



ENERGY ASSURANCE DAILY

Friday Evening, October 12, 2012

Electricity

PG&E's 1,087 MW Diablo Canyon Nuclear Unit 2 in California Automatically Trips on 500-kV Line Differential Relay Actuation October 11

Pacific Gas & Electric Company (PG&E) reported that on Thursday afternoon the Diablo Canyon nuclear Unit 2 500-kV line differential relay actuated, resulting in a unit trip, according to a filing with the U.S. Nuclear Regulatory Commission. The unit trip actuated the turbine trip, which then initiated a reactor trip from the reactor protection system.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20121012en.html>

Update: NRC to Increase Oversight of Duke Energy's Catawba Nuclear Power Plant in South Carolina for Violations Linked to April 4 Loss of Offsite Power

The U.S. Nuclear Regulatory Commission (NRC) on Friday reported Duke Energy's Catawba nuclear power plant faces increased oversight from the NRC due to violations linked to an event in April when the plant temporarily lost offsite power. The two violations involved an incorrect modification to a Unit 1 generator protective relay that resulted in the loss of offsite power event. The NRC determined that the violation for Unit 1 was characterized as "white," meaning it has low-to-moderate safety significance. The violation for Unit 2 was found to be "green," meaning it has very low safety significance.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-060.ii.pdf>

Inland Empire Energy Center's 376 MW Inland Empire Natural Gas-Fired Unit 1 in California Returns to Service by October 11

The unit returned from an unplanned curtailment of 206 MW that began by October 9.

<http://content.caiso.com/unitstatus/data/unitstatus201210111515.html>

Petroleum

Update: ExxonMobil's 149,500 b/d Torrance, California Refinery Expected to Reach Full Production by October 11 – Traders

ExxonMobil Corp.'s Torrance refinery was reaching full production levels on Thursday after completing work on the plant's flare systems, according to West Coast refined products traders. The plant is returning to full rates after a plant-wide power outage October 1 shut down operations for 5 days.

Reuters, 12:41 October 11, 2012

BP Reports Sulfur Dioxide Emissions at Its 225,000 b/d Cherry Point, Washington Refinery October 12

BP Plc reported sulfur dioxide emissions at its Cherry Point refinery on Friday, according to a filing with the Northwest Clean Air Agency. The filing did not identify the units involved in the incident.

Reuters, 10:46 October 12, 2012

BP Reports Release from SRU at Its 413,000 b/d Whiting, Indiana Refinery October 10

BP Plc reported a release from a sulfur recovery unit (SRU) at its Whiting refinery late Wednesday night occurred during the isolation of a section of a pipe, according to a filing with the U.S. National Response Center. Operators had secured the release by the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1027057

Pilot Flare Outage Causes Hydrogen Sulfide Release at Shell's 329,800 b/d Deer Park, Texas Refinery October 11

Shell reported a release of hydrogen sulfide from the North Property flare at its Deer Park refinery when a pilot flare briefly went out during maintenance activities, according to a filing with the Texas Commission on Environmental Quality. The cause of the pilot flame outage was under investigation at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174697>

Buckeye's Albany, New York Terminal to Provide Crude Oil Services

Buckeye Partners, L.P. on Thursday announced that it has reached a multi-year agreement with a subsidiary of Irving Oil Limited to provide crude oil services at its terminal located in Albany, New York, including off-loading unit-trains, storage, and throughput. The approximately 1.8 million-barrel storage facility located within the Port of Albany along the Hudson River is expected to begin handling crude oil on November 1, 2012. Buckeye plans to make modifications to the Albany terminal that, once completed, will allow the terminal to handle both crude oil and ethanol unit-trains with a total capacity in excess of 135,000 b/d.

<http://www.buckeye.com/LinkClick.aspx?fileticket=4qjHBHqXZzM%3d&tabid=36>

Canadian Oil Sands Producers Fighting for Pipeline Space as Surging Output Strains Existing Infrastructure

Canadian oil sands producers are anticipating a fight for space on pipelines until at least 2014 amid surging U.S. oil output that's reducing prices for Canadian crude. Demand for space on Kinder Morgan Energy LP's Trans Mountain pipeline to Vancouver is about 70 percent higher than capacity, in large part because it allows producers in Western Canada to target Asian markets and capture global prices linked to Brent, making \$15 a barrel more than by selling into the U.S. Midwest and southern states. Surging production from North Dakota is vying for space with 600,000 b/d heading south from Canada, where oil sands producers are expected to double output of bitumen to 3.2 million b/d by 2020. Efforts to develop the infrastructure needed to support this growth, including TransCanada Corp.'s proposed Keystone XL pipeline and Enbridge Inc.'s proposed Northern Gateway pipeline, have faced delays and opposition.

<http://business.financialpost.com/2012/10/11/oil-sands-producers-fighting-for-pipeline-space/>

Update: BP Says Integrity of Its Macondo Well in the Gulf of Mexico Not Compromised; Investigation of Oil Sheen Spotted near Deepwater Horizon Continues

BP Plc on Thursday said it has seen no evidence that indicates the integrity of its Macondo well has been compromised, but it will continue to work with the U.S. Coast Guard on any further investigation to identify potential sources of an oil sheen spotted on the Gulf of Mexico near the site of the sunken Deepwater Horizon rig. The Coast Guard on Wednesday said samples from the oil sheen match samples from the Macondo well, which ruptured in April 2010 and caused a massive oil spill. The Coast Guard has said the sheen likely comes from wreckage on the seafloor, not the well itself.

http://www.rigzone.com/news/oil_gas/a/121304/BP_Macondo_Well_Integrity_Not_Compromised

BP Secures Export License to Ship U.S. Crude to Canada; Shell Seeks Permit amid Surge in U.S. Output

The Bureau of Industry and Security, a branch of the U.S. Commerce Department, has given permission to BP Plc to ship U.S. crude oil to Canada, and Royal Dutch Shell has applied for a similar export license, as a surge in output from shale oil reserves in the Bakken of North Dakota and Eagle Ford of Texas has raised U.S. domestic production to the highest level since 1995.

<http://www.orlandosentinel.com/business/sns-rt-us-usa-crude-exportsbre89a1n2-20121011.0.6168441.story>

Natural Gas

Nothing to report

Other News

Nothing to report

International News

Oman Mulls 200 Million-Barrel Crude Oil Storage Facility Outside Strait of Hormuz

Oman is considering building a facility to store up to 200 million barrels of crude outside the Strait of Hormuz, according to the head of state-owned Oman Oil Company. Oman is currently studying whether it will have enough interest from oil producers and traders to merit building the storage complex on the Arabian Sea coast of southeast Oman.

http://www.downstreamtoday.com/news/article.aspx?a_id=37445

Energy Prices

U.S. Oil and Gas Prices			
October 12, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	91.66	89.26	85.58
NATURAL GAS Henry Hub \$/Million Btu	3.28	3.23	3.52

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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