



# ENERGY ASSURANCE DAILY

Thursday Evening, December 01, 2011

## ***Major Developments***

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### **Santa Ana Winds Blast Southern California, Cut Power to over 340,000 SCE and LADWP Customers November 30–December 1**

Winds up to 100 mph tore through Southern California overnight Wednesday and Thursday morning, downing power lines, trees, and buildings and knocking out power to over 340,000 customers. The Los Angeles Department of Water and Power (LADWP) reported 129,000 customers were without power as of 11:00 AM PST. Southern California Edison (SCE) reported 213,200 customers were without power as of 11:00 AM. The San Gabriel Valley was hit hardest, where Pasadena and Sierra Madre both declared states of emergency. Much of South Pasadena remained without water Thursday morning because an electrical pump from the city's reservoirs failed due to the outage, reports said. LADWP reported that a power outage in northeast Los Angeles had affected pumping infrastructure supplying water to several communities and caused low water pressure in those communities. High winds are expected until Friday evening, according to reports from the National Weather Service, and more outages are likely to come.

<http://www.sce.com/sceandyou/sce-and-you.htm>

<http://www.ladwpnews.com/go/doc/1475/1249303/>

<http://usnews.msnbc.msn.com/news/2011/12/01/9142355-worst-santa-ana-winds-in-years-to-move-cross-country>

<http://latimesblogs.latimes.com/lanow/2011/12/california-windstorm-traiff.html>

## ***Electricity***

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### **Illinois Senate Approves Tenaska Energy's Proposed 602 MW Coal-Gasification Power Plant in Taylorville, Illinois; State House and Governor Approval Still Pending**

The Illinois Senate on Tuesday voted to approve Tenaska Energy's proposed coal gasification power plant, a Tenaska spokesman said Wednesday. The approval moves the project, which was first proposed about ten years ago, forward for approval first by the State House, and finally by the governor. Upon final approval, the project could come online by early 2017, according to the spokesman. The Taylorville project will build a hybrid integrated gasification combined cycle plant that will convert coal into gas and then burn the gas in a combined-cycle power plant to generate electricity. The plant will capture at least half of the carbon dioxide (CO<sub>2</sub>) it produces under the state bill and will have to capture 65 percent of the CO<sub>2</sub> produced under a federal investment tax credit the plant has received, the spokesman said.

<http://www.reuters.com/article/2011/11/30/utilities-tenaska-taylorville-idUSN1E7AT1MD20111130?feedType=RSS&feedName=utilitiesSector&rpc=43>

### **ERCOT Says Texas Electric Power Reserve Margin Will Fall below Minimum Target, Raises Concerns about Rolling Blackouts**

The Electric Reliability Council of Texas (ERCOT) said in a report on Thursday that it is concerned about the likelihood of rolling blackouts after projections indicate the state's electric power reserve margin will fall to 12.11 percent next summer, below the agency's minimum target of 13.75 percent. The reserve margin forecast continues to fall through 2019 and turns negative in 2020, according to the report.

Reuters, 12:00 December 1, 2011

[http://ercot.com/news/press\\_releases/show/459](http://ercot.com/news/press_releases/show/459)

### **National Solar Power to Build a 200 MW Hardee County Solar Farm in Florida**

National Solar Power on Wednesday announced it has entered into a developer agreement with Hardee County, Florida to establish a 200 MW solar farm in the county. Once the appropriate local and state permitting process is completed, the first phase of the project is expected to be up and running within six to seven months of breaking ground. The company has entered into an agreement with Progress Energy Florida and is having discussions with other potential customers to purchase power generated by the farm.

<http://www.natsolar.com/press/77-national-solar-power-to-establish-a-200-mw-solar-farm-in-hardee-county.html>

### **AES's 175 MW Alamos Gas-Fired Unit 2 in California Shut by November 30**

According to the California Independent System Operator, the unit reported an unplanned outage on November 30.

<http://content.aiso.com/unitstatus/data/unitstatus201111301515.html>

## ***Petroleum***

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### **ExxonMobil Reports Compressor Shutdown Due to Piping Leak, Anticipates Some Impact to Production at Its 344,500 b/d Beaumont, Texas Refinery November 30**

Operators isolated the leak and shut down the compressor, according to a filing with the Texas Commission on Environmental Quality. ExxonMobil reports that while it anticipates some impact to production, it is meeting all customer needs.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=162288>

### **Power Outage Results in Emissions at Chevron's 279,000 b/d El Segundo, California Refinery December 1**

Operators were trying to restore production after a power outage impacted operations Thursday, according to a filing with the California Emergency Management Agency. Chevron also reported an emergency shutdown at the refinery due to high winds, according to a filing with the U.S. National Response Center, but did not specify which units were affected.

<http://www.reuters.com/article/2011/12/01/refinery-operations-chevron-elsegundo-idUSWNAB410520111201?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

### **Diesel Sludge in an Unused Storage Tank Ignites, Causes Explosion at Alon's 68,000 b/d Bakersfield, California Refinery November 30**

Alon USA Energy reported that on Wednesday afternoon, a small amount of diesel sludge caught fire in an unused, 2.5 million gallon storage tank that was being cleaned and caused an explosion. Emergency officials extinguished the fire that afternoon and reported no injuries. It is unclear what caused the diesel sludge to ignite, according to a filing with state regulators. Reports indicated that the tank was de-gassed on Tuesday for cleaning and inspection. The refinery has maintained operations and no one was evacuated from the plant or the surrounding area.

Reuters, 19:18 November 30, 2011

<http://www.bakersfield.com/news/business/economy/x986931360/Tank-explodes-catches-fire-at-refinery>

### **Dislodged Valve Repair Ignites Fire, Shuts Crude Unit at NuStar Energy's 14,021 b/d San Antonio, Texas Refinery November 30**

NuStar Energy LP reported today that a contractor installing some tubing dislodged a valve within the facility's crude unit on Wednesday afternoon, releasing a small amount of kerosene, which vaporized and ignited. The company immediately shut the crude unit, where the fire was confined, and evacuated 60 workers from the facility. A spokesman said that while an initial investigation suggests the refinery hasn't sustained significant damage, it is unclear when the plant will resume operations.

<http://finance.yahoo.com/news/Refinery-Dislodged-valve-apf-133820524.html?x=0>

<http://www.reuters.com/article/2011/11/30/refinery-operations-age-sanantonio-idUSN1E7AT1OG20111130?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

## **First Nations Announce United Front to Ban All Exports of Tar Sands Crude Oil along Entire Coastline of British Columbia December 1; Consent Required by International Law**

First Nations announced today a united front to ban all exports of tar sands crude oil through its territory, which encompasses the entire coastline of British Columbia, and effectively through all of British Columbia. The announcement came during a celebration of the Save the Fraser Declaration, signed by more than 61 First Nations a year ago in Vancouver, which bans tar sands oil pipelines through the Fraser River watershed and prohibits tar sands crude oil tankers in the ocean migration routes of Fraser River salmon. First Nation's consent to pipelines and tankers in its territories is required by international law, according to reports.

MKW, 12:15 December 1, 2011

## **Update: ConocoPhillips Completes Coker Startup and Plant Expansion at Its 362,000 b/d Wood River, Illinois Refinery November 30**

ConocoPhillips said on Wednesday that it has successfully completed the startup of a new coker and the expansion of its Wood River refinery in Roxana, Illinois, which it jointly owns and operates with Cenovus Energy. The expansion adds 50,000 b/d to the refinery's total capacity and allows it to process 130,000 b/d more heavy Canadian crude oil, raising the capacity of those grades to 240,000 b/d.

<http://www.reuters.com/article/2011/11/30/refinery-operations-conoco-woodriver-idUSWEN126720111130?feedType=RSS&feedName=marketsNews&rpc=43>

## **Suncor Acknowledges Break in Underground Pipe from 35,000 b/d Commerce City, Colorado Refinery; EPA Says Refinery May Be Leaking Material into Nearby Sand Creek**

Officials from the U.S. Environmental Protection Agency (EPA) have said that foreign material in Sand Creek, outside Denver, appears to be coming from Suncor's refinery. The EPA is also testing the water in the nearby South Platte River. Suncor has acknowledged a break in an underground pipe between the refinery and a storage tank, according to state health officials.

<http://summitcountyvoice.com/2011/12/01/leak-at-tar-sands-refinery-threatens-denver-streams/>

## **Natural Gas**

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### **U.S. Army Corp of Engineers's Assessment Clears Path to Puerto Rico's Via Verde Natural Gas Pipeline Project**

The U.S. Army Corp of Engineers has, after a year-long federal review, issued a draft assessment finding no significant environmental impact indicated in the plans to build a 91-mile pipeline from the state's only natural gas terminal in Penuelas to power plants on the north coast in Arecibo and the San Juan metropolitan area. The pipeline would facilitate a greater initiative to convert oil-burning units at four power plants to use natural gas, in an effort to cut the high cost of energy on the Caribbean island. Puerto Rico relies on imported oil for 68 percent of its power production, which contributes to pricing rates that are twice the average U.S. cost.

Reuters, 14:43 November 30, 2011

## **Other News**

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Nothing to report

## Energy Prices

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U.S. Oil and Gas Prices			
December 1, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	99.09	95.74	86.28
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.55	3.06	4.16

Source: Reuters

## Energy Notes

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### Anticipated EPA Revisions to Motor Gasoline Specifications Could Significantly Impact NGL Supply and Demand, Have Implications for Refiners — Industry Study

BSW, 11:24 December 1, 2011

<http://www.bentekenergy.com/GreatNGLSurge.aspx>

<http://www.turnermason.com/assets/The-Great-NGL-Surge.pdf>

## 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 & 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

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

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

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