



# ENERGY ASSURANCE DAILY

Tuesday Evening, October 02, 2012

## Electricity

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### **Update: Independent Review Says Returning Progress Energy's Damaged 838 MW Crystal River Nuclear Plant in Florida to Service Could Cost \$3.43 Billion over 8 Years**

Progress Energy Florida, a subsidiary of Duke Energy, on Monday announced it had provided to the Florida Public Service Commission the report from Zapata Inc. regarding its independent review of the potential repair plan for the Crystal River Nuclear Plant. The plant has been shut since a containment building crack formed during an upgrade and maintenance project in 2009. As part of the ongoing evaluation of the pending decision to repair or retire the unit, Duke Energy commissioned the independent technical review in March to further analyze the potential scope, risks, costs, and schedule of the prospective repair. The review found that the current repair plan appears to be technically feasible, but significant risks and technical issues still need to be resolved, including the ultimate scope of any repair work. The Zapata report estimated the repair costs could range from \$1.49 billion to \$3.43 billion with a 96-month schedule. Progress Energy said it would continue to consider the evolving analysis before making a final decision on whether to repair or retire the plant.

<http://www.duke-energy.com/news/releases/2012100102.asp>

<http://finance.yahoo.com/news/estimated-progress-fla-nuke-plant-185730701.html>

### **Update: Midwest Generation Retires 326 MW Fisk and 532 MW Crawford Coal-Fired Power Plants in Chicago in September**

Midwest Generation, a subsidiary of Edison International, has retired the Fisk and Crawford coal-fired power stations near Chicago as scheduled in September. The company announced in February that it would retire the two plants as a result of an agreement with Mayor Emanuel and the City of Chicago. Midwest Generation is now considering whether to invest between \$625-\$860 million to retrofit its four remaining Illinois merchant generators with pollution control equipment, or they may face closure due to more stringent environmental regulations.

<http://finance.yahoo.com/news/midwest-generation-ponders-retrofit-vs-101500857.html>

### **California Energy Commission Issues Preliminary Recommendation for BrightSource's 500 MW Rio Mesa Solar Power Plant in Southeast California**

The California Energy Commission on Friday issued a preliminary recommendation for BrightSource Energy's proposed 500 MW Rio Mesa solar power plant in southeastern California. The company has applied to build two 250 MW solar plants in the Palo Verde Mesa, in Riverside County. The commission must still issue a final decision before BrightSource can begin construction on the facility. If approved, BrightSource hopes to start construction in 2013 for completion in 2016. Southern California Edison has agreed to buy the project's power output.

<http://www.reuters.com/article/2012/10/01/utilities-brightsource-riomesa->

[idUSL1E8L17JA20121001?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43](http://www.reuters.com/article/2012/10/01/utilities-brightsource-riomesa-idUSL1E8L17JA20121001?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

### **Update: PSE&G's 1,049 MW Hope Creek Nuclear Unit 1 in New Jersey at Full Power by October 2**

On the morning of October 1 the unit was operating at 80 percent.

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

### **Update: Calpine's 593 MW Metcalf Energy Center Natural Gas-Fired Unit in California Returns to Service by October 1**

The unit returned from an unplanned curtailment of 328 MW that began by September 23.

<http://content.caiso.com/unitstatus/data/unitstatus201210011515.html>

## **Nuclear Regulatory Commission Seeks Comment on Proposed Guidance for Examining Plant Response to Updated Flooding Hazards after Fukushima Disaster**

<http://pbadupws.nrc.gov/docs/ML1227/ML12272A107.pdf>

### ***Petroleum***

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#### **Chevron Shuts 85,000 b/d Kettleman-Los Medanos Crude Oil Pipeline in California by September 28 after Detecting Elevated Levels of Organic Chloride**

Chevron shut its 85,000 b/d Kettleman-Los Medanos pipeline that carries crude from Kern County to Northern California refineries operated by Royal Dutch Shell Plc, Tesoro Corp., and Valero Energy Corp. after detecting elevated levels of organic chloride in the oil. The company plans to flush the pipeline before returning it to service, a spokesman said September 28. On Monday Chevron was continuing to assess the situation.

<http://www.bloomberg.com/news/2012-10-01/california-gasoline-at-record-high-on-exxon-upset-pipeline-shut.html>

#### **Update: ExxonMobil Restarts FCCU at Its 149,500 b/d Torrance, California Refinery after Power Outage Shuts All Processing Units October 1 – Sources**

ExxonMobil Corp. was restarting the 87,800 b/d fluidic catalytic cracking unit (FCCU) at its Torrance refinery on Tuesday, according to sources familiar with refinery operations. A plant-wide power outage on Monday morning knocked all of its units out of production. The refinery had reported unplanned flaring due to an unspecified breakdown Monday morning in a filing with regulators.

Reuters, 10:48 October 2, 2012

#### **Motiva Quickly Extinguishes CDU Fire at Its 235,000 b/d Convent, Louisiana Refinery October 1**

Motiva Enterprises reported a fire broke out in a crude distillation unit (CDU) at its Convent refinery around 4:10 a.m. CDT Monday morning and was contained within 35 minutes by onsite emergency response crews. A spokeswoman would not say whether the CDU was shut or when it would restart. She said there was no impact to other refinery process units. The refinery had been operating at reduced rates for several weeks after being shut on August 30 in advance of Hurricane Isaac. Motiva had issued no updates since a September 5 statement that said the refinery had not returned to normal operations.

<http://uk.finance.yahoo.com/news/2-motiva-distillation-unit-fire-224438951.html>

#### **Placid Refining Reports Hydrofluoric Acid Release at Its 56,000 b/d Port Allen, Louisiana Refinery October 1**

Placid Refining Co. reported a release of hydrofluoric acid at its Port Allen refinery on Monday, according to a filing with regulators. The filing did not identify the unit involved.

Reuters, 00:09 October 2, 2012

#### **Update: FCCU Back to Normal Operation at Petrobras' 100,000 b/d Pasadena, Texas Refinery by October 1 after Upset Caused Emissions September 30**

Petrobras returned a fluidic catalytic cracking unit (FCCU) to normal operations after a process upset at its Pasadena refinery over the weekend, according to a spokeswoman. The event resulted in the release of some catalyst into the atmosphere. The refinery had reported an unspecified process upset had resulted in emissions at the refinery on Sunday, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 13:31 October 1, 2012

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174240>

#### **Electric Trip Results in Emissions from FCCU, Wet Gas Compressor at Alon's 67,000 b/d Big Spring, Texas Refinery October 1**

Alon USA Energy reported an electrical trip at its Big Spring refinery Monday night resulted in emissions from a fluid catalytic cracking unit (FCCU) and a wet gas compressor, 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=174251>

## **Unspecified Unit Upset Causes Hydrogen Sulfide Emissions at Valero's 310,000 b/d Port Arthur, Texas Refinery October 1**

Valero reported an unspecified unit upset caused hydrogen sulfide to release from Tank 88 at its Port Arthur refinery overnight Monday, according to a filing with the Texas Commission on Environmental Quality. Operators were investigating to determine the source of the hydrogen sulfide.

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=174245>

## **Update: Valero Reports No Material Impact to Production after SRU Snag Caused Flaring at Its 142,000 b/d Corpus Christi, Texas Refinery September 29**

Valero Energy Corp. said a valve issue at a sulfur recovery unit (SRU) led to flaring at its Corpus Christi refinery on Saturday. The refinery had reported an unspecified instrumentation malfunction had resulted in emissions in a filing with state regulators. The incident caused no material impact to production, a spokesman said.

Reuters, 13:26 October 1, 2012

## **Loss of Flare Gas Compressor Causes Sulfur Dioxide Emissions at Citgo's 167,000 b/d Lemont, Illinois Refinery October 1**

Citgo Petroleum Corp. reported the loss of a flare gas compressor led to emissions of sulfur dioxide at its Lemont refinery Monday morning, according to a filing with the U.S. National Response Center. Operators were working to restart the compressor at the time of the filing.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1026058](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1026058)

## **Update: Hyperion Relinquishes Control of Site for Its Proposed 400,000 b/d South Dakota Refinery and Energy Center; Says It's Still Committed to the Project**

Hyperion Refining did not renew its land-purchase options at the site where it has proposed building a 400,000 b/d refinery in southeast South Dakota. The decision means the company no longer controls the 3,292-acre plot of farmland that was rezoned for the proposed Hyperion Energy Center in June 2008. Hyperion says it has not given up on the project, but it's previously held March 2013 deadline for starting construction appears to be no longer feasible. The move comes just days before the South Dakota Supreme Court is scheduled to hear oral arguments in a case involving a state air quality permit for the refinery. Hyperion said it still plans to argue the case. The facility would process heavy oil sands crude from Alberta and would include a power plant that would use a refinery byproduct—solid petroleum coke—to produce electricity for the refinery.

[http://siouxcityjournal.com/news/local/a1/land-options-for-s-d-oil-refinery-expire/article\\_2dfd780b-467c-5c8a-915e-1c843343b9c7.html?comment\\_form=true](http://siouxcityjournal.com/news/local/a1/land-options-for-s-d-oil-refinery-expire/article_2dfd780b-467c-5c8a-915e-1c843343b9c7.html?comment_form=true)

<http://www.therepublic.com/view/story/625c552d813c4d7c888504f46333cd50/SD--Oil-Refinery1st-Ld-Writethru>

## ***Natural Gas***

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### **Weather-Related Power Failure Shuts DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas September 30**

DCP Midstream reported its Goldsmith plant went down overnight Sunday–Monday after bad weather caused a plant-wide power failure, according to a filing with the Texas Commission on Environmental Quality. Emissions related to the shutdown continued until Monday afternoon, the filing said.

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=174248>

### **Southern Union Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas October 1 after Operators Shut SRU to Repair Heater**

Southern Union Gas Services reported its Keystone plant was flaring acid gas Monday morning after a hole in a thermanol heater forced operators to shut a sulfur recovery unit, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=174220>

## **Loss of Power Shuts SRU, Causes Emissions at Enbridge's Teague Gas Plant in Texas September 30**

Enbridge reported emissions at its Teague plant on Sunday after a loss of third-party power supply shut the sulfur recovery unit (SRU), according to a filing with the Texas Commission on Environmental Quality. Operators curtailed all inlet sour gas to mitigate emissions until the SRU was restarted. Emissions related to the incident continued until late Sunday night, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174225>

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## **Other News**

### **Unexploded Bombs Dumped in the U.S. Gulf of Mexico after World War II May Pose Risks to Offshore Oil & Gas Drilling Operations – Experts**

Millions of pounds of unexploded bombs dumped in the Gulf of Mexico by the U.S. government after World War II may pose a risk to offshore drilling operations, according to Texas oceanographers. The United States, along with other governments, dumped munitions and chemical weapons in oceans from 1946 until the practice was banned in the 1970s by U.S. law and international treaty. As technological advances allow oil companies to drill deeper into the waters of the Gulf of Mexico, these hazards may pose a threat.

<http://news.yahoo.com/unexploded-bombs-lurk-u-offshore-oil-patch-experts-173754705.html>

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## **International News**

### **Update: Pemex Says Repairs, Natural Gas Supply Disruptions May Continue Until Mid-October after Compressor Station Explosion and Fire September 18**

Mexico's state-owned oil company Petroleos Mexicanos (Pemex) continues to work to replace the 800 MMcf/d of natural gas production halted by a September 18 explosion at a processing plant near the northern border city of Reynosa. Pemex's CEO on September 27 said it would take about 15 days to complete a bypass that will allow natural gas to flow once again from the northern Burgos gas fields to the central part of the country. In the meantime, Pemex said it was increasing gas imports from the United States to the maximum possible level through pipelines, considering a plan to import more expensive liquefied natural gas through the Pacific port of Manzanillo, and working with the utility Comision Federal de Electricidad to manage limited natural-gas supplies by trimming use of the fuel. The cause of the accident, which killed 30 workers, was still under investigation.

<http://www.hydrocarbonprocessing.com/Article/3096265/Latest-News/Pemex-works-to-replace-gas-supply-lost-after-blast.html>

### **Colombia Announces More Delays in Construction of Ecopetrol's 120,000 b/d Bicentennial Pipeline**

Colombia's Mines and Energy Minister on Saturday announced more delays in the construction of the 150-mile, 120,000 b/d Bicentennial Pipeline, whose majority-stake owner is state oil company Ecopetrol. The pipeline will extend from Araguany, the offloading station for the eastern Llanos basin, to the Banadia station in the northeastern state of Arauca, where it will then hook up with the 220,000 b/d Cano Limon pipeline. The pipeline was originally scheduled for operation in the fourth quarter of this year and has now been pushed back to at least April 2013. The minister didn't provide a reason for the delay, but the pipeline has been the target of repeated attacks and worker abductions by leftist groups.

<http://www.foxbusiness.com/news/2012/09/29/colombia-new-oil-pipeline-delayed-again/>

## Energy Prices

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U.S. Oil and Gas Prices			
October 2, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	92.45	92.41	80.35
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.19	2.82	3.77

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 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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