



ENERGY ASSURANCE DAILY

Monday Evening, June 2, 2014

Electricity

EPA Proposes Clean Power Plan to Cut Carbon Pollution from Existing Power Plants

The U.S. Environmental Protection Agency (EPA) today released the Clean Power Plan proposal, which for the first time cuts carbon pollution from existing power plants, the single largest source of carbon pollution in the United States. By 2030, the proposal aims to cut carbon emissions from the power sector by 30 percent nationwide below 2005 levels. The Clean Power Plan will be implemented through a state-federal partnership under which states identify a path forward using either current or new electricity production and pollution control policies to meet the goals of the proposed program. The proposal provides guidelines for states to develop plans to meet state-specific goals to reduce carbon pollution and gives them the flexibility to design a program that makes the most sense for their unique situation. States can choose the right mix of generation using diverse fuels, energy efficiency and demand-side management to meet the goals and their own needs. It allows them to work alone to develop individual plans or to work together with other states to develop multi-state plans. Also included in the proposal is a flexible timeline for states to follow for submitting plans to the agency—with plans due in June 2016.

<http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceec8525735900400c27/5bb6d20668b9a18485257ceb00490c98!OpenDocument>

MISO Could Face 2 GW Shortfall, Rolling Blackouts by Summer 2016 – FERC Commissioner

The Federal Energy Regulatory Commission's (FERC's) commissioner said the energy industry could be in for a "rough ride" in the next five to six years with FERC Order 745 (relating to demand response) vacated, a new FERC chairman set to be confirmed this year, and tighter federal environmental regulations scheduled to roll out in the coming years. Midcontinent Independent System Operator Inc. (MISO) is already projecting a reserve margin deficit of 2 GW by the summer of 2016 and there is a tightening supply situation that's going to be exacerbated by the closure of plants owing to the implementation of Mercury and Air Toxics Standards (MATS) in April 2015, the commissioner said. The commissioner said it was not out of the realm of possibility, with extreme weather, to have rolling blackouts in MISO by summer 2016.

<http://www.snl.com/InteractiveX/article.aspx?CDID=A-28249475-11051&KPLT=4>

Update: Prairie State Energy Says Its 800 MW Prairie State Coal-fired Unit 2 in Illinois to Return to Service by Late June

Prairie State Energy expects unit 2 at the Prairie State coal-fired power plant in southern Illinois to return to service in mid to late June after it was damaged May 24, a company spokeswoman said Friday. Unit 2 was damaged as operators were shutting it for planned maintenance and a water storage tank overflowed. This resulted in an unexpectedly high release of steam and water that damaged the unit's siding and associated equipment, the company said.

Reuters, 10:26 May 30, 2014

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Shut to Plug Tubes in Main Condenser June 2

Entergy Corp. shut its FitzPatrick unit in New York by early Monday to plug tubes in the main condenser. The company did not specify the length of the outage, but traders said it was fairly routine maintenance and that the plant would probably return to service in a few days.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Reuters, 11:44 June 2, 2014

Update: PSE&G's 1,049 MW Hope Creek Nuclear Unit 1 in New Jersey at Full Power by May 31

On the morning of May 30 the unit was operating at 70 percent after being reduced to 50 percent from full power by May 28.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Reduced to 26 Percent by June 1

On the morning of May 31 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

TVA's 1,118 MW Browns Ferry Nuclear Unit 2 in Alabama Reduced to 40 Percent by May 31

On the morning of May 30 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

FPL's 693 MW Turkey Point Nuclear Unit 4 in Florida at Full Power by May 31

On the morning of May 30 the unit was operating at 62 percent after restarting and operating at 20 percent by May 29. Unit 4 experienced a loss of condenser vacuum on May 25 as operators lowered the unit's power as part of a planned maintenance outage to repair a leaking check valve inside the containment building, according to a filing with the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/20140527ps.html>

Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Reduced to 85 Percent by May 31

On the morning of May 30 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

AES's 336 MW Alamos Gas-fired Unit 4 in California Shut by June 1

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201406011515.html>

Maryland Public Service Commission Conditionally Approves Dominion's 130 MW Cove Point Generating Station

The Maryland Public Service Commission conditionally granted a Certificate of Public Convenience and Necessity (CPCN) to Dominion Cove Point LNG to construct a 130 MW electric generating station at its existing liquefied natural gas (LNG) terminal site in Lusby, Maryland. Grant of the CPCN is subject to significant conditions regarding public safety and environmental protection, and \$48 million of investments in clean energy, energy efficiency and low-income bill assistance. The generating station is being built solely to service the expanded LNG import and export facility therefore the order requires prior approval from the Federal Energy Regulatory Commission (FERC) for that facility.

http://webapp.psc.state.md.us/Intranet/sitesearch/Whats_new/Maryland%20PSC%20Conditionally%20Approves%200Dominion%20Cove%20Point%20Generating%20Station.pdf

Petroleum

Colonial Pipeline Says Valve Failure Curbing Shipment on Distillate Line 2 to Atlanta, Georgia June 2

Colonial Pipeline said on Monday a valve failure at Atlanta junction was preventing deliveries from Line 2, its main distillate line, to Atlanta, Georgia. The valve was being repaired, the company said, and normal operations into Atlanta were expected to resume by late Monday. The main distillate line runs from Houston, Texas to Greensboro, North Carolina.

Reuters, 11:30 June 2, 2014

Valero Reports Malfunction at Its 200,000 b/d Corpus Christi, Texas Refinery June 1

The West Plant of Valero Energy Corp.'s Corpus Christi, Texas, refinery reported a malfunction on Sunday, according to a notice filed with the Texas Commission on Environmental Quality. The malfunction triggered the refinery's safety flare system, according to the notice, which said the upset occurred in Complex 1 of the West Plant but did not identify the production units involved. An estimated 7,000 pounds of volatile organic compounds, 5,000 pounds of sulfur dioxide, and 5,000 pounds of carbon monoxide were released by the flaring, according to the notice.

Reuters, 18:19 June 1, 2014

Phillips 66 Says Operations Normal at Its 44,500 b/d Santa Maria, California Upgrading Facility After Steam Power Plant Shutdown

Phillips 66 on Sunday said its Santa Maria upgrading facility in Arroyo Grande, California, resumed normal operations late Friday following the shutdown of the site's steam power plant. The shutdown occurred due to a process upset, the company said. The company reported an unspecified process upset at the refinery on Friday, according to a filing with state pollution regulators.

Reuters, 21:16 June 1, 2014

Alpha Crude Connector Announces Open Season on 100,000 b/d Crude Oil Pipeline from New Mexico to Texas

Alpha Crude Connector, LLC on May 30 announced it intended to conduct an open season for the Alpha Crude Connector Pipeline, a new FERC regulated, crude oil transportation pipeline to be located in Lea and Eddy Counties in New Mexico, and Culberson, Loving, Reeves, and Winkler Counties in Texas. The pipeline will have the capacity to accept over 100,000 b/d of crude oil from numerous lease tank batteries and other field receipt points and a truck terminal in the northern Delaware Basin. The pipeline is projected to be in service in the second half of 2015.

http://www.frontierenergyllc.com/alpha_cc_pr.html

Natural Gas

Update: MarkWest Energy Resumes Operations of Its 355 MMcf/d Houston Complex in Pennsylvania June 2 after Weather-related Shutdown

MarkWest Energy Partners, L.P. announced today the resumption of operations at its Houston processing and fractionation complex in Houston, Pennsylvania. As previously announced, the Houston complex was shut down following what appears to be a weather-related incident that occurred on the evening of May 28. The Houston complex consists of three processing plants totaling 355 MMcf/d and 98,000 b/d of ethane and heavier fractionation capacity. An engineering assessment and inspection of the Houston complex's facilities and equipment indicated that the incident was isolated to a heat exchanger that is required for the operation of Plant III. Plants I and II and all of the fractionation units have safely been returned to operation. Plant III will remain shut down in order to complete repairs. In order to minimize the disruption to producer customers utilizing the Houston complex, MarkWest is currently routing gas volumes to the Majorsville complex in Marshall County, West Virginia. The Majorsville complex currently consists of 870 MMcf/d of total processing capacity and is connected to the Houston complex through a large, high-pressure, rich-gas header system. MarkWest will continue routing gas to the Majorsville complex for processing until all required repairs to Houston's Plant III equipment have been completed and the facility can safely return to normal operation.

<http://investor.markwest.com/phoenix.zhtml?c=135034&p=irol-newsArticle&ID=1936191>

DCP Midstream Reports Cold Plant Shutdown at Its 80 MMcf/d Goldsmith Gas Plant in Texas May 31

DCP Midstream reported low temperature shut the cold plant, which caused turbine A to go down. Compressor no. 22 then shut on high discharge pressure. The cold plant was reset, the turbine was put back on line, and compressor no. 22 was restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=199049>

ExxonMobil Reports Cat-3 Unit Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas May 31

ExxonMobil reported the cat-3 unit shut on high inlet air temperature. Multiple attempts were made to restart unit with no success. Operations shut in all flowing LPC wells to reduce and mitigate flaring.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=199057>

Other News

Nothing to report.

International News

Iraq Threatens Legal Action against Any Buyer of Piped Kurdish Oil

Iraq on Sunday threatened to take legal action against any buyer of oil exported via a new pipeline from the autonomous Kurdistan region to Turkey, while the destination of the first cargo was still unclear. The cargo of Kurdish oil left Turkish shores ten days ago aboard the United Leadership tanker, prompting Baghdad to file for international arbitration against Ankara for facilitating the sale. Iraq says its State Oil Marketing Organization had exclusive rights to manage sales of crude from all the country, including Kurdistan, and considers unilateral exports from the region as “smuggling.” After leaving Turkey’s Ceyhan port, the United Leadership sailed through the Mediterranean and appeared to be heading in the direction of the United States, but on Friday reversed course, ship tracking data showed. On Sunday it appeared to be stationary in waters off the coast of Morocco.

http://www.rigzone.com/news/oil_gas/a/133349/Iraq_Threatens_Legal_Action_against_Any_Buyer_of_Piped_Kurdish_Oil#sthash.LGsGoKpB.dpuf

Pirates Attack Indonesia Bound Thai Tanker, Steal Oil – International Maritime Bureau

The International Maritime Bureau said the Thai Mt Orapin 4 tanker, which went missing after leaving Singapore on May 27, was intercepted by pirates who destroyed its communication equipment before stealing the tanker’s shipment of oil. The Bureau said it was informed by the ship’s owner that the tanker was released and arrived at Sri Racha Port in Thailand on Sunday. The ship was due at the Indonesian port of Pontianak on May 29.

<http://news.yahoo.com/missing-thai-tanker-taken-pirates-oil-stolen-023320440.html>

Energy Prices

U.S. Oil and Gas Prices			
June 2, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	103.08	103.73	93.01
NATURAL GAS Henry Hub \$/Million Btu	4.49	4.53	4.12

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 & 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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