



ENERGY ASSURANCE DAILY

Friday Evening, December 09, 2011

Electricity

Storms and High Winds Knock Out Power to Nearly 32,000 Customers from Connecticut to New Hampshire December 8

Strong storms and high winds knocked out power to nearly 21,000 Connecticut Light & Power and 750 United Illuminating customers in eastern and southeastern Connecticut early Thursday morning, according to news reports. At its peak, the storm system also knocked out power to 7,300 New Hampshire Electric Cooperative customers in New Hampshire and roughly 2,600 National Grid customers in Rhode Island and southeastern Massachusetts.

<http://www.businessweek.com/ap/financialnews/D9RGG2O1.htm>

<http://www.insurancejournal.com/news/east/2011/12/09/226814.htm>

<http://www.newhampshire.com/article/20111208/NEWS11/111209898>

http://www.wpri.com/dpp/news/local_news/providence/providence-storm-causes-power-outages-floods

MISO Approves Three 345 kV Ameren Transmission Company Transmission Expansion Projects in Illinois and Missouri

Ameren Transmission Company (ATX), a wholly owned subsidiary of Ameren Corporation, has been approved by the Midwest Independent Transmission System Operator (MISO) to begin work on expansion projects in Illinois and Missouri. MISO announced Thursday that it had approved its Transmission Expansion Plan 2011, which includes ATX's Grand Rivers projects, consisting of the Illinois Rivers and Spoon River transmission line projects in Illinois and Mark Twain transmission line project in Missouri. The Illinois Rivers project will span 331 miles with a new 345 kV transmission line, crossing the Mississippi River near Quincy, Illinois and continuing east across Illinois to the Indiana border. The Spoon River project in Illinois will span 70 miles of new 345 kV transmission line from Oak Grove to Galesburg, Illinois and continuing near Peoria, Illinois. The Mark Twain project in Missouri will span 89 miles in Missouri of new 345 kV transmission line from the Iowa border to Adair, Missouri and on to Palmyra, Missouri.

<http://ameren.mediaroom.com/index.php?s=43&item=1007>

NRC to Review Incident at Entergy's 563 MW Vermont Yankee Nuclear Power Plant

The U.S. Nuclear Regulatory Commission (NRC) says it plans to review an incident at Vermont Yankee in which both backup diesel generators, used in the event of a power outage, were out of service for about two minutes on December 2 after a technician sent to work on one mistakenly disconnected the other from its fuel supply. The plant continued to operate normally during the incident. Vermont Yankee has other backup power-generating systems, including batteries and a connection to nearby hydroelectric dam.

http://www.vpr.net/news_detail/92667/nrc-to-review-vermont-yankee-repair-mistake

TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Reduced to 40 Percent by December 9

The Nuclear Regulatory Commission reported that on the morning of December 8 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/>

TMPA Restarts 470 MW Gibbons Creek Coal-Fired Unit 1 in Texas after Tripping Due to Scrubber Pump Shutdown December 7

The Texas Municipal Power Agency (TMPA) restarted its 470 MW Gibbons Creek Unit 1 after it tripped manually following the unexpected shutdown of scrubber water flow pumps late Wednesday, according to a filing with state pollution regulators.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=162585>

Sycamore Cogeneration's 360 MW Sycamore Natural Gas-Fired Unit in California Reduced by December 8

According to the California Independent System Operator, the unit reported an unplanned curtailment of 195 MW on December 8.

<http://content.caiso.com/unitstatus/data/unitstatus201112081515.html>

Petroleum

Wet Gas Compressor Snag Leads to Delayed Coker Flaring at Valero's 285,000 b/d Port Arthur, Texas Refinery

Valero Energy Corp. reported that the delayed coking unit (DCU-843) wet gas compressor (K-6300) first stage anti-surge spillback opened and increased K-6300 suction pressure to such an extent that the suction pressure control valve opened to flare, according to a filing with the Texas Commission on Environmental Quality. Operators manually closed the spillback control valve to reduce K-6300 suction pressure and close valve to flare.

Reuters 01:36 December 9, 2011

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=162605>

BP Reports Valve Snag at Its 455,790 b/d Texas City, Texas Refinery December 9

BP Plc reported a release of hydrogen sulfide due to a valve snag at its Texas City refinery, according to a filing with the U.S. National Response Center on Friday. The valve was closed, according to the filing.

<http://www.reuters.com/article/2011/12/09/refinery-operations-bp-texas-city-idUSWNAB591220111209?feedType=RSS&feedName=rbsEnergyNews&rpc=43>

ConocoPhillips Reports Compressor Issues at Its 362,000 b/d Wood River, Illinois Refinery December 9

Reuters, 04:03 December 9, 2011

Retaining Wall Collapse at Enterprise Dock 11 in the Port of Texas City Threatens Two Crude Oil Pipelines December 9

The U.S. Coast Guard responded Thursday morning to the collapse of a 150-foot section of a retaining wall at Enterprise Products dock 11 in the Port of Texas City at 11:30 AM CST. The collapse threatened two pipelines containing 1,000 barrels of crude oil, but there were no reports of spills due to the collapse. Enterprise suspended operations at the facility, but the Port of Texas City is open to all traffic. Workers are investigating the cause of the collapse.

http://www.downstreamtoday.com/news/article.aspx?a_id=35005

Tesoro to Expand Diesel Production by 5,000 b/d at Its 58,000 b/d Mandan, North Dakota Refinery

The Mandan Tesoro Refinery reported Wednesday that it will expand its Distillate Desulfurization Unit by 5,000 b/d of diesel to support the growing regional demand for diesel fuel, according to a company statement. The expansion will increase total diesel production to 22,000 b/d and is expected to be completed in the last quarter of 2013. Tesoro has already secured the required permits for the project.

http://bismarcktribune.com/news/local/mandan-tesoro-refinery-to-expand-diesel-production/article_4f446f92-2120-11e1-9ab4-0019bb2963f4.html

Update: Total Receives Final Regulatory Approval for 100,000 b/d Joslyn North Mine Oil Sands Project in Alberta

The Total E&P Canada (Total) Joslyn North Mine Project on December 8 received its Order in Council from the Government of Canada. This final stage of regulatory approval marks a major milestone in the process to sanction and commence construction of the Total-operated Joslyn North Mine Project. The Joslyn North Mine is expected to produce 100,000 b/d of bitumen over its 20 year lifespan, with first production now planned for 2018.

<http://www.total-ep-canada.com/news/documents/12-08-11-Order-in-Council-for-Joslyn-North-Mine-Project-EN.pdf>

Update: Canadian Oil Sands Ltd. Delays Major Expansions at 350,000 b/d Syncrude Canada Oil Sands Facility

Canadian Oil Sands Ltd. confirmed Thursday that it will defer a series of major expansions at its Syncrude Canada facility, including the development of its Aurora South leases, until the early 2020s in an effort to improve reliability at its existing facilities and to improve the economics of the expansions. Canadian Oil owns 37 percent of the massive bitumen mining and synthetic crude production facility, which has yet to achieve its 350,000 b/d capacity due to a series of equipment malfunctions late this year. This fall, the facility reported unplanned outages at a hydrocracker and a 100,000 b/d coker, which turns oil sands crude into refinery-ready synthetic oil. Syncrude Canada's oil sands output in 2012 is expected to average 113 million barrels or roughly 310,000 b/d.

http://www.calgaryherald.com/business/Canadian+Sands+confirms+Syncrude+expansion+delay/5832728/story.html?cid=megadrop_story

<http://www.cdnoilsands.com/Media-Centre/PressReleaseDetails/2011/Canadian-Oil-Sands-Limited-Releases-2012-Budget1127589/default.aspx>

Natural Gas

EPA Draft Report Finds Fracking Fluid in Wyoming Aquifer

The U.S. Environmental Protection Agency (EPA) on Thursday issued a draft report indicating it has found compounds associated with hydraulic fracturing in levels "well above" standards safe for drinking water in an aquifer near Pavillion, Wyoming. Hydraulic fracturing is the process used to extract natural gas out of underground shale deposits. The results come from two wells the EPA constructed itself, of depths of about 775 and 970 feet, which is deeper than other private water wells in the area.

http://www.epa.gov/region8/superfund/wy/pavillion/EPA_ReportOnPavillion_Dec-8-2011.pdf

http://www.upi.com/Business_News/Energy-Resources/2011/12/09/EPA-finds-fracking-fluid-in-Wyoming-water/UPI-88821323437415/?spt=hs&or=er

http://www.rigzone.com/news/article.asp?a_id=113228

Update: DOE Approves Preliminary Permit for Jordan Cove to Export Domestic Natural Gas from Proposed Coos Bay, Oregon LNG Terminal

Jordan Cove Energy Project LP on Wednesday received a preliminary permit from the U.S. Department of Energy (DOE) to export domestic liquefied natural gas (LNG) to U.S. free trade partners. The project to build an LNG export terminal in Coos Bay, Oregon and a related pipeline will now require approval from the Federal Energy Regulatory Commission. Project managers are also hoping to gain approval to export to nations not on the free-trade list. Jordan Cove would connect to domestic supplies via the Malin hub, to which El Paso Corp.'s 680-mile, 42-inch Ruby Pipeline will carry Rockies natural gas from the Opal hub in Wyoming. The Jordan Cove project was originally proposed as an LNG import terminal.

http://www.oregonlive.com/business/index.ssf/2011/09/coos_bay_lng_backers_to_apply.html

http://www.dailystorian.com/news/northwest/coos-bay-lng-receives-preliminary-permit-for-export/article_f46f2754-21cb-11e1-98c3-0019bb2963f4.html

Fire Sets Off Explosions at Enterprise Product Partners's Falcon Gas Compressor Station in Wyoming December 6

Enterprise Products Partners L.P. reported that on Wednesday equipment inside its Falcon natural gas compressor station in southwestern Wyoming caught fire. The Falcon station, which is part of Enterprise's Jonah Gas Gathering System, provides compression to transport natural gas production from the Jonah and Pinedale Anticline fields to processing plants in the region. Enterprise has halted the flow of natural gas, isolating the compressor station, and is working with local officials to ensure the safety and security of the facility. The extent of the damage is not yet known, and the cause of the incident is under investigation. At least two area gas producers reported impacts to their operations as a result of the Falcon station shut-in, including Ultra Resources, Inc. and Shell Exploration & Production Co. Each company reportedly confirmed that although its production on the Pinedale Anticline in Wyoming has been affected by the accident, Enterprise is rerouting production to another compressor station, which is allowing Ultra and Shell to restore production.

http://trib.com/news/state-and-regional/two-suffer-injuries-in-fire-explosions-at-wyoming-natural-gas/article_1e7e73ac-e3a0-563a-bff1-0b6a716457da.html

<http://www.pinedaleonline.com/news/2011/12/FireatFalconNaturalG.htm>

<http://www.pinedaleonline.com/news/2011/12/ImpactsonPinedaleAnt.htm>

<http://www.enterpriseproducts.com/operations/onshorenatgaspipes.shtm>

Engine Problems Lead to Multiple Shutdowns at Exterran's 50 MMcf/d Reinecke Gas Plant in Texas December 7-8

Exterran reported multiple problems at its plant on Wednesday in filings with the Texas Commission on Environmental Quality. Engine 71050 went down because the compressor lube had no flow and the plant shut down. Operators made repairs and restarted the plant. Engine 71850 went down on a fuel swing. Operators adjusted the fuel, refilled the engine with coolant, and restarted the unit. Engine 74156 went down on a bad turbo expander, which was later replaced.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162565>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162566>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162569>

Power Outage Shuts Midmar Gas Plant in Texas December 7

Midmar Gas LLC reported that a power outage at its plant on Wednesday caused the plant and all compressors to shut down, according to a filing with the Texas Commission on Environmental Quality. Operators are working with third-party power company, Oncor, to correct the problem.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162590>

Cold Temperatures Lead to Equipment Problems, Flaring at Marshall Gas Plant in Texas December 7

Operators reported that the deaerator ran out of water because its level indicator was frozen due to extremely low temperatures, according to a filing with state regulators. This problem was fixed, but the FGR fan later tripped. Emissions were routed through the emergency stack until repairs were made.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162589>

Other News

Mascoma and Valero to Build 20 MMGal/Yr. Cellulosic Ethanol Facility in Kinross, Michigan by the End of 2013

Mascoma Corporation announced today that it has entered into definitive agreements with Valero Energy Corporation to develop and operate a 20 MMGal/Yr. commercial-scale cellulosic ethanol facility in Kinross, Michigan. The project includes plans to develop certain up-front infrastructure that will enable the joint venture to expand the facility to 40 MMGal/Yr., and Valero will have the option to further expand the facility's capacity to up to 80 MMGal/Yr. Construction is expected to start in the next three to six months and is expected to be completed by year-end 2013.

<http://mascoma.com/download/Mascoma%20%20Valero%20Kinross%20Press%20Release%20FINAL.pdf>

Energy Prices

U.S. Oil and Gas Prices December 9, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	98.55	100.19	88.35
NATURAL GAS Henry Hub \$/Million Btu	3.42	3.49	4.47

Source: Reuters

Energy Notes

Nothing to report

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>

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