



# ENERGY ASSURANCE DAILY

Wednesday Evening, October 03, 2012

## Electricity

---

### **Update: Interior Approves Key Segment of 500-kV Susquehanna-Roseland Transmission Line in Pennsylvania and New Jersey**

The U.S. Department of Interior on Tuesday announced that the National Park Service (NPS) has approved construction of the 4.5-mile section of the proposed 146-mile Susquehanna-Roseland Transmission Line that crosses federal land. Approval by the NPS of this segment is one in a series of steps necessary for the larger project to move forward. The transmission line will be built from Berwick, Pennsylvania to Roseland, New Jersey, along the corridor of an existing transmission line. The companies building the project, Public Service Electric and Gas Company in New Jersey and PPL Electric Utilities in Pennsylvania, have started construction activities along some of the route. Pending remaining applications with federal, state, and local authorities, the line is expected to be in service before the summer peak electricity demand period of 2015.

<http://www.pseg.com/family/pseandg/powerline/index.jsp>

<http://finance.yahoo.com/news/susquehanna-roseland-line-receives-final-151800575.html>

<http://www.doi.gov/news/pressreleases/Interior-Approves-Susquehanna-Roseland-Transmission-Line.cfm>

### **Update: Bonneville Power Administration Says NorthWestern Energy's 500-kV, 430-mile Mountain States Transmission Intertie Not Needed to Serve Southern Idaho Energy Load**

NorthWestern Energy today announced that the Bonneville Power Administration (BPA) notified the company that it has ranked other options ahead of the Mountain States Transmission Intertie (MSTI) to serve BPA's southern Idaho load obligations. This notification was in conjunction with the January 2012 Memorandum of Understanding between NorthWestern and BPA agreeing to explore the potential for MSTI to accommodate BPA's need to serve its load obligations in southeast Idaho. Based on BPA's notification, continued market uncertainty, and permitting issues, NorthWestern may write-off all, or a significant portion of preliminary survey and investigative costs associated with the MSTI transmission project. The company will continue to monitor market conditions and evaluate strategic options related to the MSTI project.

<http://www.northwesternenergy.com/OurCompany/NewsCenter/displaynews.aspx?Article=7118&item=20>

### **State Regulators Approve Cricket Valley's Proposed 1,000 MW Cricket Valley Natural Gas-Fired Power Plant in New York**

The New York State Department of Environmental Conservation (DEC) on Tuesday approved the proposed 1,000 MW Cricket Valley combined-cycle, natural gas-fired power plant in Dutchess County. Cricket Valley Energy Center, LLC will construct, own, and operate the facility. Construction is planned to begin in early 2012 and commercial operation is planned to begin in early 2015.

<http://www.dec.ny.gov/press/85841.html>

[http://www.dec.ny.gov/docs/permits\\_ej\\_operations\\_pdf/cvfinalscoping.pdf](http://www.dec.ny.gov/docs/permits_ej_operations_pdf/cvfinalscoping.pdf)

### **Update: Sumitomo to Invest in First Solar's 550 MW Desert Sunlight Solar Power Project in Southern California**

Japan's Sumitomo Corp. on Tuesday said it would take a 25 percent stake in the 550 MW Desert Sunlight solar power project in Riverside County, California. The company joins GE Energy Financial Services and NextEra Energy Resources as an investor in the photovoltaic solar project. First Solar Inc. is building the solar farm and has agreements in place to provide power to Southern California Edison and Pacific Gas & Electric. It is expected to be fully operational by 2015.

<http://www.reuters.com/article/2012/10/02/us-sumitomo-idUSBRE89111I20121002?feedType=RSS&feedName=innovationNews&rpc=43>

## **Update: State Regulators Propose Alternative Plan to Address EPA Order for Pollution Controls at PNM's 1,800 MW Coal-Fired San Juan Generating Station in New Mexico**

The New Mexico Environment Department (NMED) on Tuesday submitted a proposed settlement involving pollution controls at PNM Resources Inc.'s 1,800 MW coal-fired San Juan Generating Station in northwestern New Mexico. At issue is an August 2011 order from the U.S. Environmental Protection Agency (EPA) requiring PNM under the Clean Air Act to install selective catalytic reduction technology at the San Juan plant to reduce haze-causing emissions. PNM and New Mexico have argued that the technology is unnecessary and expensive and would result in an excessive financial burden for utility customers. NMED has now proposed the plant retire two units by December 2017 and equip the remaining units with less expensive pollution-control equipment. To make up for the retirement of the two units, PNM would build a 150–200 MW natural gas-fired power plant and pipeline to help handle peak loads. Any remaining power needs could be addressed by purchasing power from existing natural gas-fired plants in the state. The EPA and PNM both have to agree to move forward with the plan, before holding a public comment period and soliciting input from state regulators.

<http://www.bizjournals.com/albuquerque/blog/morning-edition/2012/10/environment-dept-proposes-alternative.html>  
<http://www.businessweek.com/ap/2012-10-03/plan-calls-for-shuttering-part-of-pnm-power-plant>

## **Rocky Mountain Power Will Likely Close Its 190 MW Carbon Coal-Fired Power Plant in Utah by 2015 Due to Federal Clean Air Regulations**

Rocky Mountain Power, a unit of PacifiCorp, has warned employees and public officials that it will likely close its Carbon Power Plant in northeast Utah within the next 2–3 years because it will be unable to install equipment to bring the plant in line with federal clean air regulations, issued by the U.S. Environmental Protection Agency (EPA), by the 2015 deadline. The company said there is not enough room in the Price Canyon, where the plant is located, to install the scrubber and the fabric filter required to allow it to operate past the deadline. The utility is still looking for alternative technologies that might allow the plant to meet the EPA regulations, and it plans to make a final decision in April. The utility said it could make up for the potential power loss with increased generation from natural gas and renewable sources.

<http://www.deseretnews.com/article/865563566/Power-plants-lack-of-elbow-room-means-likely-shutdown-in-2015.html>

## **PPL's 1,105 MW Susquehanna Nuclear Unit 1 and 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Reduced to 85 Percent by October 3**

On the morning of October 2 the units were operating at full power.

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

## **Dominion's 511 MW Kewaunee Nuclear Unit in Wisconsin Reduced to 57 Percent by October 3**

On the morning of October 2 the unit was operating at full power.

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

## **Dynegy's 756 MW Moss Landing Natural Gas-Fired Unit 7 in California Reduced by October 2**

The unit entered an unplanned curtailment of 596 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201210021515.html>

## ***Petroleum***

---

## **Update: ExxonMobil Says Operations Normalizing at Its 149,500 b/d Torrance, California Refinery by October 3 after Power Outage October 1**

ExxonMobil Corp. said operations at its Torrance refinery were getting back to normal following a plant-wide power outage Monday morning. The power interruption, which was caused by an outage at a Southern California Edison substation, resulted in refinery unit shutdowns and slowdowns, which caused flaring. ExxonMobil said flaring associated with the normalization process could continue through October 9, according to a filing with the Southern California Air Quality Management District. The refinery anticipated only minimal impact to production, and expected to meet all its contractual commitments.

DJN, 09:13 October 3, 2012

### **Update: Alon Reduces FCCU Rates Following Electrical Trip at Its 67,000 b/d Big Spring, Texas Refinery October 1**

Alon USA Energy reported it reduced rates on a fluid catalytic cracking unit (FCCU) after an electrical trip late Monday night resulted in emissions, according to a filing with the U.S. National Response Center. The refinery had reported the electric trip resulted in emissions from an FCCU and a wet gas compressor in an earlier filing with state regulators.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1026151](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1026151)

### **Unspecified Process Upset Causes Emissions from FCCU, ESP Stack at Petrobras' 100,000 b/d Pasadena, Texas Refinery October 1**

Petrobras reported an unspecified process upset briefly resulted in emissions from an electrostatic precipitator stack and fluidic catalytic cracking unit (FCCU) at its Pasadena refinery Monday night, according to a filing with the Texas Commission on Environmental Quality. The refinery had reported process upsets resulting in FCCU emissions on September 29 and September 30, as well.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174281>

### **ExxonMobil Reports Flaring at Its 344,500 b/d Beaumont, Texas Refinery October 3**

ExxonMobil Corp. reported that operating conditions at its Beaumont refinery overnight Wednesday required it to flare, according to a message on a community information line.

Reuters, 02:44 October 3, 2012

### **Update: Imperial Says Multiple Parties Ready to Bid for Its 88,000 b/d Dartmouth, Nova Scotia Refinery; Decision Expected in Early 2013**

Imperial Oil Ltd. on Tuesday said it has drawn binding buyer interest for its 88,000 b/d Dartmouth, Nova Scotia refinery, which it began advertising for sale in May, citing weak Atlantic crude oil basin margins. Imperial has said that in addition to a sale, it will consider turning the refinery into a storage terminal. The company expects to announce a decision on the plant's fate in the first quarter of 2013.

<http://www.reuters.com/article/2012/10/02/imperialoil-refinery-idUSL1E8L2HEK20121002?feedType=RSS&feedName=mergersNews&rpc=43>

## ***Natural Gas***

---

### **Atlas Pipeline Reports Flaring at Its 195 MMcf/d Midkiff Gas Plant in Texas October 3 Due to Maintenance Activities Downstream**

Atlas Pipeline reported it was flaring excess residue gas at its Midkiff plant on Wednesday because its downstream residue gas receiver Northern Natural Gas had notified the company that it intended to shut Midkiff's discharge slam valve to replace all the linkage on the valve under general maintenance, 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=173700>

### **DCP Midstream Reports Sulfur Dioxide Emissions at Its 160 MMcf/d Goldsmith Gas Plant in Texas October 2**

DCP Midstream reported excess sulfur dioxide emissions from a tail gas incinerator at its Goldsmith plant Tuesday and Wednesday were due to a faulty temperature probe and process logic card, according to a filing with the Texas Commission on Environmental Quality. Operators believe the emissions reported are inaccurate and were planning to install a new temperature probe and process logic card. The emissions were ongoing at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174306>

## ***Other News***

---

Nothing to report

### **Pertamina Shuts Crude Oil Pipeline Due to Fire Possibly Caused by Looters in Sumatra Island, Indonesia October 3**

Indonesia's state energy company Pertamina EP on Wednesday reported it shut a crude pipeline running from its storage tanks in Tempino, Jambi province, to the 130,000 b/d Plaju refinery in South Sumatra due to a fire near the line early Wednesday. Pertamina was still investigating the incident, but it suspected the fire was caused as the pipeline was being illegally tapped. The pipeline, which supplies 11,000 b/d of crude to Plaju, was not damaged by the fire but remained shut Wednesday while officials worked to secure the area. Pertamina expected the pipeline to resume operation by Thursday.

<http://www.reuters.com/article/2012/10/03/us-indonesia-pipeline-idUSBRE8920N020121003>

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Petrochemicals/7120465>

### **South Sudan's Dar Petroleum Co. Expects Oil Exports to Restart in 18 Weeks; Aims to Pump 180,000 b/d from Upper Nile State to Red Sea Export Terminal**

Dar Petroleum Operating Company on Wednesday said it would take 18 weeks for its crude oil to reach an export terminal once production resumed under deals South Sudan signed last week with neighboring Sudan. The countries recently resolved a long-running dispute over how much the landlocked South Sudan should pay to transport its oil through Sudan. The dispute led to the shutdown in January of South Sudan's 350,000 b/d output. Dar said it would initially aim to pump 180,000 b/d from its fields in Upper Nile state to Sudan's Red Sea export terminal, Port Sudan. Dar's 601 oil-producing wells in Upper Nile state pump waxy Dar Blend, a heavy sweet crude with high acidity.

<http://af.reuters.com/article/investingNews/idAFJOE89201N20121003?sp=true>

## Energy Prices

---

<b>U.S. Oil and Gas Prices</b>			
October 3, 2012			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	88.46	89.53	78.23
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	3.21	2.84	3.68
\$/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](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

---

*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 PM Eastern Time. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

*Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)*