



ENERGY ASSURANCE DAILY

Tuesday Evening, July 16, 2013

Electricity

Update: New York ISO Continues Call for Conservation, Keeps Demand Response Programs Active for Second Day Amid Heat Wave July 16

The New York Independent System Operator (NYISO) on Tuesday continued to encourage New Yorkers to conserve electricity on the second day of a brutal heat wave sweeping the region. On Monday, peak demand reached the highest level so far in 2013 at 32,703 MW. Peak demand for today is expected to reach 33,300 MW. The state's record peak demand of 33,939 MW was recorded on August 2, 2006. To help manage demand on the system, the NYISO on Tuesday declared an Energy Emergency Alert Level 2 for zones G through K from 1:00 p.m. to 6:00 p.m. EDT today, calling on special case resources and emergency demand response program resources in those zones. There are more than 1,250 MW of demand response resources (programs under which consumers reduce usage) statewide. Temperatures in New York City reached 94 degrees Fahrenheit Monday and were expected to remain in the mid-90's until thunderstorms cool temperatures on Saturday.

<http://www.nyiso.com/public/index.jsp>

<http://www.cnn.com/id/100890741>

https://twitter.com/genscape_nyiso

ISO New England Requests Voluntary Electricity Conservation Due to Expected High Temperatures This Week

ISO New England announced today that extremely hot temperatures and high levels of humidity expected this week in New England could drive regional electricity use to near-record levels. Although power resources are currently adequate, supplies are likely to become tight and the ISO is asking consumers to voluntarily conserve electricity as a precautionary measure to help keep supply and demand in balance during the heat wave. The highest peak demand is forecasted for Thursday, July 18, at 27,800 MW. Today's forecasted peak demand is 27,500 MW and Wednesday's forecasted peak demand is 27,700 MW. New England's current all-time record for electricity usage is 28,130 MW, which was set on August 2, 2006.

http://www.iso-ne.com/news/pr/2013/iso_new_england_requests_voluntary_electricity_conservation_final.pdf

Update: PJM Maintains Hot Weather Alert for Utilities in Mid-Atlantic and Midwest, Calls for Demand Response Resources in Ohio July 16; Expects No Major Problems

PJM Interconnection, which operates the grid serving customers in 13 Mid-Atlantic and Midwest states, said Tuesday that a hot weather alert remained in effect for nearly all of the utilities operating in its region, and it called for demand response resources in Ohio for the second day in a row, but otherwise expected no major problems. Peak electricity usage today in the PJM region was forecasted to reach 154,980 MW at 4:00 p.m. EDT, while the operator had 167,334 MW of available capacity. The grid's all time record is more than 163,000 MW, set in 2011.

<https://twitter.com/pjminterconnect>

<http://www.pjm.com/home.aspx>

AEP Restores Emergency Response Communications at Its 2,155 MW Cook Nuclear Power Plant in Michigan after Disruption Due to Offsite Fiber Optic Cable July 15

Indiana-Michigan Power reported that on Monday morning that its Cook nuclear plant lost its capability to transmit Emergency Response Data System (ERDS) information to the U.S. Nuclear Regulatory Commission, according to a filing with the regulator. The suspected cause was a damaged fiber optic cable located offsite which caused the failure of the internet service provider to the plant. Communications via alternate phone lines and corporate service number remained available and were tested. On Monday evening, operators learned that the offsite fiber optic cable had been repaired and verified equipment at the plant was working properly.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130716en.html>

Six Month Repair Schedule for NorthWestern Energy's 740 MW Colstrip Coal-fired Unit 4 in Montana July 15

Colstrip generation unit, co-owned by NorthWestern Corporation d/b/a NorthWestern Energy, tripped offline on July 1. Initial inspection showed damage to the stator/rotor assembly was evident and consistent with a ground fault. PPL Montana (PPL), the operator of the unit, is currently developing a repair schedule. The total repair cost is approximately \$30 million and will take at least six months.

http://www.northwesternenergy.com/OurCompany/NewsCenter/displaynews.aspx?Page=NorthWestern_Energy_Clari_fies_Information_Related_to_Colstrip_Unit_4&article=7194&Item=20

Update: PG&E's 1,087 MW Diablo Canyon Nuclear Unit 2 in California at Full Power by July 16

On the morning of July 15 the unit was operating at 73 percent as it was returning from an outage that began July 10. A preliminary investigation determined the shutdown was due to an electrical disturbance when a maintenance crew was power washing electrical insulators on the non-nuclear side of the unit.

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

Calpine's 561 MW Los Medanos Gas-fired Unit in California Returns to Service by July 15

The unit returned from an unplanned curtailment of 297 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201307151515.html>

PGE's 585 MW Coal-fired Boardman Power Plant in Oregon Shut after Pipe Shock July 12

Portland General Electric reported their Boardman coal plant went offline after a pipe shock July 1 due to a temperature shock in a 36-inch steam pipe that knocked the pipe out of its hangars. The plant will remain offline for at least a month for repairs.

http://www.oregonlive.com/business/index.ssf/2013/07/pges_boardman_coal_plant_offli.html

FPL Demolishes Port Everglades Power Plant in Florida July 16; Construction on New Gas-fired Power Plant to Begin in 2014

Florida Power & Light Co (FPL) demolished its 1960s-era Port Everglades power plant this morning and in its place is building a new, more fuel efficient plant that runs on clean, low-cost U.S. natural gas. The new plant, which will power 260,000 customers, will run on 35 percent less fuel, cut the carbon dioxide emissions rate in half, and reduce overall air emissions by more than 90 percent. Construction is scheduled to begin in the first quarter of 2014.

http://www.fpl.com/environment/plant/port_everglades.shtml?cid=aliasport

Petroleum

Update: Suncor Energy's Fort McMurray, Canada Oil Sands Operations Returns to Full Production July 16

Suncor Energy reports it has returned to full production at its oil sands operations. Since the restart of the Enbridge regional oil sands pipeline system earlier this month, Suncor has been ramping up its oil sands production as pipeline and storage capacity would allow. On June 24, Suncor announced that as a result of the precautionary shutdown of the Enbridge pipeline system within the Fort McMurray region, it had to reduce production from its oil sands operations. Enbridge had shut its 345,000 b/d Athabasca and 600,000 b/d Waupisoo crude oil pipelines, as well as other pipelines within its oil sands regional system on June 22 after approximately 750 barrels of synthetic oil spilled from the smaller, 12-inch Line 37. Suncor worked to mitigate the impact using existing storage capacity and continuing to move product on its Oil Sands pipeline. Aggregate production was reduced by approximately three million barrels as a result of the pipeline interruption.

<http://www.suncor.com/en/newsroom/2418.aspx?id=1790829>

Crude Oil Released During Hydrotesting from Enbridge Pipeline in Benson City, North Dakota July 15

Two barrels of crude oil were released onto the ground from a transmission line during hydro testing according to a report Enbridge filed with the U.S. National Response Center.

Reuters, 2:40 July 16, 2013

FCCU and Alkylation Units Restart at Valero's 80,887 b/d Wilmington, California Refinery July 15; Units Tripped July 14 Due Issue With Wet Gas Compressor

Valero Energy Corp. restarted a fluid catalytic cracking unit (FCCU) and alkylation unit early Monday at its Wilmington refinery after they tripped offline on Sunday. The units tripped due to an issue with a wet gas compressor. An unspecified unit also tripped on Tuesday morning causing a release of sulfur dioxide emissions, according to a filing with regulators.

Reuters, 10:00 July 15, 2013

Reuters, 2:46 July 16, 2013

Update: Shell's 600,000 b/d Motiva Port Arthur, Texas Refinery Returns to Normal Operations July 15

Shell on Monday confirmed its Port Arthur refinery had returned to normal operations after shutting down a fluid catalytic cracking unit (FCCU) on July 11.

Reuters, 15:43 July 15, 2013

Weather-Related Power Outage Leads to Emissions at Alon's 80,000 b/d Krotz Springs, Louisiana Refinery July 16

Alon USA Energy Inc reported sulfur dioxide emissions due to a weather-related power outage at its Krotz Springs refinery, according to a filing with the U.S. National Response Center.

Reuters, 2:31 July 16, 2013

Natural Gas

Update: Leaking Natural Gas Well Temporarily Plugged at Energy Resource Technology's Ship Shoal Platform B in Gulf of Mexico July 15

BSEE confirmed on Monday that Energy Resource Technology, LLC (ERT) has sealed well #2 through the use of a temporarily set bridge plug although more work is needed to permanently plug and abandon the well. BSEE has been overseeing ERT's work since the loss of well control on Ship Shoal Block 225 Platform B well #2 beginning July 9; the well which was flowing natural gas is located approximately 74 miles southwest of Port Fourchon, LA. A BSEE overflight on July 13 confirmed that no sheen was present. The well had been flowing natural gas which was stopped July 11 by pumping drilling fluids into the well. Remaining work will be reviewed and approved by the BSEE Houma District engineers. A BSEE team of inspectors and engineers will conduct an investigation to determine the causes of the loss of well control and to make recommendations to improve the response to well control events.

<http://www.bsee.gov/BSEE-Newsroom/BSEE-News-Briefs/2013/BSEE-Confirms-Well-Sealed-With-Temporary-Plug.aspx>

Spectra Subsidiary Making Preparations for Natural Gas Pipeline from Alabama to Florida in Response to FPL Request for Proposals

Sabal Trail Transmission, LLC, a subsidiary of Spectra Energy Corp., is making preparations to construct a 495-mile interstate pipeline system from Alabama to Florida in response to a request for proposals from Florida Power & Light (FPL) Company to provide firm natural gas transportation for their power generation needs by May 2017. The pipeline would be designed to transport up to 1 Bcf/d of gas. Sabal Trail would also build one compressor station in Tallapoosa County, Alabama, at the start of the pipeline and another in Osceola County, Florida, at the terminus of the line. The company would build an additional five compressor stations after the original in-service date. While FPL has not yet selected the company to develop, construct, and operate the project, Sabal Trail is conducting pre-award activities, including contacting and working with landowners and impacted stakeholders along the study corridor, a spokeswoman for the project said earlier this month. FPL plans to award the project by mid-July.

<http://www.sabaltrailtransmission.com/>

http://www.downstreamtoday.com/news/article.aspx?a_id=40066

Update: DEP Orders Well Pad Kept Idle as Investigation Continues into July 7 Explosion at Antero Resources' West Virginia Hinterer 1H Natural Gas Well Site

The Department of Environmental Protection (DEP) has ordered Antero Resources to keep the well pad idle as they continue their investigation into a July 7 explosion at the West Virginia Hinterer 1H natural gas well site that injured five people. The company is required to submit a report to the Department of Environmental Protection's Office of Oil and Gas by July 31 explaining the cause of the accident and a safety plan to resume operations.

<http://www.tribtown.com/view/story/d7243081c87e4fdb452b3069f704c4b/WV--Gas-Well-Explosion>

Other News

Update: Agri-Energy Planning to Resume Production at Its 35 MMGal/Yr. Ethanol Plant in Kansas by September 15 – Chairman

East Kansas Agri-Energy LLC is preparing to restart its ethanol plant in Garnett, Kansas this fall, the company's board chairman recently reported. Operators temporarily idled the facility in October 2012, after operating it at 80 percent capacity since April 2012, citing scarce supplies of corn and high corn prices due to a prolonged drought. The plant's nameplate capacity is 35 MMgal/year, but the facility has produced at a rate of 42 MMgal/year in the past. The board chairman said that a delayed corn harvest had pushed the planned restart date from September 1 to September 15, although the summer's weather conditions and the end result of the corn crop will determine when operations actually resume.

<http://www.ethanolproducer.com/articles/10055/idled-plant-looks-to-restart-some-aim-to-replace-board-members>

Poet to Begin Operations at 20 MMGal/Yr Project Liberty Cellulosic Ethanol Plant in Iowa in Early 2014

Poet-DSM Advanced Biofuels, LLC, will begin operations on a plant, dubbed Project Liberty, in early 2014 that will produce 20 million gallons of cellulosic bio-ethanol annually, later ramping up to 25 million gallons. The plant will make use of corncobs, leaves, husk, and some stalk that passes through the combine during harvest.

<http://www.projectliberty.com/about/>

International News

Nigeria Maritime Agency Lifts Blockade of LNG Vessels at Bonny Island LNG Export Terminal in Nigeria July 16

The blockade of ships belonging to Nigeria LNG Ltd (NLNG) from entering or departing Bonny Island Terminal on the coast of Nigeria has been lifted by Nigeria's maritime regulator after the company agreed to pay various levies that the regulator claimed were overdue. On June 21, the regulator had barred the ships due to the escalation of longstanding dispute over maritime taxes and levies. NLNG is a joint venture between Nigeria's state oil company, Royal Dutch Shell, France's Total and Italy's Eni.

<http://www.hydrocarbonprocessing.com/Article/3231711/Latest-News/Nigeria-maritime-agency-lifts-LNG-vessel-blockade.html>

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|--------|----------|----------|
| July 16, 2013 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 105.99 | 102.97 | 87.43 |
| NATURAL GAS Henry Hub \$/Million Btu | 3.67 | 3.69 | 2.88 |

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.

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

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