



ENERGY ASSURANCE DAILY

Wednesday Evening, June 12, 2013

Electricity

SDG&E Says Conservation and Demand-Response Programs will be Necessary During High Demand this Summer in Southern California

San Diego Gas & Electric (SDG&E) on Tuesday announced that, while adequate electricity supplies are lined up to meet customers' energy needs, conservation and demand response will still be vital during extremely hot weather or an unplanned power plant outage or transmission line emergency. Southern California Edison's recent decision to permanently shut its San Onofre Nuclear Generating Station (SONGS) will challenge the regional electric resource situation. However, several SDG&E transmission upgrade projects will strengthen the system and assist in voltage support in the absence of SONGS, including the 500-kV Sunrise Powerlink transmission line, which came online last year. Along with the California Independent System Operator (ISO), SDG&E is also continuing demand response and conservation awareness, and is asking consumers to watch for the Flex Alert conservation campaign on TV and radio again this summer, which will alert customers when to conserve electricity.

<http://www.sdge.com/newsroom/press-releases/2013-06-10/sdge-prepared-summer-adequate-power-resources>

Massive Line of Thunderstorms Expected to Hit Midwest June 12; ComEd Preparing for Potential Power Outages in Northern Illinois

ComEd reported it is increasing its staffing and opening its Emergency Operations Center as of 5:00 a.m. local time today, in advance of severe weather expected to impact its service territory in Northern Illinois. ComEd is preparing field crews and employees to respond to potential power outages resulting from the forecasted weather. A massive line of powerful thunderstorms is forecast to strike the Midwest Wednesday and move eastward, potentially impacting customers as far as Maryland to Washington, DC on Thursday, packing heavy rain, lightning, and high winds with gusts of up to 60 miles per hour. Meteorologists are warning that the continuous line of storms may even spawn an unusual weather event called a derecho, which is a massive storm of strong straight-line winds spanning at least 240 miles. All told, the area the weather service considers to be under heightened risk of dangerous weather includes 64 million people in 10 States.

<http://finance.yahoo.com/news/comed-prepares-severe-weather-expected-134500034.html>

<http://www.minbcnews.com/news/story.aspx?id=908731>

<http://www.weather.gov/>

ComEd Hosts Utility Conference on Storm Response in Chicago June 11–12; Will Lead Statewide Emergency Drill on June 13

As part of ComEd's ongoing efforts to improve service to customers and enhance its storm restoration process, the company on Tuesday began hosting a 2-day best practices symposium in Chicago. The event has drawn executives from 16 utilities around the country to discuss ways to optimize restoration during major events. High-level discussion topics include managing operations during major events, mutual assistance, emergency preparedness, and collaboration among key stakeholders. Since 2011, when the worst storms in ComEd history struck Northern Illinois, the company formed a storm improvement taskforce and implemented approximately 60 enhancements that helped provide a significant improvement in storm restoration times in major storms last summer. On Thursday, ComEd will lead a first-ever statewide emergency drill with more than 30 government agencies and companies to better prepare and train for restoration in the event of a "worst-case" weather event in Illinois.

<http://finance.yahoo.com/news/comed-hosts-utility-conference-storm-160300346.html>

AEP Shuts Substation for Repairs after Thieves Steal Copper Wire; Cuts Power to 6,500 Customers in Ohio

American Electric Power on Wednesday morning shut its Nelsonville Substation, cutting power to 6,500 customers in Athens County, to make repairs after thieves stole copper wire from the facility. Operators estimate that power could be restored by noon local time today.

http://www.athensohiotoday.com/news/copper-wire-theft-leads-to-thousands-without-power/article_4b4c15f8-3304-5018-b47c-b925b8922719.html

Southern's 830 MW Farley Nuclear Unit 1 in Alabama Shuts after Loss of Startup Transformer June 11

Southern Company reported that on Tuesday night, Farley Unit 1 tripped from 100 percent power due to the loss of the 1B Startup Transformer, which de-energized the B-Train buses and the 1B and 1C Reactor Coolant Pump buses, according to a filing with the U.S. Nuclear Regulatory Commission. The 1B Emergency Diesel Generator automatically started and tied to the B-Train Emergency buses. All other safety and backup systems operated as designed. Operators are investigating what caused the loss of the startup transformer. There was no impact on Farley Unit 2.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130612en.html>

<http://www.southerncompany.com/news/iframe-pressroom.cshtml>

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Ramped Up to 97 Percent by June 12

On the morning of June 11 the unit was operating at 81 percent.

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

Update: Exelon Cancels Power Uprate Projects at Lasalle and Limerick Nuclear Stations

Exelon Corp. on June 5 decided to cancel previously deferred extended power uprate projects at its Lasalle nuclear power plant in Illinois and its Limerick nuclear power plant in Pennsylvania. The company had planned a series of power uprates across its nuclear fleet from 2009–2017.

Reuters, 17:18 June 11, 2013

ESP Snag Causes Emissions at Luminant's 593 MW Big Brown Coal-Fired Unit 1 in Texas June 11

Luminant reported brief emissions from Big Brown Unit 1 Tuesday afternoon were caused when the No. 1-1 electrostatic precipitator (ESP) tripped, 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=183960>

CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Reduced by June 11

The unit entered a curtailment of 762 MW due to both planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201306111515.html>

Update: Calpine's 525 MW Sutter Natural Gas-Fired Unit in California Returns to Service by June 11

The unit returned from an unplanned outage that began by June 10.

<http://content.caiso.com/unitstatus/data/unitstatus201306111515.html>

Petroleum

Update: Enbridge Restarts Three Major Oil Pipelines Closed by Discovery of Oil Leak Near Imperial's 121,000 b/d Sarnia, Ontario Refinery June 11

Enbridge Inc. on Tuesday said that three major pipelines briefly shut after the discovery of a small oil leak in Sarnia, Ontario yesterday are operating normally. Both Enbridge and Imperial Oil Ltd. shut oil pipelines in the area Tuesday after a spill of around five barrels of oil was discovered near Imperial's Sarnia, Ontario refinery. The source of the spill was under investigation yesterday. Enbridge shut the 491,000 b/d Line 5, the 609,000 b/d Line 6A, the 231,000 b/d Line 6B, and a small lateral line, but later reopened the lines after tests had determined that the leaked oil did not come from Enbridge's pipelines. Imperial shut a pipeline between the Marcus terminal and the Sarnia refinery.

Reuters, 15:40 June 11, 2013

Update: ExxonMobil Requests 4-Week Extension with Federal Regulators to Carry Out More Tests on Ruptured 90,000 b/d Pegasus Crude Oil Pipeline

ExxonMobil Corp. has requested a 4-week extension, until July 10, 2013, with the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) to carry out additional metallurgical testing on the ruptured Pegasus oil pipeline, which has been shut since March 29, when it ruptured and spilled 5,000 barrels of oil in Mayflower, Arkansas. A third party testing company in May provided a draft report to ExxonMobil and PHMSA on what caused the pipeline to fail and the future risks of the 70-year old line. ExxonMobil said that after its review of the draft, the company believes “additional mechanical and metallurgical testing is warranted to better understand the pipe properties and potential failure mechanisms.”

Reuters, 12:08 June 12, 2013

http://phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Pipeline/Operator_Request_for_Time_Extension.pdf

Update: Gasoline Futures Weaken after ExxonMobil Completes Maintenance at Its 238,600 b/d Joliet, Illinois Refinery by June 11

Chicago gasoline futures weakened for a sixth day Tuesday on speculation that inventories of the fuel will get a boost from the restart of the ExxonMobil Corp. Joliet, Illinois refinery. The differential tightened 57 cents in the past six days of trading after ExxonMobil completed a plant-wide turnaround that began April 14, shutting major operating units for the duration of the work. Retail gasoline prices in several U.S. Midwestern States have been near record highs over the last several weeks, largely due to planned and unplanned maintenance outages at regional refineries, which have depleted gasoline inventories.

<http://finance.yahoo.com/news/analysts-midwest-drivers-see-lower-191817127.html>

<http://www.bloomberg.com/news/2013-06-11/chicago-gasoline-extends-slump-on-supply-exxon-joliet.html?cmpid=yahoo>

Husky Says Operations Normal at Its 146,200 b/d Lima, Ohio Refinery by June 12 after Reporting Sulfur Dioxide Emissions June 10

Husky Energy Inc. said Wednesday that operations were normal at its Lima refinery after it reported sulfur dioxide emissions on June 10 in a filing with the U.S. National Response Center.

Reuters 11:15, June 12, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1049953

Marathon Says No Offsite Impact after Pump Seal Releases Hydrocarbons at Its 102,000 b/d Detroit, Michigan Refinery June 12

Marathon Petroleum Corp. reported emergency alarms were sounded at its Detroit refinery Wednesday due to a release of hydrocarbons from a pump seal. The incident had no offsite impact. Local media had reported an all-clear was sounded after a gas leak.

Reuters, 08:50 June 12, 2013

Update: PBF Says No Offsite Impact from Coker Snag at Its 190,000 b/d Delaware City, Delaware Refinery

PBF Energy Inc said there was no offsite impact at its Delaware City refinery after operational issues at a coker unit led to a shutdown of the unit’s carbon monoxide (CO) boiler on Tuesday. Operators placed an alternative air emissions control device into service Tuesday afternoon, according to a spokesman, who added that the refinery has not estimated when the CO boiler might return to normal operation.

Reuters, 09:15 June 12, 2013

Out of Service Pipeline Releases No. 6 Fuel Oil near Sunoco Logistics Shuttered Marcus Hook, Pennsylvania Refinery June 11

Sunoco Logistics reported an out of service pipeline released an unknown amount of No. 6 fuel oil into the Delaware river near Marcus Hook, Pennsylvania Tuesday night, according to a filing with U.S. National Response Center. Operators secured the release and were deploying boom and absorbent material to clean up the spill. Sunoco Logistics is converting facilities at the shuttered Marcus Hook refinery for use as a liquefied petroleum gas (LPG) export terminal as part of the company’s Mariner East project.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1050096

Controller Failure Causes Delayed Coker Emissions at Phillips 66's 247,000 b/d Sweeny, Texas Refinery June 11

Phillips 66 reported flaring at its Sweeny refinery Tuesday after the Unit 29.2 Delayed Coker Pressure Indicated Controller (PIC) valve opened due to a controller failure, according to a filing with the Texas Commission on Environmental Quality. The Unit 29.2 Delayed Coker and Unit 29 Flare are listed as sources of emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183968>

Natural Gas

Mechanical Snags Shut Turbine, SRU at DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas June 10

DCP Midstream reported the Goldsmith plant B-turbine shut Monday morning on high bearing temperature and resulted in the flaring of natural gas, according to a filing with the Texas Commission on Environmental Quality. Operators repaired a bad temperature probe and restarted the turbine. Later that morning operators reported a sulfur recovery unit (SRU) shut when an acid gas scrubber pump malfunctioned.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183912>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183915>

Other News

EIA Sees Greater Oil, Natural Gas Production Losses in the Gulf of Mexico During 2013 Storm Season

The U.S. Energy Information Administration (EIA) on Tuesday said it expects greater losses this year in Gulf of Mexico oil and natural gas production from tropical storms than was seen in 2012. The EIA said in a study the median loss in Gulf of Mexico crude oil production from tropical storms in 2013 was expected be 19.3 million barrels, up from 14.3 million barrels in 2012. The EIA expects a median loss of 46.4 Bcf in natural gas output, up from 32.1 Bcf in 2012.

http://www.eia.gov/forecasts/steo/special/pdf/2013_sp_04.pdf

International News

Update: Nigeria LNG Lifts Force Majeure on LNG Exports after Shell Resumes Natural Gas Deliveries June 11

Nigeria LNG on Wednesday reported it has lifted a force majeure on liquefied natural gas (LNG) exports from its 22 million tonnes per annum (mpta) terminal, after Shell on Tuesday resumed gas supplies to the facility. Shell on Monday lifted its force majeure on gas supplies to Nigeria LNG after a nearly 4-week shutdown due to a leak on the Easter Gas Gathering System pipeline. Nigeria LNG had said it could not meet its contractual LNG exports after Shell declared force majeure; around 1.5 Bcf/d was affected.

Reuters, 11:18 June 12, 2013

Libyan Protests Drive Crude Oil Output Below 1 MMb/d

Libya's oil output has fallen below 1 MMb/d due to protests at fields and terminals, its state-owned National Oil Corporation said Wednesday. Previous, recent reports had indicated that disruptions at terminals and oilfields caused the country's output to slump to 1.16 MMb/d. Libya pumped 1.6 MMb/d before the revolution of 2011. National Oil Corp. said the fall in output was due to protests at Tobruk and Zueitina ports, as well as a large decline in production at the El Feel, Sharara, and Sarir fields.

Reuters, 08:15 June 12, 2013

Energy Prices

U.S. Oil and Gas Prices			
June 12, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	95.91	94.39	83.18
NATURAL GAS Henry Hub \$/Million Btu	3.77	4.00	2.22

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>

Please direct comments and questions to: ead@oe.netl.doe.gov