company has had some expressions of interest in the refinery and has compiled a list of more than 24 potential buyers, an executive said Thursday. The refinery will continue operations in the meantime.

Reuters, 10:21 May 17, 2012

http://www.imperialoil.ca/Canada-English/about_media_releases_20120517.aspx

SemGroup to Build New Wattenberg Crude Oil Gathering System in the Denver-Julesburg Basin in Colorado

SemGroup Corporation yesterday announced plans to construct a new crude oil gathering system in the Denver-Julesburg Basin (DJ Basin) in Colorado to support increased production from Noble Energy, Inc. and other producers in the area. The new gathering system, to be called the Wattenberg Oil Trunkline will include a 37-mile, 12-inch pipeline system with 200,000 barrels of operational storage extending north from Rose Rock Midstream's Platteville Station, the origin point of White Cliffs Pipeline, and connecting to Noble Energy processing facilities in the DJ Basin. The project is expected to be operational the third quarter of 2013.

<http://www.marketwatch.com/story/semgroup-corporation-and-noble-energy-agree-to-build-new-wattenberg-crude-oil-gathering-system-2012-05-16>

Update: Sunoco Restarts CDU at Its 335,000 b/d Philadelphia, Pennsylvania Refinery May 16; Expects to Reach Planned Rates by May 19 – Source

Sunoco Inc. on Wednesday began restarting a 100,000 b/d crude distillation unit (CDU) in the Girard Point section of its Philadelphia refinery and was expected to reach planned operating rates by Saturday, a person familiar with operations at the plant said Thursday. Operators shut the unit for repairs after a brief fire May 9 damaged the unit. DJN, 10:58 May 17, 2012

Update: Valero's 180,000 b/d Memphis, Tennessee Refinery Operating after Brief Power Outage May 14

Valero Energy Corp. on Wednesday said all main production units at its Memphis refinery were in operation following a brief power interruption Monday. The company had reported sulfur dioxide emissions due to a power outage Monday night. A company spokesman said there was no material impact to production.

<http://www.foxbusiness.com/news/2012/05/16/valero-memphis-refinery-operating-after-brief-power-outage/>

Mechanical Malfunction Causes SRU Emissions at Delek's 60,000 b/d Tyler, Texas Refinery May 16

Delek reported a mechanical malfunction resulted in excess sulfur dioxide emissions from the sulfur recovery unit (SRU) No. 2 tail gas incinerator.

<http://www11.tceq.state.tx.us/oce/eeq/index.cfm?fuseaction=main.getDetails&target=168525>

Citgo Says Hydrofluoric Acid Release at Its Corpus Christi, Texas Refinery May 15 Had No Impact on Production

Citgo Petroleum Corp. said there was no impact to production at its Corpus Christi refinery after a hydrofluoric acid release in its East Plant late Tuesday. The release occurred when operators opened a valve to transfer the acid to an alkylation unit. The refinery had earlier said some units at the plant were undergoing turnaround maintenance. It also had reported emissions from the fluid catalytic cracking unit Tuesday after the electrostatic precipitator unexpectedly shut.

Reuters, 16:41 May 16, 2012

North Dakota Becomes No. 2 Oil-Producing State in the United States

North Dakota on Monday released data showing it has become the second highest oil-producing state in the nation, following Texas and edging ahead of Alaska for the first time. The state has rapidly increased its output in the Bakken shale and Three Forks formations, in western North Dakota. North Dakota produced 17.8 million barrels of oil in March, as compared to Alaska's 17.6 million barrels in the same month, and Texas's 49 million barrels in February.

<http://www.startribune.com/business/151816555.html>

Natural Gas

Vann Energy Services Reports Explosion at Its Hydraulic Fracturing Tank Site in South Texas May 16

Two workers were injured in an explosion at a hydraulic fracturing tank site in south Texas early on Wednesday, according to local officials. A spokeswoman from Vann Energy Services LLC, which owns the facility, said Wednesday the men were cleaning a tank at the facility when it exploded. In February, the U.S. Occupational Safety and Hazard Administration cited serious health and safety violations at the facility, including failures to maintain electrical conductors and cords, ensure electrical equipment such as fans were approved for hazardous places, and provide covers for open pits.

Reuters, 13:14 May 16, 2012

Vermont Bans Hydraulic Fracturing, Cites Concerns about Groundwater Contamination

Vermont Governor Peter Shumlin on Wednesday signed a bill banning hydraulic fracturing, or "fracking," a practice used to extract natural gas from the ground by injecting water and chemicals into the earth to release oil and natural gas trapped in shale rock deposits. The governor cited concerns that fracking contaminates groundwater and is an "uncertain science at best." The practice has also raised concerns that it may cause mild earthquakes. Vermont does not produce any natural gas using fracking or conventional methods.

http://www.cnn.com/2012/05/17/us/vermont-fracking/index.html?hpt=hp_t2

Gulf LNG Applies to Export 1.5 Bcf/d from Its Pascagoula, Mississippi LNG Terminal

Gulf LNG Liquefaction LLC (GLLC) has applied to the U.S. Department of Energy for long-term authorization to export liquefied natural gas (LNG) to countries with a free trade agreement with the United States. The company plans to export approximately 11.5 million tons of LNG per year—equivalent to about 1.5 Bcf/d of natural gas—from the Gulf LNG Energy terminal in Pascagoula, Mississippi. The Gulf LNG Energy terminal commenced service as an import terminal October 2011.

http://www.downstreamtoday.com/news/article.aspx?a_id=36258

http://www.fossil.energy.gov/programs/gasregulation/authorizations/2012_applications/12_47_lng.pdf

Update: Oregon LNG Applies to Export 1.25 Bcf/d from Proposed Warrenton, Oregon Bi-Directional LNG Terminal

LNG Development Co. LLC d/b/a Oregon LNG has applied to the U.S. Department of Energy for long-term authorization to export 9.6 million tonnes of liquefied natural gas (LNG) per year—equivalent to about 1.25 Bcf/d of natural gas—from its proposed Warrenton, Oregon terminal to countries with a free trade agreement with the United States. The company's proposed Oregon LNG Bi-Directional Project is being developed primarily to liquefy Canadian-sourced supplies of natural gas for export to foreign markets, according to its application. It will connect to an approximately 86-mile pipeline being developed by Oregon Pipeline, which in turn will connect to the interstate natural gas transmission system of Williams Northwest Pipeline Co.

http://www.downstreamtoday.com/news/article.aspx?a_id=36258

http://www.fossil.energy.gov/programs/gasregulation/authorizations/2012_applications/12_48_lng.pdf

Other News

Nothing to report

International News

Update: Shell Starts Repairs on 60,000 b/d Nembe Creek Trunkline Damaged by Theft, Illegal Bunkering in Nigeria

http://www.upi.com/Business_News/Energy-Resources/2012/05/17/Shell-starts-repair-work-in-Nigeria/UPI-12231337254899/

Petrobras Says It's 'Unlikely' That Chevron's Offshore Frade Field Will Permanently Shut

Chevron Corp. is "unlikely" to permanently shut its offshore Frade field in Brazil, and output may restart after investigators determine the causes of a November spill in the field, a Petrobras executive said on a conference call with investors Thursday. Petrobras owns 30 percent of the Frade field.

Reuters, 09:00 May 17, 2012

Energy Prices

U.S. Oil and Gas Prices			
May 17, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	92.84	96.69	94.79
\$/Barrel			
NATURAL GAS			
Henry Hub	2.50	2.36	4.21
\$/Million Btu			

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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