



# ENERGY ASSURANCE DAILY

Tuesday Evening, December 27, 2011

## Electricity

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### **Update: Malfunctioning Switch on Backup Power System Caused Second of Two Power Outages at Candlestick Park December 19 – San Francisco Mayor**

In a letter to the top executive of the San Francisco 49ers National Football League team on December 22, San Francisco Mayor Ed Lee admitted the City was at fault for the second of two power outages that impacted the Monday Night Football game at Candlestick Park last week. A malfunctioning switch on the backup power system inside the stadium caused the second outage, according to the letter. City crews are working to replace the switch by December 29 and install additional backup power to the computer that controls the power systems inside the stadium. Pacific Gas & Electric (PG&E) also wrote a letter to the 49ers executive, saying the utility will be taking a number of proactive steps to improve the integrity of its electric systems serving the park, including a comprehensive inspection of all PG&E assets serving Candlestick Park, targeted upgrades and maintenance to the facilities serving the stadium, the installation of fault indicators that will provide PG&E with real-time data on the electric lines connected to the facility, and periodic tests of critical equipment serving the stadium. PG&E found that the first outage was caused when a splice connecting two overhead electrical wires failed, causing the wire to fall to the ground near the stadium. A PG&E spokeswoman reported the utility has replaced the failed splice, as well as six others in the area, as part of an active investigation into its entire surrounding infrastructure. PG&E is also performing a failure analysis to determine what caused the splice to fail, according to the spokeswoman, and will continue to partner with City and County officials to improve electric reliability throughout the area.

[http://www.pge.com/about/newsroom/newsreleases/20111222/pge\\_chief\\_to\\_49ers\\_utility\\_actively\\_working\\_to\\_improve\\_candlestick\\_reliability.shtml](http://www.pge.com/about/newsroom/newsreleases/20111222/pge_chief_to_49ers_utility_actively_working_to_improve_candlestick_reliability.shtml)

[http://www.pge.com/includes/docs/pdfs/about/newsroom/NTSB\\_letter.pdf](http://www.pge.com/includes/docs/pdfs/about/newsroom/NTSB_letter.pdf)

<http://abclocal.go.com/kgo/story?section=news/sports/pro/football&id=8477839>

### **Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana Restarts by December 26 after Turbine Trip Caused Shutdown December 23**

The reactor was at full power Friday when a turbine trip caused an automatic reactor scram, according to a filing with the Nuclear Regulatory Commission. An initial investigation indicated that the reactor tripped due to a loss speed sensor. Following the scram, the reactor water level briefly lowered below level 3, resulting in the automatic closure of containment isolation valves in the suppression pool cooling system. The unit restarted by the morning of December 26 and ramped up to 12 percent by the morning of December 27.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20111227en.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **Exelon's 1,134 MW Limerick Nuclear Unit 1 in Pennsylvania Restarts by December 26, Ramps Up to 16 Percent by December 27**

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **Update: Exelon's 1,022 MW Clinton Nuclear Unit in Illinois Ramps Up to 97 Percent by December 26**

On the morning of December 25 the unit was operating at 80 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **Update: Southern's 856 MW Hatch Nuclear Unit 1 in Georgia at Full Power by December 26**

On the morning of December 25 the unit was operating at 80 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

## **Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 52 Percent by December 27**

On the morning of December 26 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

## **Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Shut by December 27**

On the morning of December 26 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

## **Dynegy's 510 MW Moss Landing Gas-Fired Unit 1 in California Returns to Service by December 23**

The unit returned from an unplanned curtailment of 320 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201112231515.html>

## **Update: Watson Cogeneration's 417 MW Watson Natural Gas-Fired Unit in California Returns to Service by December 24**

The unit returned from an unplanned curtailment of 227 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201112241515.html>

## **Cabrillo's 106 MW Encina Gas-Fired Unit 1 in California Shut by December 26**

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201112261515.html>

## ***Petroleum***

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### **Reductions in Northeast Refining Activity Could Impact Petroleum Product Markets – EIA Report**

The U.S. Energy Information Administration (EIA) published a report this month that analyzes how an impending reduction in refining activity in the U.S. Northeast, as reflected in recently announced plans to idle over 50 percent of the regional refining capacity, is likely to impact supplies of petroleum products. According to the report, a transition period as supply sources shift could be problematic for ultra-low sulfur diesel (ULSD), gasoline, and jet fuel supplies. Prolonged uncertainty over the coming months with regard to the disposition and operation of important logistical assets such as pipelines, ports, and storage would compound adjustment challenges. Reduced short-term product supply flexibility due to longer delivery times and potential transportation bottlenecks for sources outside the region could also increase price volatility. Finally, an increase in demand for ULSD due to changing state requirements could further exacerbate supply issues.

[http://www.eia.gov/analysis/studies/nerefiningactivity/pdf/Reduction\\_in\\_Northeast\\_Refining\\_Activity.pdf](http://www.eia.gov/analysis/studies/nerefiningactivity/pdf/Reduction_in_Northeast_Refining_Activity.pdf)

### **Update: Obama Signs Bill Requiring Decision on TransCanada's Proposed 830,000 b/d Keystone XL Crude Oil Pipeline**

President Obama on Friday signed a payroll tax bill that includes a provision requiring his administration to make a decision on the controversial Keystone XL project within 60 days. A TransCanada spokesperson said that the approved bill allows construction on the pipeline to take place in five of the six states where the route is confirmed and could begin within months. Only a roughly 100-km stretch through an environmentally sensitive area of Nebraska needs to be worked out, according to the spokesperson. The president could still delay a final decision on the project until an environmental impact study of an alternative route is complete.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=35055](http://www.downstreamtoday.com/news/article.aspx?a_id=35055)

### **Fog Delays in Houston Ship Channel Reduce Imports, Lead to Unexpectedly Strong Decrease in U.S. Crude Oil Inventories**

The U.S. Energy Information Administration's weekly inventory report showed an unexpectedly strong decrease in crude inventories—the largest drop since February 2001—for the week ending December 16, 2011. Inventories shrank by 10.57 million barrels when imports were hampered by fog delays in the Houston Ship Channel.

<http://finance.yahoo.com/news/U-S-Oil-Supplies-Tighten-zacks-3443362216.html?x=0>

## **Western Refining Reports FCCU Startup at Its 122,000 b/d El Paso, Texas Refinery December 25**

Operators reported that excess fuel gas was sent to the South Main flare during the startup of the fluidic catalytic cracking unit (FCCU) on Monday. The startup was continuing, according to a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163096>

## **Valero Reports Compressor and SRU Glitches at Its 310,000 b/d Port Arthur, Texas Refinery December 24–25**

Valero reported flaring due to a loss of steam pressure around recycle compressor C-701 on Saturday, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Operators worked to increase available steam pressure and stabilize C-701. The filing lists various flaring stacks and Hydrocracking Unit 1 as the sources of emissions. In a separate TCEQ filing on Sunday, Valero reported a bad combustion air regulator caused the Sulfur Recovery Unit (SRU) No. 545 Scot 3 Incinerator to trip offline. Operators reduced load to SRU 545 and adjusted operations to minimize excess emissions. The air regulator was repaired and placed back in service.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163091>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163097>

## **Jet Vent Gas System Rates Reduced at ExxonMobil's 572,500 b/d Baytown, Texas Refinery December 26**

ExxonMobil reported a malfunctioning valve on the jet vent gas system resulted in flaring Monday, according to a filing with the Texas Commission on Environmental Quality. Operators decreased unit rates and reduced pressure to the jet vent gas system.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163111>

## **Wet Gas Recovery Compressor Unexpectedly Shuts, Leads to Process Gas Flaring at Valero's 83,000 b/d Houston, Texas Refinery December 24**

Valero reported an unscheduled, temporary outage of the wet gas recovery compressor and subsequent flaring of process gases on Saturday, according to a filing with state regulators. The refinery was investigating the cause of the incident at the time of the filing. Intermittent flaring emissions were expected to continue over the weekend as operators restarted the unit, according to the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163090>

## **PSI Midstream Reports Oil Pipeline Leak Offshore Texas in Gulf of Mexico December 26**

PSI Midstream reported that Monday afternoon, a discharge of hydrocarbons leaked from a 30-inch pipeline due to unknown causes, according to a filing with the U.S. National Response Center. The filing states that an emergency shutdown system tripped on low pipeline pressure.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=998995](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=998995)

## **Mississippi Moving to Lease State Waters in the Gulf of Mexico for Oil and Gas Drilling**

The Mississippi Development Authority published regulations Monday to lease state waters in the Gulf of Mexico for oil and gas drilling, clearing the way for a lease sale sometime in 2012, after a public comment period that ends January 20. State officials said they believe that state waters largely hold natural gas, citing a recent University of Mississippi study.

<http://www.businessweek.com/ap/financialnews/D9ROC2D82.htm>

## **Japex Postpones Final Investment Decision on Its Hangingstone Oil Sands Expansion Project in Alberta, Canada**

Japan Canada Oil Sands Limited (JACOS), a consolidated subsidiary of Japan Petroleum Exploration Co., Ltd. (JAPEX), announced Monday it will delay a final investment decision on its Hangingstone Oil Sands Expansion Project in Alberta Province, Canada until around mid-2012. JACOS submitted an application for development approval to the Alberta Energy Resources Conservation Board and Alberta Environment in April 2010 and is still working with relevant authorities to confirm technical aspects of the project's development plan, according to a press release. JACOS had originally targeted a development approval date sometime within 2011, but now it projects that it will need an additional six months to obtain development approval. Upon receipt of development approval, JAPEX will make a final investment decision and JACOS will promptly commence development and construction work.

[http://www.japex.co.jp/english/newsrelease/pdf/20111226\\_Hangingstone-E.pdf](http://www.japex.co.jp/english/newsrelease/pdf/20111226_Hangingstone-E.pdf)

### **Update: Oregon Approves Key Permit Needed to Develop Jordan Cove's Proposed Coos Bay, Oregon LNG Terminal**

The Oregon Department of State Lands has approved a removal-fill permit for development of an access channel and multi-purpose vessel slip on the North Spit of Coos Bay, reports said. The slip will accommodate one berthing area for Jordan Cove Energy Project's proposed LNG terminal and another for other cargo traffic.

<http://www.portofcoosbay.com/newsreleases2011/12-21permitapprvl.pdf>

[http://theworldlink.com/news/local/state-oks-permit-for-lng-terminal/article\\_3998ffd0-2c30-11e1-bd0b-0019bb2963f4.html](http://theworldlink.com/news/local/state-oks-permit-for-lng-terminal/article_3998ffd0-2c30-11e1-bd0b-0019bb2963f4.html)

### **Regency Reports AGI Compressor Snags at Its 290 MMcf/d Waha Gas Plant in Texas December 23–25**

Regency Energy Partners reported that a loss of power caused the acid gas injector (AGI) compressor to go down on Friday, which subsequently caused the human machine interface (HMI) panel to malfunction, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Once power was restored, operators attempted to restart the compressor, but the HMI panel malfunctioned. Repairs were being made as soon as possible to minimize the event. In a separate TCEQ filing later that weekend, Regency reported an AGI compressor went down due to high suction pressure/low RPMs on Sunday. Fluctuations in inlet gas volume were causing high suction pressure on the AGI compressor. Operators made adjustments to process equipment and gas flow, returning operations to normal by the following morning, according to the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163085>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163101>

### **Turbine Shutdown Leads to Flaring at DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas December 23**

DCP Midstream reported its A Turbine shut on first-stage high discharge pressure, causing a flare valve to open, according to a filing with state regulators. Operators immediately cleared the discharge alarm and restarted the turbine to put the flare out.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163082>

### **Blown Fuse Leads to Flaring at Regency's 70 MMcf/d Eustace Gas Plant in Texas December 25**

Regency Energy Partners reported a blown fuse on an incinerator stack caused a sample line heater to shut, ultimately solidifying the sample line with sulfur and causing the incinerator to smoke. Operators made adjustments and the facility resumed normal operations later that day.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163095>

### **Exterran Reports Multiple Malfunctions at Its 50 MMcf/d Reinecke Gas Plant in Texas December 23–25**

In multiple filings with the Texas Commission on Environmental Quality this weekend, Exterran reported that Units 70539 and 71850 were down on low compressor oil; Unit 74156 was down after operators failed to run up RPMs to proper speed after maintenance; Unit 71050 was down due to bad wiring; and Unit 74156 was down on bad fuel. In each case, operators made adjustments and restarted the unit.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163108>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163107>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163104>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163106>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163103>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163105>

### **Low Gas Flow Shuts Acid Gas Compressor at West Texas Gas's 12 MMcf/d Big Lake Gas Plant in Texas December 25**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163094>

## **Fuel Valve Malfunction Shuts SRU, Leads to Flaring at DCP Midstream's Sneed Booster Station in Texas December 26**

DCP Midstream reported that an incinerator fuel gas control valve closed for unknown reasons Monday, causing a sulfur recovery unit (SRU) to shutdown and leading to flaring, according to a filing with the Texas Commission on Environmental Quality. Technicians were unable to identify the exact cause for the fuel valve closing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163109>

## **Blockage Shuts Discharge Line at DCP Midstream's Chap Booster Station in Texas December 25**

DCP Midstream reported that a discharge line was blocked in the first valves south of the Chap Booster Station on Sunday, creating a second blockage at the plant receiver and meter run. This blockage caused Chap compressors to pack the discharge line and shut down on high discharge pressure. Operators took a pressure survey across the system, discovered the original pressure drop on the first valve south of the plant, and made adjustments to depressurize the line and remove the blockage.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163092>

## **Oxy Reports Compressor Shutdown at Its El Mar 12 Oil and Gas Facility in Texas December 24**

Oxy USA WTP reported frozen fuel gas at Chevron's Madera facility caused its El Mar compressor to shut, according to a filing with the Texas Commission on Environmental Quality. Operators are venting gas until the compressor is restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163093>

[http://www12.tceq.state.tx.us/crpub/index.cfm?fuseaction=regent.showSingleRE&reg\\_ent\\_id=636026422002163](http://www12.tceq.state.tx.us/crpub/index.cfm?fuseaction=regent.showSingleRE&reg_ent_id=636026422002163)

## **Other News**

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### **U.S. Subsidies for Domestic Ethanol Production and Tariffs on Imported Ethanol Set to End December 31**

The adjournment of the 112th Congress means both the tax on imported ethanol and a corresponding tax credit for blenders, the Volumetric Ethanol Excise Tax Credit (VEETC), will expire as expected on December 31. The expirations mean that imports of ethanol to the United States will no longer be disadvantaged compared to domestically produced supply.

<http://english.unica.com.br/releases/show.asp?rlsCode=606986DF-8B97-4AA2-847B-C3C1AF9F33E6>

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b>			
December 27, 2011			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	99.85	96.71	90.47
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.93	3.02	4.08

Source: Reuters

## Energy Notes

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### Questar Pipeline Company Announces Open Season for Uinta Basin Expansion of Additional 30 MMcf/d Capacity on Jurisdictional Lateral 47 Loop in Utah

[http://www.questarpipeline.com/OpenSeason/2011\\_JL47UintaBasinExpansion/JL%2047UintaBasinExpansionOS.pdf](http://www.questarpipeline.com/OpenSeason/2011_JL47UintaBasinExpansion/JL%2047UintaBasinExpansionOS.pdf)

### Two Cable Servicing Workers Use Bucket Truck to Steal \$8,000 of Copper Wire from Utility Poles in Western Pennsylvania December 18

<http://www.whas11.com/news/In-swing-Ohio-Gingrich-gaining-the-not-Romneys-136222148.html>

### Connecticut DEEP Selects 5 MW East Lyme Solar Park and 5 MW Somers Solar Center for Development

<http://www.ct.gov/deep/cwp/view.asp?A=4121&Q=493328>

## 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

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

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