



# ENERGY ASSURANCE DAILY

Thursday Evening, August 01, 2013

## *Electricity*

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### **Update: Indiana-Michigan Power's 1,060 MW D.C. Cook Nuclear Unit 2 in Michigan at Full Power by August 1**

On the morning of July 31 the unit was operating at 48 percent after being in hot standby mode due to an unscheduled mechanical maintenance outage, according to the Nuclear Regulatory Commission. Operators on Sunday manually tripped the Unit 2 reactor due to a lowering steam generator level caused by an automatic trip of the west main feed pump. The west main feed pump tripped on low suction pressure resulting from a secondary plant transient.

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

### **Update: NRG's 260 MW El Segundo Natural Gas-fired Unit 5/6 and 260 MW Natural Gas-fired Unit 7/8 in California Restored by July 31**

The units entered an unplanned outage on July 20.

<http://content.caiso.com/unitstatus/data/unitstatus201307311515.html>

### **Minnesota Power Announces 200 MW Expansion of Bison Wind Project in North Dakota**

Minnesota Power plans to begin construction this year on a 200 MW expansion of its Bison wind project that will increase the project's total capacity to 500 MW. Construction on Phase 4 of the Bison Wind Energy Center, anticipated to begin in the fourth quarter of this year, will add 64 wind turbines to the 101 turbines Minnesota Power has installed since 2010 near New Salem, North Dakota. The expansion will include a new substation and approximately 11 miles of a 230-kilovolt transmission line. The project is estimated to be operational by the end of 2014.

<http://investor.allete.com/releasedetail.cfm?ReleaseID=782069>

## *Petroleum*

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### **Update: March Leak on Exxon's 95,000 b/d Pegasus Pipeline Caused by Manufacturing Defect – PHMSA**

A leak in Exxon Mobil's Pegasus pipeline, which spilled approximately 5,000 barrels of crude oil in Mayflower, Arkansas in March, was caused by a manufacturing defect, according to a spokesman for the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA). A review of the accident, conducted by Hurst Metallurgical Research Laboratory, found the pipeline failure "resulted from an original manufacturing defect of the electronic resistance welded pipe." The line will remain shut until it can be restarted safely.

Reuters, 12:33 August 1, 2013

### **Crude Oil Flows on 400,000 b/d Seaway Pipeline Below Capacity in Q2 – Enterprise**

Enterprise Product Partners LP's Seaway pipeline, which runs from Cushing, Oklahoma, to the Houston, Texas area, averaged 300,000 b/d in crude oil flows during the second quarter of this year, Enterprise's chief executive said. About 30 percent of the flows were heavy crude oil.

Reuters, 10:47 August 1, 2013

## **TransCanada to Proceed with 1.1 Million b/d Energy East Pipeline Project from Western to Eastern Canada**

TransCanada Corporation announced it is moving forward with the 1.1 million b/d Energy East Pipeline project based on binding, long-term contracts received from producers and refiners. The conclusion of the successful open season confirmed strong market support for a pipeline with approximately 900,000 b/d of firm, long-term contracts to transport crude oil from Western Canada to Eastern Canadian refineries and export terminals. The Energy East Pipeline project involves converting a portion of natural gas pipeline capacity in approximately 1,864 miles of TransCanada's existing Canadian Mainline to crude oil service and constructing approximately 870 miles of new pipeline. The pipeline will transport crude oil from receipt points in Alberta and Saskatchewan to delivery points in Montreal, the Quebec City region and Saint John, New Brunswick, greatly enhancing producer access to Eastern Canadian and international markets. The pipeline will terminate at Canaport in Saint John, New Brunswick. The Energy East Pipeline is anticipated to be in service by late 2017 for deliveries in Quebec and 2018 for deliveries to New Brunswick.

<http://www.transcanada.com/news-releases-article.html?id=1746092>

## **Irving Oil and TransCanada to Develop New Canaport Energy East Marine Terminal in Saint John, New Brunswick to Export Crude Oil**

Irving Oil and TransCanada announced today they will form a joint venture to develop and construct the new Canaport Energy East Marine Terminal at Irving Canaport in Saint John, New Brunswick. The terminal will connect TransCanada's Energy East Pipeline to an ice-free, deep water port that will allow Canadian producers direct access to world markets for exporting Canadian oil via the world's largest crude carrying vessels. Currently, Irving Oil imports more than 100 million barrels of crude oil each year at Irving Canaport to supply its 300,000 b/d Saint John refinery. The project timeline for the marine terminal, which is expected to begin with engineering and design work in 2015, will coincide with Energy East Pipeline project developments. The new Canaport Energy East Marine Terminal will be located adjacent to Irving Oil's existing import terminal and will be operated by Irving Oil.

[http://www.irvingoil.com/newsroom/news\\_releases/irving\\_oil\\_and\\_transcanada\\_announce\\_joint\\_venture\\_to\\_develop\\_new\\_saint\\_john/](http://www.irvingoil.com/newsroom/news_releases/irving_oil_and_transcanada_announce_joint_venture_to_develop_new_saint_john/)

## **Suncor's 130,000 b/d Montreal, Quebec Refinery Will Process 15,000 b/d of Canadian Crude Oil by Year End**

Suncor Energy Inc. said on Thursday that its Montreal refinery will be able to process up to 15,000 b/d of Western Canadian oil by the end of the year. The facilities at the refinery that will allow crude by rail shipments are expected to be complete by December 2013, according to Suncor's chief executive. The refinery will eventually be able to handle as much as 30,000 b/d of Canadian oil.

Reuters, 10:26 August 1, 2013

## ***Natural Gas***

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### **Flaring Reported at Targa's 150 MMcf/d Sand Hills Gas Plant in Texas July 30**

Targa Resources reported an upset in the refrigeration unit at the Sand Hills gas plant that resulted in flaring from emergency inlet flare, F-1. Maintenance technicians were immediately called out to troubleshoot the issue and restart refrigeration compressors.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=186199>

### **Unit Shut Due to High BTUs in Fuel Gas at Southern Union's 140 MMcf/d Keystone Gas Plant in Texas July 30**

Southern Union Co. reported that unit 20 went down due to high British thermal units (BTUs) in the fuel gas causing high vibration. The high BTUs were caused by chiller units 26, 27, and 28 being down due to bad sensors. The unit was left down until the chiller units were put back on line. The sensors on the chillers were replaced and the chillers were put back in service. This in turn allowed the BTUs on the fuel to decrease and allow Unit 20 back on line.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=186169>

### **Flaring Reported at Upton's 112 MMcf/d Benedum Gas Plant in Texas July 31**

Upton reported its Benedum gas plant flared inlet and residue gas streams due to an automatic safety shutdown from liquid carrying over from a third party pipeline. The plant also experienced an expander malfunction and was not able to place the unit back into operation which resulted in additional inlet gas flaring.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=186201>

## Other News

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### INEOS Bio's 8 MMGal/Yr Indian River BioEnergy Center in Florida Produces Nation's First Cellulosic Ethanol at Commercial-Scale

The Energy Department recognized the nation's first commercial-scale cellulosic ethanol production at INEOS Bio's Indian River BioEnergy Center in Vero Beach, Florida. Developed through a joint venture between INEOS Bio and New Planet Energy, the project uses a unique hybrid of gasification and fermentation technology—originally developed with Energy Department support starting in the 1990s – to convert wood scraps, grass clippings, and other waste materials into transportation fuels as well as energy for heat and power. The Indian River County BioEnergy Center will have an annual output of 8 MMGal/Yr of cellulosic ethanol from vegetative, yard, and municipal solid waste as well as 6 MW of clean, renewable power annually—enough to run the entire facility and provide excess power to the local community.

<http://energy.gov/articles/florida-project-produces-nation-s-first-cellulosic-ethanol-commercial-scale-0>

## International News

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Nothing to report.

## Energy Prices

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U.S. Oil and Gas Prices			
August 1, 2013			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	107.75	105.45	89.10
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.44	3.70	3.20

Source: Reuters

## Links

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***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](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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*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 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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