



# ENERGY ASSURANCE DAILY

Thursday Evening, December 06, 2012

## Electricity

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### **New Jersey Board of Public Utilities Discusses Power Companies' Response to Sandy-Related Outages, How to Build a More Dependable Grid Moving Forward**

Representatives from the New Jersey Board of Public Utilities on Wednesday told a state senate budget committee that New Jersey's electricity providers did a good job mobilizing thousands of mutual aid workers before Superstorm Sandy struck in late October, but failed at communicating with customers and government officials after the storm and the nor'easter that followed a week later. The committee hearing focused on the utilities' response and whether funds could be allocated to rebuild a more dependable power grid to guard against future storm-related outages. Suggestions included elevating, moving, or waterproofing energy substations; installing smart meters that automatically signal the supplier when the power goes out; building redundancies into the power grid; consistently managing tree trimming near power lines; and implementing better ways of communicating with people who lose power.

<http://www.delawareonline.com/viewart/20121205/NEWS/121205031/Agency-N-J-utilities-didn-t-communicate-post-Sandy?odyssey=tab%7Ctopnews%7Ctext%7C>

### **NRG Energy Cancels Plans to Add an 800 MW Coal-Fired Unit at Its Limestone Power Plant in Texas Due to Poor Economics**

NRG Energy has canceled a plan to add an 800 MW coal-fired unit at its Limestone plant in Texas, citing the abundant supply of affordable natural gas that makes coal-fired plants less economic, NRG officials said. NRG currently operates two coal-fired units totaling 1,849 MW at the Limestone plant. NRG initially proposed the new Limestone Unit 3 in 2006 and obtained an air permit in 2009, but the company recently voided that air permit, which was set to expire this month.

<http://www.reuters.com/article/2012/12/05/utilities-coal-texas-idUSL1E8N5BD620121205?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

### **Update: TMPA to Restart 470 MW Gibbons Creek Coal-Fired Unit in Texas after Boiler Tube Repairs December 5**

The Texas Municipal Power Agency (TMPA) reported it was planning to restart its Gibbons Creek coal-fired unit Wednesday morning after shutting the unit to repair a boiler tube leak, 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=176737>

### **Update: Constellation's 565 MW Nine Mile Point Nuclear Unit 1 in New York at Full Power by December 6**

Constellation Nuclear Energy Group's Nine Mile Point Unit 1 returned to full power after an outage that began December 1, when operators shut the reactor to conduct turbine system repairs. Operators restarted the unit by December 4.

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

### **CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Reduced by December 5**

The unit entered a curtailment of 642 MW that was due to both planned and unplanned causes.

<http://content.aiso.com/unitstatus/data/unitstatus201212051515.html>

## **Dynegy Moss Landing's 510 MW Moss Landing Natural Gas-Fired Unit in California Reduced by December 5**

The unit entered an unplanned curtailment of 260 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201212051515.html>

## **CDWR's 374 MW San Luis Hydro Unit in California Reduced by December 5**

The unit entered a curtailment of 266 MW that was due to both planned and unplanned causes.

<http://content.aiso.com/unitstatus/data/unitstatus201212051515.html>

## **PJM Approves Electric Transmission Upgrades to Maintain Reliable Power Supplies in Eastern United States**

PJM Interconnection on Wednesday announced it has approved nearly \$1 billion in additional electric transmission upgrades to maintain reliable power supplies for the 60 million people it serves in 13 states and the District of Columbia. The upgrades address projected reliability problems and include improvements and changes to substations, transformers, and existing transmission facilities. The upgrades are also meant to address the retirement of almost 16,000 MW of generation in the region and the dramatic shift toward an increase of natural gas-fired generation.

<http://www.pjm.com/~media/about-pjm/newsroom/2012-releases/20121205-pjm-board-approves-one-billion-in-electric-transmission-upgrades-news-release.ashx>

## ***Petroleum***

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### **Update: Motiva Working to Restore Units at Its Manufacturing Complex and 236,400 b/d Norco, Louisiana Refinery December 6**

Royal Dutch Shell Plc said it was working to restore power supply to a unit at Motiva's Norco manufacturing complex, that experienced a power loss early Thursday morning. The complex includes the company's 236,000 b/d refinery. Operators expected flaring and smoke associated with the situation, according to a spokeswoman. Shell reported also that it was working to restart an unspecified unit at the Norco refinery that had on Tuesday experienced a process upset, and that flaring associated with restart procedures was expected to end this weekend.

Reuters, 08:05 December 6, 2012

Reuters, 13:05 December 5, 2012

### **Motiva Shuts Methyl Pyrollidone Unit Disabled by Lightning Storm at Its 600,000 b/d Port Arthur, Texas Refinery December 4**

Motiva Enterprises reported that, during a lightning storm Tuesday afternoon, Methyl Pyrollidone Unit No. 4 at its Port Arthur refinery lost communication to the console, resulting in a unit upset and emissions through a pressure relief valve, according to a filing with the Texas Commission on Environmental Quality. Operators immediately shut the unit communications with the console were re-established.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176748>

### **Flint Hills Reports Cumene Unit Emissions During Repairs at Its 288,468 b/d Corpus Christi, Texas Refinery December 5**

Flint Hills Resources reported a cumene unit release occurred during a repair at the West plant of its Corpus Christi refinery, 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=176756>

### **Update: Husky, United Steelworkers Reach Tentative Agreement on Contract for Workers at Husky's 155,000 b/d Lima, Ohio Refinery**

Husky Energy Inc. and the United Steelworkers union (USW) on Wednesday announced they have reached a tentative agreement on a new contract for the 235 hourly workers at Husky's Lima refinery. The Lima refinery workers are scheduled to vote on the contract offer on Monday. Members of USW Local 624 first began a strike on May 25, alleging that Husky management had failed to negotiate in good faith for a contract to replace the one that had expired on April 14. After Husky declared an impasse in negotiations and threatened to hire permanent replacement workers, union members returned to work without condition on October 8. The refinery has continued to operate without interruption during the strike.

Reuters, 18:04 December 5, 2012

## **Wet Gas Scrubber Back Online at Hess's 70,000 b/d Port Reading, New Jersey Refinery by December 6**

Hess Corp. reported a wet gas scrubber was back online at its Port Reading refinery, according to a filing with state pollution regulators.

Reuters, 11:45 December 6, 2012

## **Syncrude Cuts Forecast December Volumes by 400,000 Barrels at Its Alberta Oil Sands Facility Due to Cold Weather**

Syncrude Canada Ltd told customers that output from its northern Alberta operation would be reduced from forecast volumes in December by 400,000 barrels due to the impact of cold weather on equipment.

<http://www.reuters.com/article/2012/12/05/markets-cancrude-idUSL1E8N59DR20121205>

## **Natural Gas**

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### **Explosion Hits 16-Inch Natural Gas Pipeline, Shuts DCP Midstream's 160 MMcf/d Gas Plant in Texas December 5**

An explosion hit a 16-inch West Texas Gas natural gas pipeline near Goldsmith late Wednesday, shutting DCP Midstream's 160 MMcf/d Goldsmith gas processing plant. The resulting fire was extinguished that night, local officials said. West Texas Gas confirmed the incident but declined to give any details about its cause. DCP Midstream reported it was flaring natural gas at its Goldsmith processing plant Wednesday evening after the pipeline ruptured and caused damage to the plant, according to filings with the Texas Commission on Environmental Quality. DCP Midstream expects the plant to return to service within 24–48 hours, a spokeswoman said.

<http://www.reuters.com/article/2012/12/06/utilities-naturalgas-fire>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176798>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176781>

### **Energy Department Releases Study on Natural Gas Exports, Invites Public Comment**

The U.S. Department of Energy on Wednesday released a study it commissioned NERA Economic Consulting to conduct to gain a better understanding of how U.S. liquefied natural gas (LNG) exports could affect the public interest, with an emphasis on the energy and manufacturing sectors. Federal law generally requires approval of natural gas exports to countries that have a free trade agreement with the United States. For countries that do not have a free trade agreement with the United States, DOE is required to grant applications for export authorizations unless the department finds that the proposed exports will not be consistent with the public interest. The study released today and resulting comments will be taken into consideration as DOE makes export authorization determinations for 15 application dockets currently pending review.

<http://www.fossil.energy.gov/programs/gasregulation/LNGStudy.html>

### **Petronas, Progress Energy Resources Moving Pacific Northwest LNG Export Project into the Pre-FEED Phase**

PETRONAS Carigali Canada Ltd. and Progress Energy Resources Corp. on Tuesday announced that the companies are moving into the pre front-end engineering design (Pre-FEED) phase for a proposed liquefied natural gas (LNG) export facility on Lelu Island in the District of Port Edward. Pacific Northwest LNG will include two trains, or liquefaction plants, when initially constructed. Planning will include the ability to add a third train in the future. The LNG throughput is currently designed for about 3.8 million tonnes per annum per train. If the proposed acquisition of Progress by PETRONAS—currently under review by the federal government—is approved, throughput at the facility is expected to increase to 6 million tonnes per annum per train. A final investment decision for the project is expected in late 2014, followed by the first LNG exports in 2018.

<http://www.progressenergy.com/petronas-progress-announce-the-next-phase-of-lng-export-project>

## Other News

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### U.S. Coast Guard Tightens Lower Mississippi Barge Shipping Restrictions Due to Low Water Levels

The U.S. Coast Guard tightened shipping restrictions on the lower Mississippi River on Thursday by cutting maximum barge drafts to 9 feet, from 10 feet earlier this week, because of low water on the major shipping waterway. Barge tow sizes were also restricted to 36 barges for northbound vessels and 25 to 30 barges for southbound vessels.

Reuters, 11:07 December 6, 2012

## International News

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### Gunmen Sabotage KNOC's 8,000 b/d Crude Oil Pipeline in Yemen December 5

Unidentified gunmen on Wednesday attacked an 8,000 b/d crude oil pipeline that transports supply from oil fields in southeastern Yemen to the Belhaf export terminal on the Gulf of Aden, suspending operations, an official said. The pipeline is operated by the Korea National Oil Company (KNOC). An explosion had hit the same pipeline on November 8.

<http://www.dailystar.com.lb/News/Middle-East/2012/Dec-05/197377-yemen-gunmen-sabotage-oil-pipeline.ashx#axzz2EH0TikSE>

## Energy Prices

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U.S. Oil and Gas Prices			
December 6, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	86.37	87.38	101.08
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.41	3.71	3.38

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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