



ENERGY ASSURANCE DAILY

Tuesday Evening, August 14, 2012

Electricity

California ISO Issues Statewide ‘Flex Alert’ Urging Power Conservation on August 14 amid Continued High Temperatures

The California Independent System Operator (CAISO) on Monday issued a statewide “flex alert” for August 14, urging consumers to reduce their energy use as a week-long heat wave was expected to continue in Southern California. Pacific Gas & Electric Company, Southern California Edison, and the Los Angeles County Department of Water and Power all issued statements urging customers to conserve electricity in response to the flex alert, particularly between 11:00 AM and 6:00 PM, when demand is highest. CAISO forecast peak electricity demand on Tuesday would reach 47,500 MW before falling to 45,000 MW on Wednesday. The grid operator has access to 58,600 MW of generation, according to CAISO. The all time peak electric demand record of 50,270 MW was set on July 24, 2006. CAISO said a flex alert it issued last Friday prompted consumers to reduce electricity use by nearly 1,000 MW, according to a press release.

www.sce.com

<http://www.ladwpnews.com/go/doc/1475/1513739/>

http://www.pge.com/about/newsroom/newsreleases/20120813/pge_encourages_customers_to_conserve_electricity_as_california_declares_new_flex_alert.shtml

http://www.caiso.com/Documents/StubbornHeatWaveTriggersAnotherStatewideFlexAlert_ConservationCritical.pdf

Update: TVA’s 1,652 MW Raccoon Mountain Pumped Storage Power Plant in Tennessee to Remain Idle for Up to 2 Years Due to Rotor Cracks

Recent reports have confirmed the Tennessee Valley Authority (TVA) has kept all four units at the Raccoon Mountain pumped storage facility offline since March, when inspections revealed rotor cracks in all four generators. (Previous reports indicated at least one unit had remained in service since the March inspections.) TVA officials claim a design flaw is responsible for the rotor cracks. The utility has had to bring two of its idled coal-fired units back online this summer to make up for Raccoon Mountain’s lost peak-power generation, an executive told financial analysts last week. The company said it hopes to temporarily restore operation to one generator in about 18 to 24 months. The other three rotors aren’t salvageable, even for temporary use. TVA hopes to replace the rotor poles and rotor rims on each of the four units by 2015. Before the cracks were discovered, TVA used power from the plant nearly every day to balance the grid during peak demand periods.

<http://www.eia.gov/electricity/state/tennessee/index.cfm>

<http://www.timesfreepress.com/news/2012/aug/10/TVA-pumped-storage-facility-on-raccoon-mountain/>

http://www.tva.gov/finance/pdf/Transcript_08_06_12_TVA.pdf

LCRA Reports Unspecified Upset, Emissions during Maintenance at Its 460 MW Fayette Coal-Fired Unit 3 in Texas August 11

The Lower Colorado River Authority (LCRA) reported its Fayette coal-fired Unit 3 experienced an upset overnight Sunday during maintenance on the “A” induced draft (ID) fan, resulting in brief emissions, 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=172183>

Exelon’s 1,131 MW Byron Nuclear Unit 2 in Illinois Reduced to 90 Percent by August 14

On the morning of August 13 the unit was operating at full power.

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

U.S. Wind Energy Production and Manufacturing Surges in 2011 – DOE Report

The U.S. Department of Energy (DOE) on Tuesday released a new report highlighting growth in the U.S. wind energy market in 2011. According to the *2011 Wind Technologies Market Report*, wind power represented 32 percent of all new electric capacity additions in the United States last year. The report also found that in 2011, roughly 6,800 MW of new wind power capacity was added to the U.S. grid, a 31 percent increase from 2010 installations. The United States' wind power capacity reached 47,000 MW by the end of 2011 and has since grown to 50,000 MW. The country's cumulative installed wind energy capacity grew 16 percent from 2010, and has increased more than 18-fold since 2000. The report also finds that six states now meet more than 10 percent of their total electricity needs with wind power. Despite recent technical and infrastructure improvements and continued growth in 2012, however, the report finds that 2013 may bring a dramatic slowing of domestic wind energy deployment due in part to the possible expiration of federal renewable energy tax incentives (the Production Tax Credit and the Advanced Energy Manufacturing Tax Credit).

<http://energy.gov/articles/energy-report-us-wind-energy-production-and-manufacturing-surges-supporting-jobs-and>
http://www1.eere.energy.gov/wind/pdfs/2011_wind_technologies_market_report.pdf

Petroleum

Update: Power Outage at MarkWest's Javelina Gas Plant in Corpus Christi, Texas Causes Flaring at Three Nearby Refineries August 11

A power outage at the MarkWest Javelina gas processing plant on Saturday led to a backup of offgases at each of the three refineries that feed it, causing flaring at all the plants, according to media reports and filings with state regulators. MarkWest processes offgases from refineries operated by Flint Hills Resources (288,468 b/d), Citgo (163,000 b/d), and Valero (142,000 b/d) in Corpus Christi. Valero and Flint Hills reported flaring due to the Javelina shutdown in filings with the Texas Commission on Environmental Quality (TCEQ). American Electric Power, which provides power to the plant, was working with MarkWest employees to determine the initial cause of the outage. MarkWest on Monday reported a controller to the offgas compressor motor was showing indications of failure that afternoon, according to a TCEQ filing.

http://www.downstreamtoday.com/news/article.aspx?a_id=36964

<http://www1.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172188>

<http://www1.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172254>

CO Boiler Tube Rupture Leads to Emissions at Alon's 67,000 b/d Big Spring, Texas Refinery August 13

Alon USA Energy Inc. reported that a carbon monoxide (CO) boiler tube ruptured Monday morning, causing emissions from both the electrostatic precipitator stack as well as the CO boiler bypass stack, according to a filing with the Texas Commission on Environmental Quality. The emissions were ongoing at the time of the filing.

<http://www1.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172244>

Update: Valero Says All Downstream Units at Its 125,000 b/d Meraux, Louisiana Refinery Restarted by August 13

Valero Energy Corp. on Monday said it had restarted downstream production units at its Meraux refinery. Valero shut all units at the refinery July 23, when a fire broke out in the crude unit.

Reuters, 11:29 August 13, 2012

Shell Reports Brief Fire in Light Oil Processing Unit at Its 156,400 b/d Martinez, California Refinery August 13

Shell said a small fire in the light oil processing unit at its Martinez refinery Monday afternoon was quickly extinguished by onsite emergency response crews, according to a spokeswoman. The fire broke out at about 2:00 PM local time Monday and was extinguished by 2:15, the spokeswoman said. The cause of the fire was under investigation.

<http://www.sfgate.com/bayarea/article/Martinez-refinery-fire-put-out-3785251.php>

<http://sanfrancisco.cbslocal.com/2012/08/13/hazmat-crews-respond-to-fire-at-martinez-shell-refinery/>

Update: Valero Says FCCU Running at Planned Rates at Its 144,000 b/d Benicia, California Refinery August 13

Valero Energy Corp. on Monday said a fluid catalytic cracking unit (FCCU) at its Benicia refinery was running at planned rates. Valero shut the unit July 26 after a compressor malfunction and restarted it by August 6. Reuters, 11:30 August 13, 2012

Natural Gas

Update: FERC Approves TGP's 240 MMcf/d MPP Pipeline Expansion Project to Move Additional Volumes from Marcellus Shale to Ohio, Tennessee, and U.S. Northeast

The U.S. Federal Energy Regulatory Commission (FERC) on August 9 issued an order permitting the Tennessee Gas Pipeline Co. (TGP), a subsidiary of Kinder Morgan Energy Partners, to build the MPP expansion project in Pennsylvania. The project will provide 240 MMcf/d of additional natural gas transportation service along its 300 Line from the Marcellus Shale to existing delivery points on the TGP mainline system, including points in Zones 1, 2, and 4 in Ohio, Tennessee, and the U.S. Northeast. Tennessee will build a 7.9-mile segment of 30-inch pipeline loop in Potter County, Pennsylvania, and modify four compressor stations in northern Pennsylvania to allow bidirectional flow. The company hopes to place the addition into service in November 2013.

SNL, 13:13 August 13, 2012

<http://www.ferc.gov/EventCalendar/Files/20120809153703-CP12-28-000.pdf>

Compressor Shutdowns Lead to Flaring at Hess's 210 MMcf/d Seminole Gas Plant in Texas August 12

Hess Corp. reported its Seminole gas plant experienced an unexpected shutdown of the C Inlet Treated Compressor Sunday morning after a gas monitor on the turbine exhaust detected a leak, according to a filing with the Texas Commission on Environmental Quality. This was followed by a shutdown of the HHE Inlet Treated Compressor due to a broken pressure switch. Operators were investigating the cause of these shutdowns at the time of the filing. Operators shut-in approximately 30 MMcf/d of inlet gas to minimize flaring.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172198>

Regency Reports Numerous AGI Unit Shutdowns at Its 290 MMcf/d Waha Gas Plant in Texas August 12-13

Regency Energy Partners reported irregular inlet gas volumes caused the acid gas injector (AGI) unit to shut down twice on Sunday, according to filings with the Texas Commission on Environmental Quality (TCEQ). The AGI compressor also shut down Sunday afternoon on high fifth-stage discharge temperature, according to another TCEQ filing. On Monday operators took an AGI compressor out of service for maintenance.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172200>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172201>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172204>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172243>

WTP Reports Flaring after Inlet Gas Compressors Shut Down for Various Reasons at Its 50 MMcf/d East Vealmoor Gas Plant in Texas August 12-13

WTP Gas Processing LP reported several inlet gas compressors shutdown at its East Vealmoor plant on Sunday due to various causes, resulting in flaring, according to a filing with the Texas Commission on Environmental Quality. Flaring continued until Monday, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172195>

Cracked Condenser on Glycol System Leads to Emissions at Hilcorp's 175 MMcf/d Old Ocean Gas Plant in Texas August 11

Hilcorp Energy reported a crack on the BTEX condenser of the glycol system prompted operators to take the unit out of service for repairs Saturday morning, according to a filing with the Texas Commission on Environmental Quality. Emissions related to the repairs were expected to continue until Tuesday, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172172>

Other News

Central Minnesota Ethanol Co-Op Suspends Production at Its 15 MMGal/Yr. Ethanol Plant in Minnesota in Late July Due to Poor Margins

The Central Minnesota Ethanol Co-op said it began idling its ethanol plant in Little Falls late last month due to poor margins caused by the high price of corn, as well as the limited availability of the crop, according to the general manager of the plant. The company hopes the plant will be able to resume operations in September or possibly October after the harvest. It will use the downtime to complete maintenance and other projects, the manager said.

http://www.sctimes.com/article/20120814/NEWS01/308130035/Little-Falls-ethanol-plant-idled?odyssey=tab%7Ctopnews%7Ctext%7CUmbrella&nclink_check=1

DOI Outlines Proposed Plan for Additional Oil and Gas Development in the National Petroleum Reserve in Alaska

The U.S. Department of the Interior on Monday outlined a proposed plan that will allow for additional access for oil and gas development in the National Petroleum Reserve in Alaska (NPR-A). The plan will be analyzed in detail and presented for public review as the preferred alternative for the NPR-A Integrated Activity Plan and Environmental Impact Statement (IAP/EIS) later this year. The Draft IAP/EIS, released March 30, presented four future management alternatives for the NPR-A for public comment. The Final IAP/EIS, expected to be released in late 2012, will include "Alternative B-2," a modified version of Alternative B, as the preferred alternative. The approximately 11.8 million acres that would be available for leasing under the preferred alternative are estimated to hold approximately 549 million barrels of discovered and undiscovered economically recoverable oil and approximately 8.7 trillion cubic feet of discovered and undiscovered economically recoverable natural gas.

<http://www.doi.gov/news/pressreleases/Salazar-Outlines-Proposed-Plan-for-Additional-Development-Wildlife-Protection-in-the-National-Petroleum-Reserve-Alaska.cfm>

International News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
August 14, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	93.28	93.48	86.55
\$/Barrel			
NATURAL GAS			
Henry Hub	2.77	2.90	4.06
\$/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 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

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

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