



ENERGY ASSURANCE DAILY

Tuesday Evening, July 02, 2013

Electricity

California ISO Issues Flex Alert Calling for Energy Conservation Amidst Heat Wave in Northern California July 1–2

The California Independent System Operator (ISO) on Monday placed a *Flex Alert* in effect in Northern California beginning that day and extending through Tuesday due to heavy demand for power during an intensifying heat wave in the U.S. West. The *Flex Alert* encourages consumers to reduce their energy use, particularly during periods of peak demand between 12:00 p.m. and 7:00 p.m. each day. Pacific Gas & Electric (PG&E) also issued a press release on Monday urging its customers to conserve electricity in response to the *Flex Alert* and said it had activated its emergency centers and brought in additional personnel to quickly respond to heat related outages when they occur. The ISO forecasted peak demand to rise above 47,000 MW around 4:30 p.m. on both Monday and Tuesday and has ordered California power plants to restrict maintenance operations. Generating resources in Northern California have been strained by the unexpected closure last week of PG&E's 1,087 MW Diablo Canyon 1 reactor. PG&E shut the unit June 26 to repair a through-wall leak on a socket weld. On Monday PG&E said that operators had completed repairs. The unit restarted and ramped up to 2 percent power by this morning, according to a status report from the U.S. Nuclear Regulatory Commission.

http://www.caiso.com/NorthernCalifOnlyFlexAlertIssued-ISO-Today-TomorrowJul1_2013.pdf

<http://www.caiso.com/Pages/TodaysOutlook.aspx#Flex>

<http://www.reuters.com/article/2013/07/01/utilities-california-heatwave>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/20130702ps.html>

<http://finance.yahoo.com/news/pg-e-encourages-customers-conserve-223500507.html>

<http://www.pgecurrents.com/2013/06/30/as-heat-wave-continues-grid-operator-issues-flex-alert>

Update: PG&E's 1,087 MW Diablo Canyon Nuclear Unit 1 in California Restarts, Ramps Up to 2 Percent Power by July 2

Diablo Canyon 1 is returning from an outage that began June 26, when operators shut the unit to repair a through-wall leak on a socket weld.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/20130702ps.html>

PG&E De-Energizes Transmission Lines, Cuts Power to 50,000 Customers in California to Protect Firefighters July 1

Pacific Gas & Electric (PG&E) de-energized two transmission lines to protect firefighters battling a grass fire outside Sacramento on Monday, cutting power to 50,000 customers in El Dorado County. Firefighters were at risk since smoke acts as a conductor of electricity. The fire was contained by late afternoon and power was fully restored by approximately 9:00 p.m. local time.

<http://sacramento.cbslocal.com/pge-shuts-off-power-to-50000-in-el-dorado-county-to-protect-firefighters/>

Westar Restoring Remaining Outages in Wichita, Kansas July 2 after Severe Storm Knocks Out Power to 32,000 Customers June 27

Westar Energy on Tuesday reported it was restoring power to a remaining 130 customers that lost power during a severe storm Thursday night. The storm knocked out power to more than 32,000 Westar customers.

<https://www-11.westarenergy.com/outagemaps/outagetable.asp>

http://www.bizjournals.com/wichita/morning_call/2013/07/power-outage-continues-for-some-in.html

Update: FirstEnergy Reports Socket Weld Leak at Its 882 MW Davis-Besse Nuclear Power Plant in Ohio July 1; Unit Remains Shut for Repairs July 2

FirstEnergy reported that it had identified leakage from a 3/4 inch small-bore pipe socket weld for the reactor coolant pump (RCP) No. 1-2 first stage seal cavity vent line at its Davis-Besse 1 reactor, according to a filing with the U.S. Nuclear Regulatory Commission. At normal reactor coolant system conditions, the leak rate is approximately 8 to 9 drops per minute. On Saturday, Davis-Besse 1 tripped from full power after the RCP 1-2 tripped due to an electrical differential current fault. The unit remained shut Tuesday, and a spokeswoman said operators have not yet estimated when they will complete repairs and restart the unit.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130702en.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/20130702ps.html>

<http://www.sanduskyregister.com/article/4235361>

Update: TVA's 1,125 MW Watts Bar Nuclear Unit 1 in Tennessee at Full Power July 2

The Tennessee Valley Authority (TVA) reported its Watts Bar 1 reactor returned to full power Tuesday after automatically tripping from full power Friday afternoon due to an electrical fault, which caused a main generator lockout and subsequent turbine trip. A subsequent investigation deemed the electrical fault was caused when a tree cut down by a homeowner fell onto a 500-kV transmission line close to the plant. Operators restarted the reactor by June 30.

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

<http://www.knoxnews.com/news/2013/jul/01/felled-tree-causes-shutdown-at-tva-nuclear-plant/>

Exelon Reports Safety System Switch Point Outside of Tolerance at Its LaSalle Nuclear Unit 2 in Illinois

Exelon on Monday reported that during routine instrument testing at its LaSalle 2 nuclear power plant, operators discovered the High Pressure Core Spray System (HPCS) minimum flow valve pressure switch set point was outside the technical specification allowable value, according to a filing with the Texas Commission on Environmental Quality. This could have prevented the HPCS system, a single train safety system, from performing its design function.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130702en.html>

Constellation's 825 MW Calvert Cliffs Nuclear Unit 1 in Maryland Reduced to 85 Percent by July 2

On the morning of July 1 the unit was operating at full power.

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

DOI Approves BP's Proposed 500 MW Mohave County Wind Farm Project in Arizona

The U.S. Department of the Interior (DOI) on Friday announced the approval of BP Wind Energy North America's proposed 500 MW Mohave County Wind Farm, which would be located in northwestern Arizona. The project will erect up to 243 wind turbines on Federal lands in Mohave County to provide power to the power grid in the Western United States.

<http://www.interior.gov/news/pressreleases/secretary-jewell-announces-approval-of-major-wind-energy-project-on-public-lands-in-arizona.cfm>

Petroleum

Update: Enbridge Restarts Its Wood Buffalo Crude Oil Pipeline in Alberta by July 2

Enbridge Inc. on Tuesday reported its Wood Buffalo Pipeline (Line 75) had returned to service following a precautionary shutdown June 22 due to the release of light synthetic crude oil from 12-inch Lake Lateral Pipeline (Line 37), which shares a corridor. The leak occurred near Enbridge's Cheecham Terminal. Operators believe the release on Line 37 resulted from ground movement on the right-of-way as a result of heavy rainfall in the region over the weekend of June 22. The Wood Buffalo Pipeline, which runs between Fort McMurray and Cheecham, has been restarted at reduced pressure pending completion of further geotechnical analysis in the incident area. The Woodland Pipeline (Line 49) in the same corridor between Fort McMurray and Cheecham has been in the process of line fill upstream from the site of the incident. Line fill activities continue in preparation for full start up.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2013&id=1737093>

Update: Tesoro Estimates Par Petroleum Could Restart Shuttered 94,000 b/d Kapolei, Hawaii Refinery in September

A Tesoro official estimated that it will likely take until September to restart the Kapolei refinery, which was shut April 30 but subsequently bought by Par Petroleum Corp., which plans to reopen the facility. Tesoro announced in January 2012 its intention to sell its Hawaii operations to focus on its U.S. Midcontinent and West Coast operations. In January 2013 it announced plans to cease refining operations at the Kapolei refinery in April 2013, and begin converting the facility into an import, storage, and distribution terminal. It ceased refining operations on April 30, but continued to supply customers with refined products following the shutdown by shipping supplies to an offshore mooring point near Barbers Point.

[http://www.downstreamtoday.com/\(X\(1\)S\(1xjghtqkq1zeog55aj2edazx\)\)/news/article.aspx?a_id=39950&AspxAutoDetectCookieSupport=1](http://www.downstreamtoday.com/(X(1)S(1xjghtqkq1zeog55aj2edazx))/news/article.aspx?a_id=39950&AspxAutoDetectCookieSupport=1)

Chevron Plans Upgrades at Its 245,271 b/d Richmond, California Refinery to Process Higher Sulfur Crudes and Slash Emissions

Chevron on Friday announced it was moving forward with its plan to modernize its Richmond, California refinery following backing from labor unions. The estimated \$1 billion proposed upgrades would enable Chevron to process a wider array of crude oils at the fuel factory and slash overall emissions in the process. According to a spokesperson, the improvements will enable the refinery to process higher sulfur crudes without changing the refinery's capacity to process crude blends in the intermediate-light gravity range.

http://www.contracostatimes.com/business-headlines/ci_23563147/chevron-plans-1-billion-upgrade-its-richmond-refinery

BP to Build Rail Terminal at Its Cherry Point, Washington Refinery to Bring in Bakken Crude Oil from North Dakota

BP Plc is preparing to accept crude oil shipments by rail from North Dakota at its Cherry Point refinery in Washington, to take advantage to take advantage of growing supplies of domestically produced crude oil, a spokesman confirmed. BP is building an almost 2-mile-long rail loop to handle one unit train per day, and expects the project to be completed by late 2013 or early 2014.

http://billingsgazette.com/news/state-and-regional/montana/washington-refineries-readying-for-north-dakota-oil/article_a6ddfc34-bb8a-5b63-b12e-cffef37f59d8.html

NuStar Seeks Contracts for a Second 70,000 b/d Unit Train Service at Its St. James, Louisiana Terminal to Accommodate More Canadian, Bakken Crude

NuStar Energy is seeking contracts for a second 70,000 b/d train terminal in St. James, for service beginning in the fourth quarter. NuStar is increasing rail unloading, storage, and dock capacity in St. James to accommodate increased production in Canada and North Dakota. The company has already signed a 3-year commitment with Great Northern Oil Co. to transport Bakken crude from North Dakota. The first 70,000 b/d unit train at St. James came online in April 2012 and construction of the second began early this year. NuStar is also converting one dock to handle exports and adding another, both of which will be in service next year. It will also increase storage capacity to about 11 million barrels from the current 9 million. The new terminal has a nameplate capacity of about 70,000 b/d but may be able to offload more than two trains in 24 hours, boosting capacity to more than 100,000 b/d.

<http://www.bloomberg.com/news/2013-06-28/nustar-may-receive-canadian-oil-at-new-st-james-terminal.html?cmpid=yhoo>

Natural Gas

Main Breaker Trip Causes AGI Units to Shut at Enbridge's Tilden Gas Plant in Texas June 28

Enbridge reported a main breaker trip at its Tilden plant Friday afternoon caused gas processing to lose power, which caused gas compression and both acid gas injector (AGI) units to shut down on low suction.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=184881>

Other News

Update: DKRW to Begin Construction on Its 11,700 b/d Coal-to-Liquids Medicine Bow Project in Wyoming by July 2014

DKRW Advanced Fuels formally submitted new plans for construction of its coal gasification plant near Medicine Bow Wednesday afternoon. The company pulled an earlier version of its plan in March, prompting the Wyoming Industrial Siting Council to set Wednesday as a deadline for resubmission. The plant will eventually convert coal from the nearby Saddleback Hills mine into 11,700 barrels of gasoline each day, and it will also create carbon dioxide for sale and use in oil recovery. Construction is now scheduled to begin by July 1, 2014, and be completed within 4 years.

http://trib.com/business/energy/b-wyo-coal-gasification-plant-construction-start-planned-for/article_cd80fe62-b4cb-5dcb-8ee0-f5e7394246e7.html

International News

Update: S. Sudan Ships First Crude Oil Cargo via Port Sudan on the Red Sea by July 1

South Sudan on Sunday said it had shipped its first oil cargo through Sudan to international markets since 2011. South Sudan restarted production in March after a shutdown of more than a year due to a dispute over transit fees that halted the flow of 350,000 b/d since January 2012. The country's information minister said the first cargo of state-owned oil had left Port Sudan on the Red Sea, without giving details. South Sudan previously sold 1 million barrels of oil in its first tender since restarting output. The first shipment of non-government South Sudanese oil took place earlier this week, and traders said it probably belonged to China National Petroleum Corp, which had sold 1.2 million barrels at the start of June.

<http://www.reuters.com/article/2013/06/30/sudan-south-oil-idUSL5N0F608020130630>

<http://www.reuters.com/article/2013/07/02/sudan-crude-asia-idUSL3N0F42PR20130702>

Energy Prices

U.S. Oil and Gas Prices			
July 2, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	98.87	95.26	82.27
\$/Barrel			
NATURAL GAS			
Henry Hub	3.65	3.66	2.74
\$/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 & 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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