



ENERGY ASSURANCE DAILY

Tuesday Evening, August 28, 2012

Major Developments

OE/ISER Situation Report: Hurricane Isaac

Hurricane Isaac has impacted Florida and is expected to make landfall along the Gulf Coast by early this evening. For details on the impact of this storm on customer outages, energy infrastructure issues, and restoration efforts see: Tropical Storm Isaac Situation Reports issued by the U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability (OE/ISER), at the following URL:
http://www.oe.netl.doe.gov/named_event.aspx?ID=66

Electricity

TVA's 1,125 MW Watts Bar Nuclear Unit 1 in Tennessee Shut by August 28

On the morning of August 27 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 99 Percent by August 28

On the morning of August 27 the unit was operating at 80 percent.
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Update: Southern California Edison's 200 MW Eastwood Hydro Unit in California Returns to Service by August 27

The unit returned from an unplanned outage that began by August 24.
<http://content.caiso.com/unitstatus/data/unitstatus201208271515.html>

Update: California Department of Water Resources' 933 MW Hyatt-Thermalito Hydro Unit in California Returns to Service by August 27

The unit returned from a curtailment of 570 MW that began by August 19 and was due to planned and unplanned causes.
<http://content.caiso.com/unitstatus/data/unitstatus201208271515.html>

TVA to Install Pollution Controls on Its Gallatin Coal-Fired Units in Tennessee by 2017 to Maintain Compliance with EPA Regulations

The Tennessee Valley Authority (TVA) plans to install a series of pollution controls at the Gallatin Fossil Plant by 2017 in an effort to reduce emissions by as much as 95 percent and remain in compliance with regulations from the U.S. Environmental Protection Agency, the plant's manager said. Planned upgrades include the installation of four large scrubbers and a selective catalytic reduction system. TVA expects to complete the scrubbers by 2016 and the other pollution controls by 2017.
<http://www.tennessean.com/article/20120827/NEWS11/308270029/Gallatin-Fossil-Plant-receive-1B-TVA-upgrades?odyssey=tab|topnews|text|FRONTPAGE>

Update: BP Recalls More Than 2 Million Gallons of Gasoline Blended at Its 413,000 b/d Whiting, Indiana Refinery – Reports

The latest reports indicate BP Plc has issued a recall for about 2.1 million gallons of off-specification gasoline that was blended at its Whiting refinery and shipped to stations in Indiana, Illinois, and Wisconsin earlier this month. BP said earlier this month that an alkylation unit at its refinery was the source of 50,000 barrels of recalled gasoline shipped from the company's storage terminal August 13–17.

<http://finance.yahoo.com/news/bp-recalling-over-2m-gallons-151108415.html>
<http://chicago.cbslocal.com/2012/08/28/lawsuits-filed-over-bad-gasoline-from-bp/>

Unplanned Process-Unit Shutdown Causes Flaring of Sulfur Dioxide at Phillips 66's 120,000 b/d Rodeo, California Refinery August 25

<http://www.nasdaq.com/article/refinery-status-exxon-reports-unit-outage-at-beaumont-20120827-00608>

Total Reports Emissions Related to Restart Activities at Its 232,000 b/d Port Arthur, Texas Refinery August 27

Total Petrochemicals reported elevated emissions from Units 870 and 871 during start-up activities at its Port Arthur refinery Monday afternoon, according to a filing with the Texas Commission on Environmental Quality. Sulfur Recovery Unit No. 4 (SRU-4) and SRU-5 are also listed as sources of emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172763>

Update: Flint Hills Repairs Leak after Shutting DIH and Sulfolane Units at Its 288,468 b/d Corpus Christi, Texas Refinery August 26

Flint Hills Resources reported its operators discovered a leak on the reflux pipe to the deisohexanizer (DIH) column at its Corpus Christi refinery Sunday evening, according to a filing with the Texas Commission on Environmental Quality. Operators immediately shut the DIH and sulfolane units to repair the leak. In a previous filing with national regulators, the refinery had reported only that a leak from the sulfolane unit was due to an unspecified equipment failure.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172768>

Western Refining Reports Amine Unit Release at Its 20,800 b/d Gallup, New Mexico Refinery August 26

Western Refining Inc. reported a sulfur dioxide release from an amine unit at its Gallup refinery Sunday afternoon was due to lost circulation, according to a filing with the U.S. National Response Center. Operators secured the release by reducing the out-gas flow through the AMV-3 unit to drop the circulation to the bottom of the tower, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1022315

Unspecified Upset Causes Sulfur Dioxide Emissions at BP's 225,000 b/d Cherry Point, Washington Refinery August 16

BP Plc reported an upset led to excess emissions of sulfur dioxide at its Cherry Point refinery on August 16, according to a filing from the Northwest Clean Air Agency that was released Monday. Investigators were working to determine the cause of the incident, the filing said.

Reuters, 19:31 August 27, 2012

Phillips 66 Calls County Hazmat Team after Routine Flaring Causes Compressor Problems at Its 238,000 Linden, New Jersey Refinery August 27 – Local Media

Phillips 66 on Monday called in the Union County hazmat team after a routine flaring operation led to compressor problems at its Bayway refinery in Linden, New Jersey, local media reported. Investigators found “no unusual activity,” however, according to a county spokeswoman.

Reuters, 16:03 August 27, 2012

Fire Forces Evacuation at Sinclair's 80,000 b/d Sinclair, Wyoming Refinery August 24 – Local Media

Sinclair Oil Corp. reported a fire at its Wyoming refinery last Friday afternoon forced an evacuation at the plant but caused no injuries, according to local media.
Reuters, 13:22 August 27, 2012

Update: Pipe Corrosion Caused October 2011 Distillate Unit Explosion at Consumers' 100,000 b/d Regina, Saskatchewan Refinery – Investigators

Consumers' Co-operative Refineries Limited reported the October 2011 explosion in the middle distillate unit at its Regina refinery occurred when a single small crack in a 6-inch pipeline carrying hydrogen gas, hydrogen sulfide, and diesel gas caused a rupture and explosion, which then caused four other hydrogen sulfide pipelines to breach as well. The rupture was caused by corrosion and uniform wall thinning along the upper half of the pipe from the pressure of the gas and high operating temperatures. Investigators are still trying to determine the source of the ignition that caused the gas to explode. The incident led to a 20-percent reduction in the refinery's diesel output from early October until May 2012.

<http://www.ohscanada.com/news/pipe-corrosion-caused-2011-oil-refinery-explosion/1001646072/>

Natural Gas

Regency Announces 90 MMcf/d Expansion Project at Its Dubach Gas Plant in North Louisiana

Regency Energy Partners LP on Monday announced it will expand its Dubach processing facility in North Louisiana to increase the processing capacity of the facility to 210 MMcf/d by adding an incremental 70 MMcf/d of cryogenic processing capacity and 20 MMcf/d of JT capacity, according to a press release. The expansion project will also include the construction of high-pressure gathering lines to deliver production to the facility. The project is expected to come online in the second quarter of 2013.

<http://finance.yahoo.com/news/regency-energy-partners-announces-expansion-210000890.html>

Power Failure Shuts DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas August 26; Causes Emissions

DCP Midstream reported a third-party electrical power failure Sunday night caused the Goldsmith gas plant to shut down unexpectedly, which resulted in the flaring of acid gas and natural gas, according to a filing with the Texas Commission on Environmental Quality. While bringing the plant back online, operators reported technical difficulties with the sulfur plant's No. 2 reheater and tail gas incinerator. Emissions due to these snags were ongoing at the time of the filing.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=172752>

Power Failure Shuts Inlets, Causes Emissions at Southern Union's 140 MMcf/d Keystone Gas Plant in Texas August 26

Southern Union Gas Services reported a power failure Sunday night caused the inlets to the plant to close, which shut down low-pressure compression in the plant and field and led to emissions, according to a filing with the Texas Commission on Environmental Quality. The event was ongoing at the time of the filing. Operators notified the field department and shut-in gas.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=172743>

Enbridge Reports AGI Unit Shutdowns at Its Tilden Gas Plant in Texas August 27

Enbridge reported acid gas injector (AGI) Units 1 and 2 went down at its Tilden natural gas plant Monday morning after a pipeline cleaning device brought a lot of liquid into the station, causing the units to shut due to flooding, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=172751>

Other News

Nothing to report

Update: Fire Spreads to Third Storage Tank at PDVSA’s 645,000 b/d Amuay Refinery in Venezuela August 27; Delays Forecasts for Resuming Production

Venezuelan Oil Minister Rafael Ramirez reported the fire burning at Petroleos de Venezuela SA’s (PDVSA) Amuay refinery spread Monday to a third fuel storage tank, pushing out forecasts for resuming production. He said strong winds were complicating firefighting efforts. PDVSA shut the refinery Saturday morning after an explosion damaged nine storage tanks holding crude oil and petroleum products. Forty-eight people were killed in the accident, according to officials, who announced the death toll had risen from 41 people yesterday. There has been no structural damage to the facility’s processing units, and output from the refinery is expected to resume within two days after the flames are extinguished, Ramirez said on Sunday. Amuay is part of the Paraguana refinery complex, which also includes the 297,000 b/d Cardon refinery. The refineries provide petroleum products to markets in the Caribbean and the United States, but the incident was not expected to impact exports. Venezuela has stockpiles of 4 million barrels of gasoline and other petroleum products and continues to produce 735,000 barrels of the motor fuel each day at other facilities, including the neighboring Cardon refinery, Ramirez said.

<http://www.businessweek.com/news/2012-08-27/venezuelan-refinery-fire-spreads-and-delays-production-restart#p2>
<http://www.thenews.com.pk/article-65142-Fire-at-Venezuela-oil-refinery-spreads>

Update: Crude Oil Flow Resumes on Kirkuk-Ceyhan Pipeline August 28 after Blast in Turkey Starts Fire, Damages One of Two Lines August 27

Oil flow resumed Tuesday following the blast that damaged one of the two lines and sparked a fire in Sirnak province near the Iraqi border, according to Turkey’s energy minister, who also said he expected the parallel line to be operational within a week after repairs. The minister blamed the blast on Kurdish rebels, who have in the past targeted the pipeline. The 970-kilometre (600-mile) pipeline runs from Iraq’s northern oil hub of Kirkuk to the port of Ceyhan on Turkey’s Mediterranean coast, pumping 300,000–500,000 barrels of crude oil per day.

http://www.google.com/hostednews/afp/article/ALeqM5hIXxeMHvHKPHyv6E9_zLaXWCxPQ?docId=CNG.682a24f16b365825cf867757eef8144e.3f1

Nigerian Military Forces Rescue 27 Kidnapped Sinopec Oil Workers in Cross River State August 24

Twenty-eight Sinopec workers were kidnapped August 23 in Ikang, near the state capital Calabar, by an armed gang called Lactop Marine Force, according to reports. One worker was still missing on Sunday.

http://www.rigzone.com/news/oil_gas/a/120290/Navy_Military_Rescues_27_Kidnapped_Sinopec_Workers_in_Nigeria

Pirates Seize Greek-Owned Oil Tanker off Togo Coast, Kidnap 24 Sailors, and Escape Navy Gunfire August 28

http://www.washingtonpost.com/world/africa/anti-piracy-group-pirates-seize-oil-tanker-off-togo-coast-kidnap-24-sailors-amid-gunfire/2012/08/28/caf8db44-f101-11e1-b74c-84ed55e0300b_story.html

Energy Prices

U.S. Oil and Gas Prices			
August 28, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	95.47	97.22	84.93
NATURAL GAS Henry Hub \$/Million Btu	2.80	2.75	4.01

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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