



# ENERGY ASSURANCE DAILY

Friday Evening, December 14, 2012

## **Electricity**

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### **Constellation Shuts Its 565 MW Nine Mile Point Nuclear Unit 1 in New York by December 14 after Primary Containment System Declared Inoperable**

Constellation Energy Nuclear Group on Thursday initiated a manual reactor scram from full power on its Nine Mile Point Unit 1 after operators investigating an increased usage of nitrogen needed to maintain primary containment pressure discovered a primary containment leakage in excess of that allowed per technical specifications, according to a filing with the U.S. Nuclear Regulatory Commission (NRC). The incident is also reportable as an event or condition that could have prevented fulfillment of a safety function of a system needed to control the release of radioactive material, the filing said. Nine Mile Point Unit 1 is currently in cold shutdown mode, and the offsite grid is stable with no grid restrictions or warnings in effect. Nine Mile Point Unit 2 was operating at full power Friday.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20121214en.html>

### **Consumers Energy to Build 700 MW Thetford Natural Gas-Fired Power Plant in Michigan**

Consumers Energy announced today that it plans to build a new 700 MW natural gas-fired power plant in Genesee County, Michigan. The current project schedule calls for construction to begin in 2015, with operation slated in 2017. Development of the power plant is contingent upon the company obtaining an air permit from the Michigan Department of Environmental Quality (MDEQ), and a certificate of necessity from the Michigan Public Service Commission (MPSC). Consumers Energy plans to file an air permit application today with the MDEQ. The application will be for a permit that covers two combined cycle units at the Thetford site, supporting the company's option to develop a second unit at a later date. The company expects to file a certificate of necessity application with the MPSC in 2013.

<http://www.consumersenergy.com/News.aspx?id=5912&year=2012>

### **Hurricane Sandy Raises Questions about Reliability of New York Metro Area's Electrical Grid; Prompts Some Calls to Move NYC's Electrical Infrastructure to Higher Ground**

Moody's Investors Service on Friday issued a report that raises questions about the reliability and age of the New York Metropolitan area's aging electrical grid after Hurricane Sandy, and cautions that outdated infrastructure weakened by the storm could create increasing credit risk for utilities if not adequately addressed. Higher public awareness due to the storm could help spur efforts to modernize the grid, which is over 50 years old, the report said. Separately, news media reported a major push is on to move New York City's electrical infrastructure to higher ground or upper floors after the storm caused flooding to low-lying substations and skyscraper basements, where electrical components are often located, knocking out power to lower Manhattan for four days.

[http://www.moodys.com/viewresearchdoc.PR\\_262275&WT.mc\\_id=NLTITLE\\_YYYYMMDD\\_PR\\_262275](http://www.moodys.com/viewresearchdoc.PR_262275&WT.mc_id=NLTITLE_YYYYMMDD_PR_262275)

<http://www.sunherald.com/2012/12/12/4355618/after-sandy-nyc-eyes-moving-power.html>

### **Update: CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Returns to Service by December 13**

The unit returned from a curtailment of 780 MW that was due to planned and unplanned causes and began by December 5.

<http://content.caiso.com/unitstatus/data/unitstatus201212131515.html>

### **Dynegy's 510 MW Moss Landing Natural Gas-Fired Unit 1 in California Reduced by December 13**

The unit entered an unplanned curtailment of 260 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201212131515.html>

## **Update: PG&E's 1,087 MW Diablo Canyon Nuclear Unit 2 in California Reduced to 65 Percent by December 14**

On the morning of December 13 the unit was operating at 80 percent.

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

## **Exelon's 1,111 MW La Salle Nuclear Unit 2 in Illinois Reduced to 80 Percent by December 14**

On the morning of December 13 the unit was operating at 98 percent.

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

## **Exelon's 855 MW Quad Cities Nuclear Unit 1 in Illinois Reduced to 88 Percent by December 14**

On the morning of December 13 the unit was operating at full power.

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

## **Cleco Plans Pollution-Control Upgrades at Its 523 MW Rodemacher Coal-Fired Unit 2 in Louisiana to Comply with Federal Emissions Standards**

Cleco and its partners have proposed a plan to renovate its Rodemacher coal-fired Unit 2 to bring it into compliance with federal emissions standards under the Clean Air Act, according to an executive with the Lafayette Utilities System (LUS), which jointly owns the power plant. The renovations would reduce mercury emissions by up to 92 percent, acid gases by 70 percent, and nitrogen oxide by 80 percent, according to LUS director. The Lafayette City-Parish Council is scheduled on December 18 to vote on whether to issue a bond to fund the project.

Rodemacher Unit 2, completed in 1982, is jointly owned by Cleco Power, Louisiana Energy and Power Authority and Lafayette Utilities System. It is fueled predominantly by coal from Wyoming and can produce 523 megawatts.

<http://www.theadvertiser.com/article/20121213/OPINION/212130307/Upgrading-coal-fired-plant-way-go-now>

<http://www.cleco.com/site209.php>

## **Update: U.S. Geothermal's 23 MW Neal Hot Springs Project in Oregon Fully Operational**

U.S. Geothermal Inc. on Thursday reported that all three units at its Neal Hot Springs project near Vale, Oregon are operating and currently delivering 23 MW of electricity to its customer, Idaho Power Company. Unit 1 is currently online and operational with gross generation of 11.0 MW; Unit 2 is also online and operational with gross generation of 10.4 MW; and Unit 3 is currently online and was recently synchronized to the grid, with gross generation of 8.7 MW operating in sub-critical mode. The three modules are still undergoing various mechanical and control system adjustments, tests and modifications to meet overall design criteria. The project contractor is expected to complete work during the first quarter of 2013.

[www.usgeothermal.com](http://www.usgeothermal.com)

<http://finance.yahoo.com/news/u-geothermals-neal-hot-springs-140000396.html>

## ***Petroleum***

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### **Update: Texas Judge Lifts Order Halting TransCanada's Gulf Coast Oil Pipeline Work**

A Texas County Court Judge on Thursday said TransCanada Corp. can resume building a crude oil pipeline across the property of a local landowner in East Texas, Michael Bishop, who has sued the pipeline operator for fraud. TransCanada is building the 485-mile, 700,000 b/d Gulf Coast crude oil pipeline extending from Cushing, Oklahoma to Nederland, Texas. Bishop is arguing that because the material to be carried on the pipeline is not crude oil but diluted bitumen, the conditions of TransCanada's permits have not been met. Judge Jack Sinz late last week issued a restraining order, which took effect on Tuesday, and said there was sufficient cause to stop work on the pipeline at least until a planned December 19 hearing to address the lawsuit. TransCanada asked for a separate hearing to lift the restraining order, and on Thursday Judge Sinz agreed to lift the restriction at least until the hearing next week.

Reuters, 13:48 December 13, 2012

[http://www.washingtonpost.com/business/texas-judge-lifts-order-halting-transcanada-oil-pipeline-work-on-landowners-property/2012/12/13/6ded156c-4554-11e2-8c8f-fbebf7ccab4e\\_story.html](http://www.washingtonpost.com/business/texas-judge-lifts-order-halting-transcanada-oil-pipeline-work-on-landowners-property/2012/12/13/6ded156c-4554-11e2-8c8f-fbebf7ccab4e_story.html)

### **Update: Motiva to Attempt Restart of 325,000 CDU at Its 600,000 b/d Port Arthur, Texas Refinery This Weekend – Sources**

Motiva Enterprises plans to attempt to restart a 325,000 b/d crude distillation unit (CDU) at its Port Arthur refinery over the weekend after making repairs following a brief fire, sources familiar with refinery operations said on Thursday. Operators expect to complete restart procedures by Tuesday and ramp the unit up to 240,000 b/d within days after restarting, the sources said. A stress fracture on a pipe caused a small fire on the unit December 11 as operators were in the process of restarting the unit after an unplanned six-month outage. A Motiva spokeswoman said she did not have information immediately available about plans to restart the CDU.

Reuters, 16:01 December 13, 2012

### **Update: BP Sees No Delay in Whiting, Indiana Refinery Upgrade Due to Alleged Fireproofing Damages, Lawsuit**

BP Plc on Friday said there would be no impact on the completion date of its Whiting refinery upgrade after filing a lawsuit in federal court accusing contractors of defective fireproofing and negligence, arguing that contractor work had caused rust damage to structural steel at the upgrade. Claimed damages in the lawsuit include some for “loss of use.” BP is upgrading the refinery to run heavier oil and increase gasoline diesel production by about 40,000 b/d. The company had previously said the project to install a new crude distillation unit, a 100,000 b/d coker, new gas oil hydrotreating and sulfur recovery units, and infrastructure improvements would shut down parts of the refinery during the fourth quarter of this year.

Reuters, 10:21 December 14, 2012

### **Flint Hills Responding to Unspecified Operating Condition at Its 288,468 b/d Corpus Christi, Texas Refinery December 14**

Flint Hills Resources said it was responding to an operating condition at the east plant of its Corpus Christi refinery, according to a filing with a Local Emergency Planning Committee. The filing did not identify the affected unit.

Reuters, 09:59 December 14, 2012

### **Marathon Reports Benzene Emissions at Its 226,000 b/d Catlettsburg, Kentucky Refinery December 13**

Marathon Petroleum Corp. reported a relief valve malfunction caused a release of benzene to the flare at its Catlettsburg refinery Thursday morning, 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=1033101](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1033101)

### **Phillips 66 Would Support U.S. Crude Oil Exports as Overall Benefit to Economy – CEO**

Reuters, 18:30 December 13, 2012

## ***Natural Gas***

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### **Encana Announces Joint Venture with PetroChina to Develop Duvernay Lands Liquids-Rich Gas Holdings in Alberta**

Encana Corporation on Thursday reported it has entered into a joint venture arrangement with Phoenix Duvernay Gas (Phoenix), a wholly owned subsidiary of PetroChina, to explore and develop Encana’s undeveloped Duvernay land holdings in west-central Alberta. Under the terms of the agreement, Phoenix will gain a non-controlling 49.9 percent interest in Encana’s approximately 445,000 acres in the Duvernay play for total consideration of C\$2.18 billion. Encana estimates that the Duvernay joint venture lands contain about 9 billion barrels of oil equivalent petroleum initially-in-place. Encana remains the operator of the joint venture with its 50.1 percent working interest. Canadian government officials said they were examining the proposed deal to determine if it would face a review under the Investment Canada Act, which governs foreign investment.

<http://www.encana.com/news-stories/news-releases/details.html?release=726812>

<http://www.reuters.com/article/2012/12/14/encana-petrochina->

[idUSL1E8ND93L20121214?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43](http://www.reuters.com/article/2012/12/14/encana-petrochina-idUSL1E8ND93L20121214?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

## Other News

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### EPA Announces Next Round of Clean Air Standards to Reduce Soot Pollution

In response to a court order, the U.S. Environmental Protection Agency (EPA) today finalized an update to its national air quality standards for harmful fine particle pollution (PM2.5), including soot, setting the annual health standard at 12 micrograms per cubic meter. By 2020, 99 percent of U.S. counties are projected to meet revised health standard without any additional actions. A federal court ruling required EPA to update the standard based on best available science. Today's announcement meets that requirement. Today's announcement has no effect on the existing daily standard for fine particles or the existing daily standard for coarse particles (PM10), which includes dust from farms and other sources, both of which remain unchanged.

<http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceac8525735900400c27/a7446ca9e228622b85257ad400644d82!OpenDocument>

### Dominion To Develop 14.9 MW Bridgeport Fuel Cell Power Project in Connecticut

Dominion announced today that it is developing a fuel cell power generating facility in Bridgeport, Connecticut. The facility will house an organic rankine turbine that will use waste heat from five stationary fuel cell systems to generate 14.9 MW of electricity. The project is scheduled to be completed and placed into operation in late 2013. Dominion will sell the output of the fuel cell power station to Connecticut Light & Power under a 15-year fixed power purchase agreement.

<http://dom.mediaroom.com/2012-12-14-Dominion-To-Develop-Largest-Fuel-Cell-Power-Project-In-North-America>

## International News

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Nothing to report

## Energy Prices

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U.S. Oil and Gas Prices			
December 14, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	86.09	85.67	95.84
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.27	3.48	3.12

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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