



ENERGY ASSURANCE DAILY

Thursday Evening, July 12, 2012

Electricity

Update: Dominion Virginia Power Begins Commercial Operations at Its 585 MW Virginia City Hybrid Energy Center in Southwest Virginia July 10

Dominion Virginia Power placed the Virginia City Hybrid Energy Center in Southwest Virginia into commercial operation late Tuesday, on budget and on schedule following four years of construction. The circulating fluidized bed (CFB) plant will generate 585 MW of electricity using coal, waste coal, and biomass (waste wood).

<http://dom.mediaroom.com/2012-07-11-Dominion-Virginia-Power-Begins-Commercial-Operations-At-Virginia-City-Hybrid-Energy-Center>

Constellation Shuts 1,120 MW Nine Mile Point Nuclear Unit 2 in New York July 12 Due to Lowering Condenser Vacuum

Constellation Energy reported that at 2:00 AM EDT Thursday, the clean steam reboiler B failed on its Nine Mile Point nuclear Unit 2, causing a loss of sealing steam, according to a filing with the U.S. Nuclear Regulatory Commission. This resulted in degrading condenser vacuum and rising off gas system pressure. The main steam backup supply for sealing steam also failed, and condenser vacuum and off gas system pressure continued to degrade. Operators manually tripped the reactor at 2:20 AM EDT. Operators were implementing post-scrum recovery procedures and plant cooldown at the time of the filing. The cause of the loss of both the primary and backup sources of sealing steam was under investigation, the filing said.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120712en.html>

Update: Entergy's 730 MW Palisades Nuclear Unit in Michigan Ramped Up to 72 Percent by July 12

Entergy's Palisades nuclear unit is returning from an outage that began June 12, when operators discovered a leak from the Safety Injection Refueling Water Tank. Workers made repairs and partially refilled the tank June 26, but stopped when the leakage began again. The tank was emptied and more repairs made. The tank is now operable, an Entergy spokesman said. The U.S. Nuclear Regulatory Commission (NRC) monitored the tank repairs and supports the decision to bring the plant back online, according to an NRC spokeswoman. Operators restarted the unit July 11, and full operation is expected in the next several days, the Entergy spokesman said.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

<http://finance.yahoo.com/news/palisades-plant-returned-repairs-121807003.html>

Network Switch Malfunction Trips LCRA's 598 MW Fayette Coal-Fired Unit 2 in Texas July 10, Causes Emissions

The Lower Colorado River Authority (LCRA) reported its Fayette Unit 2 tripped Tuesday night due to a loss of communication between two control processors, according to a filing with the Texas Commission on Environmental Quality. Operators believe the control processors failed to communicate due to the malfunction of two network switches. The incident led to periodic emissions for more than 21 hours, the filing said. Operators rebooted the network switches and restarted the unit. New network switches have been ordered and are planned to be installed at the next available opportunity.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170935>

Exelon's 1,134 MW Limerick Nuclear Unit 1 in Pennsylvania Reduced to 22 Percent by July 12

On the morning of July 11 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Update: Exelon's 1,131 MW Byron Nuclear Unit 2 in Illinois Ramped Up to 98 Percent by July 12

On the morning of July 11 the unit was operating at 89 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

GenOn's 215 MW Mandalay Gas-Fired Unit 2 in California Shut by July 11

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201207111515.html>

Update: Duke Energy CEO Casts Doubt on Whether Progress Energy's Damaged 838 MW Crystal River Nuclear Unit in Florida Will Ever Return to Service

It's unclear whether Progress Energy's damaged Crystal River nuclear reactor in Florida will ever return to service following the merger this week of Progress Energy with Duke Energy. The Crystal River nuclear plant has been shut since September 2009, when workers cutting through a concrete containment dome to replace the plant's aging steam generators discovered a significant gap in the concrete. Mistakes during the initial repair work have forced the utility to evaluate whether it should pursue a complicated, expensive repair job or shut the reactor permanently. Duke's chief executive Jim Rogers told the North Carolina Utilities Commission in a hearing this week that the company has "great concern" about the Crystal River plant and believes Progress Energy's risk assessment and cost estimates for repairs are not realistic. Rogers said an independent analysis of the situation will be required before moving forward.

<http://finance.yahoo.com/news/duke-progress-merger-puts-restart-002921015.html>

Update: NRC Issues Preliminary Safety Finding at TVA's Browns Ferry Nuclear Plant after Determining Operators Are Unclear about Fire Safety Requirements

The U.S. Nuclear Regulatory Commission (NRC) late last month issued a preliminary "white" finding of low-to-moderate significance at the Tennessee Valley Authority's (TVA) Browns Ferry Nuclear Plant after determining operators were not familiar enough with fire safety requirements, according to a letter dated June 22. A TVA spokesman said that when the NRC recently quizzed operators about revised Safe Shutdown Instructions, inspectors felt the operators did not have a clear understanding. TVA immediately instituted remedial training. The June preliminary finding was issued during ongoing inspections implemented following a "red" rating of high safety significance, which the NRC issued last year after it determined in October 2010 that a valve intended to help cool the Unit 1 reactor in emergencies had not been functional in the previous 18 months.

<http://enewscourier.com/local/x1501705443/Preliminary-safety-finding-issued-for-Browns-Ferry-plant>

CL&P Files 5-Year Resiliency Plan Emphasizing Tree Trimming and Reinforcement with Connecticut Regulators

Connecticut Light & Power (CL&P) on July 9 filed a proposed five-year resiliency plan with the Connecticut Public Utilities Regulatory Authority (PURA) that emphasizes three objectives in improving its infrastructure and service reliability: conduct more tree trimming, improve electrical hardening (make wires less vulnerable to interruption), and improve structural hardening (strengthen poles, crossarms, and related equipment). More than half of the proposed expenditures would go towards tree trimming, a CL&P executive said, as trees remain the number-one cause of outages. A decision by PURA on CL&P's system resiliency plan is anticipated later this year. If approved, work will begin in 2013, the CL&P executive said.

<http://nuwnotes1.nu.com/apps/mediarelease/clp-pr.nsf/0/E6C5035AEC66807D85257A2400644573?OpenDocument>

Petroleum

Update: Shell Proceeding with Its Proposed 300,000 b/d Westward Ho Pipeline Project to Ship Crude Oil from Louisiana to Texas

Shell Pipeline LP on Thursday said it has received enough shipper commitments to proceed with its proposed Westward Ho Pipeline, which will transport crude oil from St. James, Louisiana to Port Arthur, Texas. The pipeline will have an initial capacity of 300,000 b/d, but the line may be expanded to handle higher volumes by adding pumping capacity, a spokeswoman said. Upon regulatory approval, Shell hopes to start the pipeline by the third quarter of 2015.

Reuters, 11:24 July 12, 2012

Update: BP Settles with OSHA on Safety Violations at Its 455,790 b/d Texas City, Texas Refinery; Plans to Sell Refinery by Year-End

BP Plc on Thursday agreed to settle safety violations imposed at its Texas City refinery by the U.S. Occupational Safety and Health Administration (OSHA) in 2009 in a follow-up inspection after a 2005 explosion at the refinery killed 15 workers and injured 170 others. The explosion occurred when hydrocarbon vapor ignited around portable work trailers after being released by an octane-boosting unit during a restart. In 2010, BP agreed to pay a settlement of \$50.6 million for some of the violations issued by OSHA; on Thursday, the company agreed to settle most of the remaining violations for a \$13 million fine. The settlement removes a major impediment in BP's plan to sell the refinery by the end of the year.

Reuters, 12:05 July 12, 2012

Update: Braskem Acquires Polypropylene Splitter Assets at Sunoco's Shuttered Marcus Hook, Pennsylvania Refinery

Plastics maker Braskem on July 2 announced it had acquired the propylene splitter assets at Sunoco's shuttered Marcus Hook refinery and secured feedstock supply from multiple sources. As part of the agreement, Braskem will process propylene through the splitter assets for use in its adjacent polypropylene plant. Sunoco shut the Marcus Hook refinery in February due to poor economics and has been looking for a buyer.

<http://www.braskem.com.br/site.aspx/Releases-Details-USA/Braskem-Underscores-Commitment-to-Marcus-Hook-Polypropylene-Plant->

Total Reports Leaking Heat Exchangers at Its 232,000 b/d Port Arthur, Texas Refinery July 11

Total Petrochemicals Inc. reported that operators at its Port Arthur refinery on Wednesday discovered two heat exchangers were leaking process fluid into the cooling water circuit of a cooling tower, according to a filing with the Texas Commission on Environmental Quality. Operators isolated the leaking exchangers from the process and were monitoring the situation, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170934>

Imperial Plans New Oil Sands Project near Kearl in Northern Alberta; Envisions Two 40,000 b/d Stages to Come Online in Decade of 2020

Imperial Oil Ltd is planning a large, steam-assisted oil sands project near its Kearl mining development in northern Alberta, which is set to start producing later this year, Imperial CEO Bruce March told reporters on Wednesday. The Aspen development, located south of Kearl, will probably come online in two 40,000 b/d a day stages in the decade of 2020 and beyond, March said.

<http://www.reuters.com/article/2012/07/11/imperialoil-idUSL2E8IBB1120120711?feedType=RSS&feedName=marketsNews&rpc=43>

Natural Gas

Rain Storm Shorts Wiring, Shuts Engine at Exterran's 50 MMcf/d Reinecke Gas Plant in Texas July 11

Exterran reported Engine 70972 shut during a rain storm early Wednesday morning after its kill wires got wet, according to a filing with the Texas Commission on Environmental Quality. Mechanics found and replaced the shorted kill wire.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170911>

WTP Gas Reports Ongoing Flaring after Cracked Cylinder Shuts Compressor at Its 50 MMcf/d East Vealmoor Gas Plant in Texas July 10

WTP Gas Processing LP reported an inlet compressor shut down Tuesday night due to a cracked second-stage cylinder, according to a filing with the Texas Commission on Environmental Quality. Operators were routing low-pressure inlet gas to the flare until the cylinder is repaired, which could take a few days, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170936>

Three Freight Train Cars Carrying Ethanol Explode after Derailment near Columbus, Ohio July 11

A Norfolk Southern Corp. freight train traveling from Illinois to North Carolina derailed near Columbus, Ohio around 2:00 AM local time Wednesday morning, causing three tank cars each carrying 30,000 gallons of ethanol to explode and ignite a fire. Officials don't yet know what caused 16 of the train cars to derail. The National Transportation Safety Board (NTSB) is investigating the incident and expects to issue a preliminary report on the derailment in a month. The full investigation could take a year, an NTSB official said.

<http://www.google.com/hostednews/ap/article/ALeqM5hTWd0ieVslF1kysgMQaw3Q2FjapA?docId=42bcbe1c106c4f5e874ac6a4ab99e9b0>

Update: FarmTech Stalls Its Proposed 55 MMGal/Yr. Ethanol Project in Ottawa after Withdrawing Funding Application Due to Project Delays

FarmTech Energy cited project delays in withdrawing its application for funding under the federal ecoAgriculture Biofuels Capital Initiative (ecoABC) to help construct a proposed ethanol plant at the Port of Oshawa in Ottawa, according to a company executive. Dropping its ecoABC application effectively cancelled a Canadian federal environmental assessment of the proposed project as well, according to officials. The company is still committed, however, to building an ethanol plant at the Port of Oshawa, the executive said. Local and regional government officials have opposed the project, but they do not have approval authority because the project would be constructed on federally owned port lands. Oshawa Port Authority chairman Gary Valcour said he's still interested in an exploring an ethanol project and hopes FarmTech can find an alternative funding source.

<http://www.durhamregion.com/news/article/1396390--oshawa-ethanol-project-drops-federal-funding-application>
<http://www.oshawaexpress.ca/viewposting.php?view=3202>

Update: Powers Energy's Proposed 175 MMGal/Yr. MSW-Based Ethanol Project in Indiana Jeopardized by a Lack of Funding

Lake County Solid Waste Management has given Powers Energy of America officials until July 19 to secure all financing needed to build its proposed trash-to-ethanol plant or it risks contract cancellation, which would further jeopardize a project that has for years struggled to secure needed financing, permits, and land. The company now hopes the Waste Management board will give the project more time to secure financing. Powers Energy first announced plans for the project to convert the Lake County's trash into ethanol in August 2009.

http://www.nwitimes.com/news/local/lake/waste-official-clock-ticking-on-trash-to-ethanol-deal/article_fe5a9196-ecf9-5285-8ecb-1547e5bdc93.html

Government Officials Say June 29 Derecho Could Have Caused West Virginia Coal Mine Blast

Federal and state officials are closely monitoring a Randolph County, West Virginia coal mine where an apparent explosion in a sealed underground tunnel could be related to lightning from the derecho that tore through the Eastern United States on June 29–30. On July 1 officials discovered four water-trap pipes at Carter Roag Coal Co.'s Pleasant Hill Mine were blown out of newly constructed seals at the operation. Investigators said the incident could have involved a roof fall in the sealed area or lightning striking some sort of metal, such as an abandoned oil and gas well. There were numerous lightning strikes in the area of the mine during the storm, according to officials, but it's still unclear if they were related to the incident.

<http://sundaygazette.com/News/201207090094>

International News

Additions to Global Oil-Refining Capacity Will Grossly Outpace Demand Growth for Oil Products in Next 2 Years – International Energy Agency

<http://www.hydrocarbonprocessing.com/Article/3059869/Latest-News/Global-demand-for-refined-oil-products-to-lag-supply-in-next-two-years-IEA.html>

Energy Prices

U.S. Oil and Gas Prices			
July 12, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	85.01	87.63	96.41
NATURAL GAS Henry Hub \$/Million Btu	2.72	2.78	4.35

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 PM Eastern Time. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

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