



ENERGY ASSURANCE DAILY

Thursday Evening, December 23, 2010

Electricity

Dynegy's 335 MW El Segundo Gas-Fired Unit 4 in California Shut by December 22

According to the California Independent System Operator, the unit reported an unplanned outage by December 22.

<http://www.caiso.com/unitstatus/data/unitstatus201012221515.html>

San Diego Gas & Electric's 566 MW Palomar Gas-Fired Unit in California Reduced by December 22

According to the California Independent System Operator, the unit reported an unplanned curtailment of 319 MW by December 22.

<http://www.caiso.com/unitstatus/data/unitstatus201012221515.html>

Update: FPL's 512 MW Point Beach Nuclear Unit 2 in Wisconsin at Full Power by December 23

FPL shut the unit on December 13 after a failure prevented the facility from "meeting rod group alignment limits," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). A technical specification required operators to idle the unit. FPL said a damaged cable was likely to blame for the incident. The NRC reported that on the morning of December 22 the unit was operating at 55 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: State Regulators See Flaws in City of Palmdale's Plans to Construct 570 MW Gas/Solar-Based Power Plant in California

The city of Palmdale's planned 570 MW hybrid power plant in California does not, as proposed, conform to all laws, ordinance, regulations, and standards, and has unmitigated California Environmental Quality Act (CEQA) impacts in the area of air quality, according to the California Energy Commission's final staff assessment of the proposal. The project, however, could make changes to resolve the issues, the assessment said. Specifically, the staff objected to the city of Palmdale's bid to obtain emissions reduction credits from the San Joaquin Valley Air Pollution Control District, instead of the Antelope Valley Air Quality Management District, where the project would be located. The staff said the city had not yet identified sufficient offsets or provided adequate verification in writing that the transfer of emissions reduction credits had been approved by both districts. The staff also said it believed that the Antelope Valley district needed to conduct a rule making to allow road paving to be used to offset particulate matter emissions from the project. The assessment does not represent a decision or proposed decision on the project.

http://www.energy.ca.gov/releases/2010_releases/2010-12-22_palmdale_FSA.html

Reuters, 08:57 December 23, 2010

Petroleum

Valero Shuts 12,000 b/d Hydrocracker at 315,000 b/d Corpus Christi, Texas Refinery by December 22

Valero shut the unit "for a repair" but the outage was expected to be "temporary," a company spokesman said. The shutdown resulted in flaring, according to a filing with state regulators.

<http://www.bloomberg.com/news/2010-12-20/valero-shuts-corpus-christi-hydrocracker-for-repairs-update1-.html>

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=148716>

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=148720>

<http://online.wsj.com/article/BT-CO-20101223-704756.html>

ExxonMobil Shuts FCC at 200,700 b/d Chalmette, Louisiana Refinery December 18

ExxonMobil shut the fluid catalytic cracking unit (FCC) on December 18, a company spokesman said. The refinery, however, remained online "and all customer needs are being met," according to the spokesman. It was unclear why the unit shut or when it might resume service.

<http://www.businessweek.com/news/2010-12-23/exxon-says-chalmette-catalytic-cracker-offline.html>

Update: ExxonMobil Restarts FCC, Alkylation Unit at 149,000 b/d Torrance, California Refinery by December 22

ExxonMobil restarted a gasoline-producing fluid catalytic cracking unit (FCC) and an alkylation unit at its 149,000 b/d Torrance, California refinery by December 22, Dow Jones Newswires said, citing the company. A company spokeswoman said previously that two units had shut at the facility, and that the shutdowns had affected production. The spokeswoman did not name the affected units, but trade sources identified them as the FCC and an alkylation unit. The shutdowns occurred on December 20, according to the trade sources.

<http://www.bloomberg.com/news/2010-12-22/exxon-says-restart-of-units-complete-at-torrance-update1-.html>

<http://online.wsj.com/article/BT-CO-20101223-704756.html>

<http://www.reuters.com/article/idUSWEN475420101221>

<http://af.reuters.com/article/energyOilNews/idAFWEN480420101222>

Malfunction Leads to Flaring at Alon's 67,000 b/d Big Spring, Texas Refinery December 22

"A faulty solenoid valve" led to emissions on December 22, Alon said in a filing with state regulators. The company "diverted to #1 SRU and reduced charge rates," according to the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148738>

Unit Shuts, Restarts at U.S. Oil & Refining's 39,000 b/d Tacoma, Washington Refinery December 22

An "electrical malfunction" forced shut a unit on December 22, but power was returned and the company restarted the unit, according to a filing with the National Response Center. The incident led to flaring. It was not clear if there was any impact on production.

<http://www.bloomberg.com/news/2010-12-23/u-s-oil-refining-has-electrical-fault-at-refinery-update1-.html>

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=962897

Explosions Lead to Fire at San Joaquin Refining's 15,000 b/d Refinery in Bakersfield, California December 23

A tank truck explosion led to a fire early on December 23, but the fire was extinguished within 30 minutes and on-site storage tanks were "completely protected," a fire department spokesman said. The incident injured two workers. It was not clear if there was any impact on production. The facility supplies "products for numerous applications including printing inks, lubricants, rubber and plastics, adhesives, paints and coatings, electrical insulating, fuels, road paving, asphalt recycling, and roofing," according to its website.

<http://af.reuters.com/article/energyOilNews/idAFN2334154220101223>

<http://www.kget.com/news/local/story/6-30-a-m-UPDATE-Refinery-fire-extinguished/JWqKRm0s7kydP3xFZayt-Q.csp>

<http://www.sjr.com/aboutus.asp>

Imperial Oil Reports Pinhole Leak in Propane Line at 121,000 b/d Sarnia, Ontario Refinery by December 23

The company expected to reduce the line's pressure and seal the leak by this evening, according to a spokesperson with the Ontario Environment Ministry. The refinery did not experience any operational problems, a plant spokesperson said by December 23.

<http://www.theobserver.ca/ArticleDisplay.aspx?e=2902093>

Reuters, 11:18 December 23, 2010

Tennessee Gas Pipeline Seeks to Install 30-Inch Natural Gas Pipeline in Place of 24-Inch Line in Pennsylvania and New Jersey

El Paso Corporation's Tennessee Gas Pipeline Company aims to replace its 24-inch natural gas pipeline in northeast Pennsylvania and New Jersey with a 30-inch pipeline, boosting natural gas capacity in the Marcellus Shale by approximately 6 MMcf/d, according to a local news source. The pipeline, known as the Northeast Upgrade Project, would provide 636,000 Dth/d of capacity from Tennessee's 300 Line in Pennsylvania to an interconnect in New Jersey, according to the company's website. It is scheduled to enter service on November 1, 2013.

<http://www.riverreporter.com/issues/10-12-23/head2-pipeline.html>

<http://elpaso.com/northeastupgrade/default.shtm>

Magnum Hunter Resources Plans 200 MMcf/d Natural Gas Processing Plant in West Virginia

Magnum Hunter Resources Corporation plans to purchase a proposed 200 MMcf/d cryogenic natural gas processing plant in West Virginia. The facility would treat and process natural gas liquids transported on the Company's Eureka Hunter Pipeline System in Northwestern West Virginia. It is expected to be delivered in October 2011.

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?ResLibraryID=42625&GoTopage=1&Category=1848&BzID=1969>

Targa Resources Partners Plans NGL Pipeline, New Fractionation Train at Cedar Bayou Fractionation Facility in Texas

Targa Resources Partners LP signed an agreement with TexStar Midstream Services, LP and TEAK Midstream to develop a new pipeline to transport natural gas liquids from processing facilities in the Eagle Ford shale to Mont Belvieu, Texas, and a new fractionation train at the Targa Resources Partners-operated Cedar Bayou fractionation facility. Targa expects to expand capacity at the Cedar Bayou fractionation facility by 100,000 b/d in late 2012. The 100,000 b/d expansion, combined with a separate 78,000 b/d project, would expand the facility's capacity to approximately 353,000 b/d. TEAK Midstream, as part of the deal, would be expected to install and operate a new 200 MMcf/d cryogenic natural gas processing plant, and TexStar would be expected to install and operate a new 300 MMcf/d cryogenic natural gas processing plant. The two plants would produce about 50,000 b/d of natural gas liquids.

<http://www.globenewswire.com/newsroom/news.html?d=209661>

Other News

Update: EPA Takes Away State's Jurisdiction over Air Permit Process for Industrial Facilities in Texas

The U.S. Environmental Protection Agency (EPA) will take over the process of issuing air permits to major industrial facilities in Texas, the agency said on December 23, citing the state's "unwillingness" to incorporate greenhouse gas controls in its current permit program. The move will not impact existing air quality permits. Instead, the EPA will review applications from companies seeking to construct new facilities, or companies looking to expand current facilities. TCEQ estimated previously that the decision would impact 167 projects.

<http://www.chron.com/dispatch/story.mpl/chronicle/7352160.html>

<http://www.dallasnews.com/sharedcontent/dws/news/healthscience/stories/122410dntexepa.41cb7433.html>

Update: EPA to Propose GHG Pollution Standards for Power Plants and Refineries in 2011

The U.S. Environmental Protection Agency (EPA) issued its plan for establishing greenhouse gas (GHG) pollution standards under the Clean Air Act in 2011, the agency said on December 23. The EPA expects to propose standards for power plants in July 2011 and for refineries in December 2011, and issue final standards in May 2012 and November 2012, respectively. The Clean Air Act requires the EPA to set industry-specific standards for new sources that emit significant quantities of harmful pollutants.

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/d2f038e9daed78de8525780200568bec!OpenDocument>

Update: After Fog-Induced Shutdown, Pilots Resume Boarding along Houston Ship Channel December 23

Fog led pilots to stop boarding inbound and outbound vessels along the Houston Ship Channel on December 22, but the pilots resumed boarding on December 23, the Coast Guard Vessel Traffic Service said. There were 33 ships waiting to come into the port and 11 ships waiting to leave, as of this morning.

<http://www.bloomberg.com/news/2010-12-23/tanker-traffic-resumes-after-fog-on-houston-ship-channel.html>

<http://www.bloomberg.com/news/2010-12-22/tanker-traffic-halted-by-fog-on-houston-ship-channel-update1-.html>

Energy Prices

U.S. Oil and Gas Prices December 23, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	90.83	88.11	75.86
NATURAL GAS Henry Hub \$/Million Btu	4.01	4.22	5.56

Source: Reuters

Energy Notes

NRC Asks Entergy's 563 MW Vermont Yankee Nuclear Power Plant in Vermont to Provide More Information on Plan to Fight Cyber Attackers

http://www.reformer.com/localnews/ci_16916076

State Department of Natural Resources and Environment Approves Air Permit for Detroit Edison's 3,000 MW Monroe Coal-Fired Power Plant in Michigan December 22 - Approval Includes New Emissions-Reduction Systems

http://www.michigan.gov/dnr/0,1607,7-153-10371_10402-248537--,00.html

<http://michiganmessenger.com/45046/dte-energy-gets-coal-plant-permit-on-eve-of-new-regulations>

SMART Papers Receives Authorization from State PUC to Convert almost 50 Percent of Existing 37.8 MW Co-Generation Power Plant in Hamilton, Ohio to Run on Biomass

<http://www.brighterenergy.org/21216/news/bioenergy/biomass-to-replace-50-of-coal-fuel-at-ohio-papermill/>

Citing Low Levels of Oil Production-Related Contaminants in Public Water Supply, EPA Orders Murphy Exploration & Production, Pioneer Natural Resources, and Samson Hydrocarbons to Monitor Wells in Poplar, Montana December 16

<http://yosemite.epa.gov/opa/admpress.nsf/e77fdd4f5afd88a3852576b3005a604f/c8029d6c7f6f0b4e852577fb00784b34!OpenDocument>

Iraq Boosts Oil Production by 100,000 b/d to Total 2.5 Million b/d by December 22: Oil Minister

http://www.rigzone.com/news/article.asp?a_id=102488

Fire along Pipeline in Belarus Cuts Russia-to-Europe Crude Oil Deliveries by More than 360,000 b/d December 23 – Transneft Expects to Restore Supplies by End of 2010

<http://af.reuters.com/article/energyOilNews/idAFLDE6BM0PX20101223>

Update: Afren to Produce 35,000 b/d of Oil at Ebok Field, Offshore Nigeria by End of Second Quarter 2011

<http://www.afren.com/download.axd?id=1083>

Update: EIA Expects Construction Costs, Natural Gas Prices to Prevent Companies from Constructing Natural Gas Pipeline from Alaska to North American/Overseas Markets through 2035

http://www.albertalocalnews.com/reddeeradvocate/business/world_biz/Report_leaves_natural_gas_pipeline_from_l ong-range_energy_projections_112355674.html

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.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://tonto.eia.doe.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 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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