



ENERGY ASSURANCE DAILY

Friday Evening, November 18, 2011

Electricity

EPA Rules Could Shut 13,000 MW of Midwest Coal-Fired Plants – Midwest Independent System Operator

U.S. power grid operator Midwest Independent System Operator (MISO) recently issued a report outlining the potential effects of four federal environmental regulations on the grid it operates in parts of 12 U.S. Midwest states. The U.S. Environmental Protection Agency (EPA) has recently proposed four regulations that will affect coal-fired power plants by regulating cooling water, coal residuals, mercury, and sulfur dioxide and nitrogen oxide emissions, including the Maximum Achievable Control Technology rule and the Cross-State Air Pollution Rule. MISO is concerned that these regulations will threaten electric reliability, as more than half of MISO's generating capacity consists of coal-fired units. To remain compliant with the proposed EPA rules, MISO generators will have to retrofit or replace about 62,000 MW of the grid's 70,000 MW of coal-fired generation, an official told Reuters. Units generating about 13,000 MW could retire, because it would likely cost more to upgrade those units than to build new natural gas-fired power plants. MISO is investigating whether natural gas pipelines would have enough capacity to fuel the new gas-fired plants in that case. An official told Reuters that the capacity of existing pipelines would likely have to expand to accommodate high demand during the winter.

<http://www.reuters.com/article/2011/11/18/us-utilities-midwestiso-coal-idUSTRE7AH19M20111118?type=GCA-GreenBusiness&feedType=RSS&feedName=GCA-GreenBusiness&rpc=43>

Entergy Shuts 685 MW Pilgrim Nuclear Power Plant in Massachusetts Due to Inoperable Feedwater Valve November 17

Entergy shut the plant down Thursday night when operators discovered a steam leak in the main feedwater line check valve. The unit was already operating at reduced power to allow operators to perform planned maintenance when they identified a leak on the valve and declared it inoperable. The unit had to be shut completely for operators to determine what caused the leak and to repair it. A spokeswoman gave no estimate on when the plant would restart, according to news sources.

<http://www.thebostonchannel.com/news/29803441/detail.html#ixzz1e4xA3EU7>

<http://www.patriotledger.com/mobile/x45849960/Pilgrim-power-plant-offline#ixzz1e4xPvttf>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20111118en.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Update: Duke Energy's 846 MW Oconee Nuclear Unit 2 in South Carolina Restarts, Ramps Up to 20 Percent by November 18

According to reports from the Nuclear Regulatory Commission, the unit has been shut since October 22.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Update: DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Ramped Up to 41 Percent by November 18

The Nuclear Regulatory Commission reported that on the morning of November 17 the unit was operating at 20 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Energy Northwest's 1,107 MW Columbia Nuclear Unit in Washington Reduced to 55 Percent by November 18

The Nuclear Regulatory Commission reported that on the morning of November 17 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

North American Power Grid Is Vulnerable to Cyber Attacks – Pike Research Consulting Study

A white paper published by Pike Research reveals vulnerabilities in the industrial control systems (ICS) that regulate breakers, relays, feeders, and the flow of electricity. As the industry evolves into a grid built around interoperable, digital technologies, mitigation and compensation measures are needed to help ICS integrate new technologies without compromising grid security.

<http://www.ottawacitizen.com/technology/Cyber+security+power+grid+near+chaos+report+says/5715327/story.html>

Petroleum

High Wind Closes Alaska's Valdez Oil Port November 16, Forces Alyeska Pipeline Service Co. to Halt Tanker Loadings November 17

High wind in and around Alaska's Valdez port this week has forced pipeline service companies to shut tanker loadings at the marine terminal, local news sources reported Thursday. Alyeska Pipeline Service Co. halted loadings emanating from its 800-mile Trans Alaska Pipeline System at the Valdez terminal, a company spokeswoman said on Thursday. The U.S. Coast Guard on Wednesday closed the Valdez Narrows, the channel leading to the port, and closed the port itself to vessel traffic due to the high wind. The port closures have not impacted oil production from Alaska's North Slope, according to the spokeswoman.

<http://www.reuters.com/article/2011/11/17/alaska-valdez-idUSN1E7AG23G20111117>

ExxonMobil Reports Pipeline Hole, Flaring at Its 572,000 b/d Baytown, Texas Refinery November 17

ExxonMobil reported that operators discovered a hole in a pipeline at the refinery, which required them to isolate the pipeline segment, remove its insulation, and make repairs, according to a filing with state regulators. The line was isolated within an hour, ending the emissions event without impacting production or disrupting deliveries to customers.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=161875>

PBF Energy Reports Flare Compressor Snag at Its 182,200 b/d Delaware City, Delaware Refinery November 17

PBF Energy reported Thursday an ongoing release of sulfur dioxide at its refinery in Delaware due to a flare recovery compressor that operators had to take offline to make a repair, according to a filing with the U.S. National Response Center.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=995818

Compressor Trips Offline, Causes Sulfur Dioxide Emissions at ConocoPhillips' 362,000 b/d Wood River, Illinois Refinery November 17

ConocoPhillips reported that a wet gas compressor tripped offline Thursday at its refinery in Illinois, according to a filing with the Illinois Emergency Management Agency. The compressor trip caused the refinery to emit more than 500 pounds of sulfur dioxide.

DJN, 11:35 November 18, 2011

Iraq Plans to Increase Output of Rumaila Oilfield by 10 Percent to Reach 1.43 MMb/d by the First Quarter of 2012

Rumaila Oilfield operations managers told reporters Thursday that production from the Iraqi oilfield could increase by 10 percent, or about 130,000 b/d, from the current 1.3 MMb/d to 1.43 MMb/d by 2012. The increase is in part dependent upon the operations of exporting facilities at Basra export terminal, which has been operating at reduced capacity due to maintenance operations and construction. Operators hope that one of the main terminal stations, now operating only at around 25 percent capacity, will ramp up to operate at full capacity, or at least a high level of production, by the first quarter of 2012. An official at the state-run South Oil Co. in September told Reuters that one of three new 900,000 b/d oil export terminals at Basra will be put into operation January 1. That project is still on track, a company official said Thursday.

<http://www.reuters.com/article/2011/11/17/iraq-exports-idUSL5E7MH27O20111117?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

Lukoil Builds Delayed Coking Unit at Volgograd Refinery in Southern Russia

Lukoil announced in a press release that it has finished constructing a delayed coking unit at the Volgograd refinery, according to news reports Friday. The unit's activation will facilitate an increase in petroleum coke production by 100,000 tons per year, and it will also make possible the production of 150,000 tons of motor fuel components per year, according to the press release. Commissioning work will begin in December.

http://www.downstreamtoday.com/news/article.aspx?a_id=28579

Natural Gas

Update: PHMSA Issues Corrective Action Order Requiring Tennessee Gas Pipeline Co. to Reduce Pipeline Operating Pressure to 80 Percent of Its Former Maximum

The U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) on Thursday issued a corrective action order to the Tennessee Gas Pipeline Co., which operates the 25-inch, high-pressure pipeline that ruptured and exploded Wednesday morning in Athens County, Ohio. A Public Utilities Commission of Ohio spokesman told reporters that PHMSA issued an order stating Tennessee Gas Pipeline Co. must reduce the pipeline operating pressure to 80 percent of its former maximum and obtain approval from PHMSA before returning the line to service.

http://www.abc6onyourside.com/shared/newsroom/top_stories/videos/wsux_vid_14701.shtml

Plugged Lubricator Oil Filter Shuts MSU Flash Gas Compressor, Leads to Flaring at Hess's 210 MMcf/d Seminole Gas Processing Plant in Texas November 17

The Hess Corporation reported that early Thursday morning the plant experienced an unplanned shutdown of the membrane separation unit (MSU) flash gas compressor, diverting flash gas to the flare. Operators responded immediately and discovered that the lubricator oil filter was plugged. The filter was replaced and the unit restarted later than morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161859>

Pipeline Repairs at DCP Midstream's 70 MMcf/d Fullerton Gas Plant Forces Devon Energy to Flare Gases from Multiple Gas Processing Facilities in Texas November 16

Devon Energy Production Company reported that it is sending curtailed gas production to flare at its Reeves Unit Satellites No. 1-4 and No. 6, as well as at its West Wellman Production facility, due to DCP's repairing a gas pipeline leak.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161847>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161861>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161851>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161864>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161853>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161870>

Other News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
November 18, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	97.95	98.02	82.19
NATURAL GAS Henry Hub \$/Million Btu	3.11	3.55	3.77

Source: Reuters

Energy Notes

Winter Windstorm across the Central Kenai Peninsula in Alaska Knocks Out Power to 13,000 Homer Electric Association Customers in Alaska November 16

<http://www.thenewstribune.com/2011/11/17/1910728/peninsula-continues-to-battle.html#ixzz1e4QZWjvi>

Pirates Hijack Chevron Oil Supply Vessel off Nigerian Coast in the Gulf of Guinea November 18

<http://www.reuters.com/article/2011/11/18/nigeria-piracy-idUSL5E7MI2VC20111118?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

Ghana's Oil and Gas Discoveries, Efforts to Develop Infrastructure Will Increase Production, Energy Exports

http://www.rigzone.com/news/article.asp?a_id=112559&hmpn=1
<http://www.bloomberg.com/news/2011-11-17/kosmos-s-oil-discovery-in-ghana-extends-farther-than-thought.html?cmpid=yhoo>

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 & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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

Please direct comments and questions to: ead@oe.netl.doe.gov