



# ENERGY ASSURANCE DAILY

Friday Evening, May 17, 2013

## Electricity

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### **Update: CPV, Partners Begin Commercial Operations at 800 MW CPV Sentinel Energy Center Natural Gas-Fired Power Plant in California May 16**

Competitive Power Ventures, Inc. (CPV), GE Energy Financial Services, and Diamond Generating Corporation on Thursday announced the new 800 MW CPV Sentinel Energy Project has begun commercial operations. The project uses peaking power generation technology to provide electricity to customers. Eight units with quick-starting and fast-ramping capability are available for use during the summer and other periods of peak energy use, while also backing up solar and wind farms surrounding the plant. The project is currently providing power based on short-term sales agreements. Beginning in August, CPV Sentinel will supply electricity under a long-term power purchase agreement to Southern California Edison.

[http://www.cpv sentinel.com/pdfs/CPV%20Sentinel%20COD%20Press%20Release\\_FINAL.pdf](http://www.cpv sentinel.com/pdfs/CPV%20Sentinel%20COD%20Press%20Release_FINAL.pdf)

### **Utility Commissioners Approve ETT Application to Build 345-kV Laredo-to-Rio Grande Valley Transmission Line in Texas**

The Public Utility Commission of Texas on May 9 unanimously approved an application by Electric Transmission Texas, LLC (ETT) to build a 345-kV transmission line from the Laredo area into the Rio Grande Valley. The transmission project includes construction of approximately 156 miles of 345-kV transmission lines that will connect ETT's Lobo Substation near Laredo with substations north of Edinburg and will add two new substations along the line route. Construction is expected to begin in 2014 and finish in 2016. The Electric Reliability Council of Texas (ERCOT) determined in October 2011 that the project is critical for the reliability of the ERCOT system and, specifically, the Lower Rio Grande Valley. Currently, only two 345-kV transmission lines serve the Valley, both of which run parallel to the Gulf Coast and are vulnerable to hurricanes and other severe weather. Work to upgrade those two lines is already underway and should be complete this summer.

<http://www.aep.com/newsroom/newsreleases/?id=1813>

### **Severe Storm Cuts Power to 21,000 SWEPCO Customers near Texas-Louisiana State Line May 16; More Than 5,500 Customers Remain without Power May 17**

A severe storm and possible tornadoes downed trees and electrical lines near the Texas-Louisiana State line Thursday afternoon, cutting power to as many as 21,000 Southwestern Electric Power Company (SWEPCO) customers at the height of the storm. Crews worked to restore as many outages as possible Thursday night, and SWEPCO expects to restore all impacted customers by 5:00 p.m. local time today. As of 3:00 p.m. EDT today, 5,561 customers remained without power.

<https://www.swepco.com/outages/>

<http://www.shreveporttimes.com/article/20130517/NEWS01/305170006/Storm-batters-Ark-La-Tex>

### **Update: FPL's 693 MW Turkey Point Nuclear Unit 3 in Florida Ramped Up to 47 Percent by May 17**

Turkey Point 3 is returning from an outage that began by May 11.

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

### **Inland Empire's 366 MW Inland Empire Energy Center Natural Gas-Fired Unit 2 in California Returns to Service by May 16**

The unit returned from an unplanned curtailment of 126 MW that began by May 15.

<http://content.caiso.com/unitstatus/data/unitstatus201305161515.html>

### **Update: AES's 496 MW Redondo Natural Gas-Fired Unit 8 in California Returns to Service by May 16**

The unit returned from an unplanned outage that began by May 15.

<http://content.caiso.com/unitstatus/data/unitstatus201305161515.html>

### **Update: Calpine's 525 MW Sutter Natural Gas-Fired Unit in California Returns to Service by May 16**

The unit returned from an unplanned curtailment of 255 MW that began by May 15.

<http://content.caiso.com/unitstatus/data/unitstatus201305161515.html>

### **EDF Renewable Energy's 110 MW Catalina Solar Unit in California Returns to Service by May 16**

The unit returned from an unplanned outage that began by April 1.

<http://content.caiso.com/unitstatus/data/unitstatus201305161515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201304011515.html>

### **Pattern Energy's 265 MW Ocotillo Wind Unit in California Shuts by May 16**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201305161515.html>

## ***Petroleum***

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### **HollyFrontier Says Unplanned FCCU Outages Will Reduce Q2 Crude Throughput at Its 47,000 b/d Cheyenne, Wyoming and 130,000 b/d El Dorado, Kansas Refineries**

HollyFrontier disclosed that unplanned outages at two of its refineries will reduce its crude throughput in the second quarter by about 7.5 percent. Fluid catalytic cracking units (FCCUs) at its Cheyenne, Wyoming and El Dorado, Kansas refineries will be down for about 10 days due to unspecified operational issues. As a result, the company expects to process about 370,000 b/d of crude during the second quarter, instead of the 400,000 b/d it had forecast on an earnings call earlier this month.

<http://www.hydrocarbonprocessing.com/Article/3206457/Latest-News/HollyFrontier-reports-unplanned-outages-at-Kansas-Wyoming-refineries.html>

### **Update: Colonial Fully Restores Operations on Its Line 1 Gasoline Pipeline May 16 after Repairs to Fix Leak in Texas**

Colonial Pipeline said it restarted its Line 1, the main gasoline line that runs from Houston to Greensboro, North Carolina, shortly before midnight Thursday after crews successfully completed a line repair near Hebert, Texas.

Colonial said it also resolved a second integrity issue near Opelousas, Louisiana. Operators shut the entire line for an hour Wednesday after a small amount of gasoline was detected at a location between Houston and Herbert, and then restarted operations downstream of Herbert later that day.

Reuters, 08:52 May 17, 2013

### **Marathon Reports Leak on Its 223,000 b/d Wood River-Patoka Crude Oil Pipeline Shut for Maintenance in Illinois May 11; Line Remained Shut for Maintenance May 16**

Marathon Petroleum Corp. reported its 223,000 b/d crude oil pipeline from Wood River to Patoka, Illinois remained shut Thursday after it leaked water and oil during routine tests over the weekend. A spokesman said the pipeline was "currently in maintenance." Operators reported an incident occurred near midnight on May 11 in Greenville, Illinois. Marathon said that at the time of the leak the pipeline was shut for routine tests, and that approximately 2,500 barrels of hydrostatic test water and less than 2 gallons of crude oil had leaked. The company said also that no regulatory approvals were required to restart the pipeline.

Reuters, 12:52 May 16, 2013

### **Update: BP Says 12-Inch Crude Line Found Leaking in Illinois May 15 Is a Nonfunctional Line, Will Not Impact Operations**

BP Plc said the 12-inch crude oil pipeline that was discovered leaking in Marshall County, Illinois on Wednesday is a nonfunctional line and has not impacted operations. The company was still investigating the cause of the leak.

Reuters, 16:08 May 16, 2013

### **Motiva Says Power Was Quickly Restored at Its 235,000 b/d Convent, Louisiana Refinery after Brief Outage May 16**

Motiva Enterprises said power was quickly restored at its Convent refinery on Thursday morning after it experienced a temporary power outage. The company did not specify which units were affected by the power outage or whether the refinery had begun any restarts.

Reuters, 16:00 May 16, 2013

### **Phillips 66 Reports Coker Compressor Loss at 362,000 b/d Wood River, Illinois Refinery May 16**

Phillips 66 reported the loss of a compressor on a coker unit at its Wood River refinery on Thursday, according to a filing with the Illinois Emergency Management Agency.

Reuters, 04:00 May 17, 2013

### **Update: Union Workers Ratify Labor Contract, Avert Strike at ExxonMobil's 572,000 b/d Baytown, Texas Refinery May 15**

United Steelworkers local 13-2001 members at ExxonMobil's Baytown refinery on Wednesday night ratified three separate agreements with the company for the operations, maintenance, and laboratory groups. In late April the union said a dispute over contract language on safety at the plant could lead to a strike if it was not resolved.

[http://www.usw.org/media\\_center/releases\\_advisories?id=0706](http://www.usw.org/media_center/releases_advisories?id=0706)

### **Meritage Midstream and Arch Coal to Develop Crude Oil Terminal at Arch's Black Thunder Mining Complex in Wyoming's Powder River Basin**

Meritage Midstream Services II, LLC and Arch Coal, Inc. on Wednesday announced that the companies intend to create a joint venture called Black Thunder Terminal, LLC, that will develop a rail terminal to provide crude oil handling, storage, rail loading, and marketing services to producers in Wyoming's Powder River Basin and downstream refiners. Early stage crude oil transloading operations from inbound trucks to outbound trains are expected to begin at Black Thunder as early as September 2013. As demand from producers and refiners warrants, the terminal will have the ability to increase outbound shipping capacity from 10,000 b/d of crude oil in the initial phase to 120,000 b/d via outbound unit train. The terminal will be served by BNSF Railway Company. The proposed joint venture between Arch Coal and Meritage is subject to customary approvals, which the companies expect to receive in 3 to 6 months.

<http://www.meritagemidstream.com/newsroom/meritage-midstream-and-arch-coal-form-joint-venture>

## ***Natural Gas***

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### **Fire, Possible Explosion Shuts a Williams Partners' Natural Gas Compressor Station in Susquehanna County, Pennsylvania May 14**

Williams Partners LP reported a fire and possible explosion at a natural gas compressor station in Susquehanna County, Pennsylvania began late Tuesday night and was extinguished about an hour and a half later, according to a filing with the State Department of Environmental Protection. The facility's automatic safety devices functioned properly and stemmed the flow of gas to the compressor station, which sustained moderate damage due to the fire. Williams said the station was in total shutdown and would remain so until operations could safely resume. Operators and fire safety officials were investigating the cause of the fire.

<http://thetimes-tribune.com/news/fire-possible-explosion-at-susquehanna-gas-compressor-station-thought-to-be-accidental-1.1489789>

## **Update: Sempra Energy, Partners Sign Tolling Capacity, JV Agreements for 1.7 Bcf/d Liquefaction and Export Facility at Cameron LNG Terminal in Louisiana**

Sempra Energy, GDF SUEZ S.A., Mitsubishi Corporation, and Mitsui & Co., Ltd. on Thursday announced that they have signed 20-year tolling capacity and joint-venture (JV) agreements to support the development, financing, and construction of a liquefied natural gas (LNG) export facility at the site of the Cameron LNG receipt terminal in Hackberry, Louisiana. The tolling agreements subscribe the full nameplate capacity of the three-train, 13.5 million tonnes per annum (mpta) facility that will provide an export capability of 12 mpta of LNG, or approximately 1.7 Bcf/d, and the full re-gasification capacity of 1.5 Bcf/d. Each tolling agreement is for 4 mpta. The agreements are subject to a final investment decision to proceed by each party, finalization of permit authorizations, securing financing commitments expected by early 2014, and other customary conditions. Pending regulatory approvals, construction is expected to start in 2014 with the first phase of liquefaction operations to commence in the second half of 2017. Full commercial operation of all three trains is expected in 2018.

<http://sempra.mediaroom.com/index.php?s=19080&item=136824>

## **Tennessee Gas to Ship 600 MMcf/d of Natural Gas to Sempra's Cameron LNG Terminal on Its Proposed Southwest Louisiana Supply Project**

Tennessee Gas Pipeline Company, L.L.C. (TGP), a unit of Kinder Morgan Energy Partners, L.P., on Thursday announced it has signed a binding, 20-year firm transportation precedent agreement with Mitsubishi Corporation (MC) to ship 600 MMcf/d of natural gas earmarked for the proposed Cameron LNG liquefaction facility in Hackberry, Louisiana, which is slated to begin exporting liquefied natural gas (LNG) in the second half of 2017. MC will serve as the foundation shipper for TGP's proposed Southwest Louisiana Supply Project, which will provide transportation from various supply basins in Ohio, Pennsylvania, Texas, and Louisiana to Cameron Interstate Pipeline, which connects directly to the Cameron LNG Terminal. The project includes additional interconnections with shale supply, new pipeline laterals, and enhancements to TGP's existing pipeline system to allow for bi-directional flow to the region. TGP will hold a binding open season for additional interest in its project at a later date.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1821253>

## **Other News**

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### **Interior Releases Updated Draft Rule for Hydraulic Fracturing on Public and Indian Lands for Public Comment**

The U.S. Department of the Interior on Thursday announced the release of an updated draft proposal that would establish safety standards for hydraulic fracturing on public and Indian lands. Following the release of an initial draft proposal in 2012, Interior received more than 177,000 public comments that helped inform its updated draft proposal. The new proposal maintains certain safety standards, improves integration with existing State and Tribal standards, and increases flexibility for oil and gas developers. The updated draft proposal will be subject to a new 30-day public comment period.

<http://www.interior.gov/news/pressreleases/interior-releases-updated-draft-rule-for-hydraulic-fracturing-on-public-and-indian-lands-for-public-comment.cfm>

### **Coast Guard Reopens Northern Section of Illinois River after 5-Day Shutdown for Emergency Repairs to Marseilles Lock and Dam**

The U.S. Coast Guard reported it had reopened a northern section of the Illinois River to restricted vessel traffic late on Wednesday after a 5-day closure for emergency repair and salvage work at a dam that was damaged during flooding last month. The U.S. Army Corp of Engineers continues to work to remove barges that sank after breaking free from a tow and striking the Marseilles Lock and Dam near Seneca, Illinois on April 18. The lock was expected to remain open during the repair process, which could take months to complete, but the Coast Guard has placed restrictions on vessel traffic through the lock and between river mile markers 244.6 and 247.8. The Illinois River bisects the State from Chicago to its confluence with the Mississippi River near Alton, Illinois. Shippers rely on both rivers to transport commodities such as coal and oil.

Reuters, 13:25 May 16, 2013

### **POET Shuts 68 MMGal/Year Alexandria Ethanol Plant in Indiana for Maintenance – Traders**

POET Biorefining shut its Alexandria, Indiana refinery this week due to a maintenance issue, according to traders, who said the plant was expected to remain shut for as long as 2 weeks.

Reuters, 12:55 May 16, 2013

## Tank Ruptures, Leaks Unspecified Chemical at Biodiesel Facility in Southeast Houston May 15

<http://abclocal.go.com/ktrk/story?section=news/local&id=9104621>

## International News

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### Bomb Attack Halts Crude Flows on Iraq-Turkey Export Pipeline May 17; Marks Third Attack in Less Than 2 Weeks

Militants blew up part of a pipeline carrying crude from northern Kirkuk oilfields in Iraq to the Mediterranean port of Ceyhan in Turkey early on Friday, halting oil flows for the third time since an attack on May 6, sources at Iraq's North Oil Company said. Operators were evaluating the damage.

Reuters, 06:43 May 17, 2013

## Energy Prices

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U.S. Oil and Gas Prices			
May 17, 2013			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	95.43	94.19	92.84
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.01	3.87	2.50

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 & 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>

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