



ENERGY ASSURANCE DAILY

Friday Evening, September 14, 2012

Electricity

House Subcommittee on Cybersecurity, Infrastructure Protection, and Security Technologies Holds Hearing on Threat of an Electromagnetic Pulse Attack September 12

The Homeland Security Subcommittee on Cybersecurity, Infrastructure Protection, and Security Technologies on Wednesday held a hearing to examine the threat and potential consequences of an electromagnetic pulse (EMP) attack on the United States. An EMP is a burst of electromagnetic radiation that can be generated by nuclear weapons, specialized non-nuclear EMP weapons, or natural occurrences such as solar storms. Panelists said flaws in the nation's infrastructure could allow for EMP events to shut down power and communications for extended periods of time, and they presented planning and mitigation strategies to improve preparedness.

<http://www.nextgov.com/defense/2012/09/electromagnetic-pulse-could-knock-out-us-power-grid/58069/>

<http://homeland.house.gov/press-release/cybersecurity-infrastructure-protection-and-security-technologies-subcommittee-hold-1>

<http://homeland.house.gov/hearing/subcommittee-hearing-emp-threat-examining-consequences>

Maryland PSC Reviews Utilities' Restoration Efforts after June 29 Derecho Storm; BGE Officials Suggest Burying More Power Lines and Better Managing Vegetation

Baltimore Gas and Electric Co. (BGE) officials on Thursday told the Maryland Public Service Commission (PSC) that it will require substantial changes to the electric grid, including burying some power lines and more aggressively trimming trees, to prevent long-term outages like the one that followed the June 29 derecho. The commission is reviewing all utilities' repair efforts after the storm left more than 1 million Maryland customers without power, including 762,000 BGE customers. Many customers were without electricity for as many as 7–8 days. In addition to burying power lines and managing vegetation, panelists discussed the effectiveness of mutual assistance networks and ways to improve communications with the public during outage events.

http://www.washingtonpost.com/local/baltimore-gas-and-electric-officials-voice-support-for-burying-some-power-lines/2012/09/14/7e3c8b6a-fe68-11e1-a31e-804fcb658f9_story.html

California ISO Prepares for Another Potential Summer without Generation from SCE's 2,150 MW San Onofre Nuclear Power Plant in California

The California Independent System Operator Corporation (ISO) yesterday announced it is taking steps now to prepare for the summer of 2013 should Southern California remain without generation from Southern California Edison's (SCE) 2,150 MW San Onofre Nuclear Generating Station (SONGS). Both units at SONGS have been shut since January, when operators discovered premature tube wear in the steam generators. ISO staff on Thursday briefed the Board of Governors on a recent analysis of grid needs should the nuclear plant not return to service by next summer. The board approved the ISO's recommendation to convert AES' Huntington Beach natural gas-fired Units 3 and 4 into synchronous condensers. The units were brought back into service in May to fill the void left by the SONGS shutdown and are scheduled to be taken offline by the end of October, when they can be converted. As synchronous condensers, the units will provide voltage support to the local 230-kV switchyard as megavars, instead of megawatts, which will exempt the units from requiring renewed air emissions credits. The board on Thursday also approved extending a must-run contract for the Dynegy Oakland facility through 2013 for 165 MW.

<http://www.caiso.com/CaliforniaISOPreparesforAnotherPotentialSummerWithoutSanOnofreGeneration.pdf>

http://www.caiso.com/Documents/Addendum-Final2013LocalCapacityTechnicalStudyReportAug20_2012.pdf

<http://www.caiso.com/planning/Pages/TransmissionPlanning/2012-2013TransmissionPlanningProcess.aspx>

Update: Progress Energy Carolinas to Retire the 382 MW H.F. Lee Coal-Fired Power Plant in North Carolina September 15

Duke Energy subsidiary Progress Energy Carolinas will officially close the 382 MW coal-fired H.F. Lee power plant near Goldsboro, North Carolina on September 15, the utility said in a press release today. The site's four oil-fueled combustion turbine units, with a total capacity of 75 MW, will be retired October 1, 2012. The retirement falls under the utility's fleet-modernization program, which also includes building new natural gas-fired combined-cycle units on property between the Lee Plant and the Wayne County Energy Complex. The new, 920 MW natural gas-fired combined-cycle facility and corresponding natural gas pipeline extension is expected to begin commercial operation in early 2013. This facility, along with the five dual-fueled combustion turbines at the existing Wayne County Energy Complex, will be called the H.F. Lee Energy Complex when the project is completed. Total generation capacity of the site will approach 1,800 MW.

<http://www.duke-energy.com/news/releases/2012091401.asp>

Permit Process Advances for PSEG's 529 MW Coal- and Oil-Fired Bridgeport Harbor Generating Station in Connecticut

Connecticut's Department of Energy and Environmental Protection (DEEP) on Thursday issued a draft Title V permit to Public Service Enterprise Group (PSEG) for its 529 MW coal- and oil-fired Bridgeport Harbor Generating Station. The Title V permit has to be renewed every five years. The draft permit triggers a 45-day review process by the U.S. Environmental Protection Agency (EPA). DEEP is authorized to issue a final permit at the end of the review period if there are no objections from EPA, according to a DEEP spokesman.

<http://www.ctpost.com/local/article/DEEP-moves-permit-process-along-for-coal-plant-3863686.php>

Constellation's 835 MW Calvert Cliffs Nuclear Unit 2 in Maryland Reduced to 88 Percent by September 14

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

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

Entergy's 858 MW Arkansas Nuclear Unit 2 in Arkansas Shut by September 14

On the morning of September 13 the unit was operating at 92 percent.

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

Update: Calpine's 135 MW Gilroy Natural Gas-Fired Unit in California Returns to Service by September 13

The unit returned from an unplanned outage that began by September 12.

<http://content.caiso.com/unitstatus/data/unitstatus201209131515.html>

AES's 175 MW Redondo Natural Gas-Fired Unit 6 in California Shut by September 13

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201209131515.html>

Petroleum

Crude Light Ends Unit Upset Causes Flaring at ExxonMobil's 572,500 b/d Baytown, Texas Refinery September 13

ExxonMobil Corp. reported flaring at its Baytown refinery overnight Thursday was due to an upset in a fractionation tower on the crude light ends (CLE) unit, according to a filing with the Texas Commission on Environmental Quality. Operators reduced unit feed rates and later restored normal operating conditions, the filing said. The incident had no impact on production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=173493>

Equipment Failure Causes Emissions at Total's 232,000 b/d Port Arthur, Texas Refinery September 12

Total Petrochemicals Inc. reported equipment within Unit 812 at its Port Arthur refinery shut down Wednesday afternoon, causing emissions, according to a filing with the Texas Commission on Environmental Quality. Operators were investigating the cause of the shutdown.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=173473>

ExxonMobil Reports Flaring at Its 344,500 b/d Beaumont, Texas Refinery September 14

ExxonMobil reported unspecified operating conditions at its Beaumont refinery on Friday required operators to flare, according to a message on a community information line.

Reuters, 12:06 September 14, 2012

Valero Reports No Material Impact to Production after SRU Upset Leads to Emissions at Its 270,000 b/d Norco, Louisiana Refinery September 13

Valero Energy Corp. said there was no material impact to production after a sulfur recovery unit (SRU) upset at its Norco refinery Wednesday afternoon. Earlier in a filing with the U.S. National Response Center, the refinery reported a release of material after a tailgas incinerator unit on the SRU stopped functioning. Operators were attempting to bring that unit back online at the time of the filing.

Reuters, 11:19 September 14, 2012

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1024363

Update: Hydrotreater Breakdown at BP's 225,000 b/s Cherry Point, Washington Refinery September 12 Not Expected to Affect Output – Sources

BP Plc reported a hydrotreater breakdown at its Cherry Point refinery on Wednesday was not expected to affect production, according to sources familiar with refinery operations. In an earlier filing with regulators, the refinery had reported that a sulfur dioxide release at its refinery overnight Wednesday was due to an unspecified process unit upset. A BP spokesman declined to discuss operations at the refinery.

Reuters, 11:26 September 13, 2012

Unspecified Breakdown Leads to Flaring at ExxonMobil's 149,500 b/d Torrance, California Refinery September 13

ExxonMobil reported unplanned flaring at its Torrance refinery Thursday was due to an unspecified breakdown, according to a filing with the South Coast Air Quality Management District.

Reuters, 20:20 September 13, 2012

Update: Utah Issues Air Permit to Tesoro for 4,000 b/d Expansion Project at Its 57,000 b/d Salt Lake City, Utah Refinery

The Utah Division of Air Quality on Thursday signed a request from Tesoro Corp. to expand crude oil throughput capacity at its Salt Lake City refinery by about 4,000 b/d and to process greater volumes of black wax and yellow wax crude from the Uinta Basin. Tesoro in December 2011 announced the project, which also includes capital for conversion unit upgrades to increase product yield at the refinery. Tesoro expects to complete the project in two stages in 2013 and 2014.

<http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-newsArticle&ID=1636034>

<http://www.sltrib.com/sltrib/politics/54891612-90/refinery-utah-increase-pollution.html.csp>

Natural Gas

Compressor Snag Causes Emissions at Regency's 290 MMcf/d Waha Gas Plant in Texas September 12

Regency Energy Partners reported it was restarting an expander compressor at its Waha gas processing plant Thursday morning after it caused the recompressors and the acid gas injector (AGI) compressor to shut down overnight Wednesday, 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=173485>

Numerous Units Shut after Lightning Strike Cuts Power to Exterran's 65 MMcf/d Dollarhide Gas Plant in Texas September 12

Exterran reported emissions after numerous units went down at its Dollarhide plant late Wednesday night after a lightning strike knocked out power, 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=173492>

Other News

Petrobras Starts Production at Its Chinook Oil and Gas Field in U.S. Gulf of Mexico

Petroleo Brasileiro SA on Thursday announced it started production last week at the Chinook oil and gas field in the ultra-deep waters of the Gulf of Mexico, the company said Thursday. The Pioneer production platform is moored 155 miles off the coast of Louisiana. The Chinook well is capable of producing 80,000 barrels of oil per day and 500,000 cubic meters of gas a day.

http://www.rigzone.com/news/oil_gas/a/120700/Petrobras_Has_Begun_Production_at_Chinook_in_US_Gulf

Deepwater Gulf of Mexico Rig Count to Pass Pre-Moratorium Levels by Year-End – Barclays' September 2012 Drilling Permit Report

http://www.rigzone.com/news/oil_gas/Deepwater_GOM_Rig_Count_to_Pass_PreMoratorium_Levels_by_YearEnd

House Energy and Commerce Committee's Energy and Power Subpanel Holds Hearing on Achieving North American Energy Independence within the Decade

http://www.rigzone.com/news/oil_gas/North_America_Energy_Independence_Hinges_on_Right_Govt_Policies

<http://energycommerce.house.gov/hearing/american-energy-initiative-achieving-north-american-energy-independence>

U.S. Needs to Invest in Energy Resources, Updating Energy Refining and Transportation Infrastructure for 21st Century Demand – Former Shell President John Hofmeister

http://www.rigzone.com/news/oil_gas/US_Needs_to_Invest_in_EP_Infrastructure_for_21st_Century_Demand

http://www.downstreamtoday.com/news/article.aspx?a_id=37203

International News

Update: Kurdistan to Raise Oil Output from 140,000 b/d in September to 200,000 b/d for Remainder of 2012 in a Deal with Baghdad

The Kurdistan Regional Government (KRG) on Friday said it would maintain oil exports at a rate of 140,000 b/d this month before raising the rate to 200,000 b/d for the rest of the year as part of a deal with Baghdad to end a dispute over oil payments. Under the agreement, Baghdad will pay around \$857 million to foreign companies working in the Kurdish region, the KRG said in a statement. The KRG and the central government in Baghdad have had a long-running dispute over control of oil in the northern region. Baghdad maintains it alone has the right to export Iraqi crude. Kurdistan has nevertheless signed exploration deals with oil majors such as ExxonMobil and Chevron. In April the KRG curtailed exports from its northern oilfields, claiming Baghdad had not paid its producers for the oil. It restarted exports again in early August, but warned it would stop them again by September 15 if there was no progress on payments.

<http://www.reuters.com/article/2012/09/14/energy-iraq-exports-idUSL5E8KEDLI20120914?type=marketsNews&feedType=RSS&feedName=marketsNews&rpc=43>

Energy Prices

U.S. Oil and Gas Prices			
September 14, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	99.12	96.42	90.21
NATURAL GAS Henry Hub \$/Million Btu	3.01	2.85	3.96

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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