



ENERGY ASSURANCE DAILY

Wednesday Evening, January 02, 2013

Electricity

Update: DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Restarts December 31, Ramps Up to 53 Percent by January 2

DTE Energy restarted Fermi Unit 2 early Monday after an outage that began November 7, when operators manually tripped the reactor's main turbine generator in response to hydrogen gas in-leakage into the stator water cooling system from the main turbine generator. Prior to the shutdown, the reactor had been operating at reduced power since July 29, after major vibrations on June 25 damaged one of two pumps that feed cooling water to the nuclear core. DTE has not reported the cause of the vibrations. In December operators said it could take months to restore Unit 2 to full power due to the substantial repairs needed on the reactor feedwater pump.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

<http://www.wxyz.com/dpp/news/dte-restarted-its-fermi-2-nuclear-power-plant-following-repairs>

Update: PPL's 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Ramped Up to 99 Percent by January 2

Susquehanna Unit 2 is returning from an outage that began December 19, when the reactor automatically scrambled on low reactor pressure vessel level while transitioning the 'A' reactor feed pump from discharge pressure mode to flow control mode. Operators restarted the unit by December 27.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Restarts by December 31, Ramps Up to 31 Percent by January 2

Entergy Nuclear restarted Grand Gulf Unit 1 by December 31 after an outage that began December 29, when the reactor automatically scrambled due to what appeared to be a generator/turbine trip.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Atlantic Power's 298 MW Canadian Hills Wind Project Begins Commercial Operation December 22

Atlantic Power Corporation today announced that the 298 MW Canadian Hills Wind project began commercial operation in El Reno, Oklahoma on December 22. Canadian Hills will provide electricity produced by the wind farm to the Southwestern Electric Power Company, the Grand River Dam Authority, and the Oklahoma Municipal Power Authority under long-term power purchase agreements.

<http://www.sn1.com/irweblinkx/file.aspx?IID=4098671&FID=15735508>

<http://www.atlanticpower.com/assets/existing-projects/canadian-hills.aspx>

Update: Cabrillo Power's 110 MW Encina Natural Gas-Fired Unit 3 in California Returns to Service by January 1

The unit returned from an unplanned outage that began by December 30.

<http://content.aiso.com/unitstatus/data/unitstatus201301011515.html>

Update: MidAmerican Solar Acquires 579 MW Antelope Valley Solar Projects in California

MidAmerican Solar, a subsidiary of MidAmerican Renewables, announced its acquisition from SunPower of the 579 MW Antelope Valley Solar Projects, two co-located projects in Kern and Los Angeles Counties in California. The Antelope Valley Solar Projects will provide electricity to Southern California Edison under two long-term power purchase contracts. Construction of the solar project is scheduled to begin in first quarter 2013, with completion slated by year-end 2015.

<http://us.sunpowercorp.com/about/newsroom/press-releases/>

ERCOT Sets New Wind Power Record at 8,638 MW in Texas December 25

The Electric Reliability Council of Texas (ERCOT) reported a new wind power record in the state, with wind generation providing 8,638 MW of power at 3:11 p.m. local time on December 25. This output represented nearly 26 percent of system load in ERCOT at the time. This new record is 117 MW higher than the previous 8,521 MW record set on November 10. ERCOT has more than 10,000 MW of wind power capacity, with more than 20,000 MW of additional wind generation under review. The completion of high-voltage transmission projects in Competitive Renewable Energy Zones by the end of 2013 will improve ERCOT's ability to move wind power from West Texas to the metropolitan areas where demand on the grid is highest.

http://www.ercot.com/news/press_releases/show/26369

Oncor to Reduce Power on Its 345-kV Brown-Newton-Killeen Power Line Under Construction in Texas Due to Safety Issue Related to Nearby Natural Gas Pipeline

Oncor Electric Delivery told the Electric Reliability Council of Texas last week that a safety issue related to a natural gas pipeline running near one segment of the Brown-Newton-Killeen 345-kV line will force the line to carry less power than its design as it goes into service. An Oncor spokesman said the utility is developing a long-term mitigation plan to put into place later in the year.

[http://www.reuters.com/article/2012/12/31/utilities-texas-wind-](http://www.reuters.com/article/2012/12/31/utilities-texas-wind-idUSL1E8NS47F20121231?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

[idUSL1E8NS47F20121231?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43](http://www.reuters.com/article/2012/12/31/utilities-texas-wind-idUSL1E8NS47F20121231?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

<http://www.oncor.com/EN/Pages/Brown-Newton-345-kV-Transmission-Line-Project.aspx>

<http://www.oncor.com/EN/Pages/Newton-Killeen-345-kV-Transmission-Line-Project.aspx>

Petroleum

Update: Shell's *Kulluk* Drillship Runs Aground in Alaska While Under Tow in Heavy Seas December 31

Royal Dutch Shell Plc on Tuesday confirmed its Arctic-class drillship, the *Kulluk*, grounded on the southeast shoreline of Sitkalidak Island, Alaska, at approximately 9:00 p.m. local time on December 31, while under tow in heavy seas from Alaska to the U.S. port of Seattle, Washington State. The *Kulluk*, one of two Shell drillships that operated this year in the company's Alaska exploration program, was en route to winter harbor through waters off the southern coast of Alaska when the incident occurred. The ship, which has no propulsion system of its own, had stalled on December 27 after the engines of its tow vessel *Aiviq* failed. All 18 crew members aboard the ship were evacuated December 29 amid stormy weather. Operators had repaired *Aiviq* and were moving the *Kulluk* with two tow vessels when it separated from the *Aiviq* about 10 to 15 miles offshore Monday afternoon. Shell is reviewing how this sequence of events led to this incident. The *Kulluk* is carrying 150,000 gallons of diesel fuel and about 12,000 gallons of lube oil and hydraulic fluid. A U.S. Coast Guard flyover on Tuesday indicated the vessel remains grounded but stable, and the crew's aerial inspection found no signs of a fuel spill from the vessel.

www.kullukresponse.com

<http://www.shell.us/aboutshell/media-center/news-and-press-releases/2013/01/012013-statement.html>

<https://www.piersystem.com/go/doc/5507/1670863/Update-15-Kulluk-stable-no-signs-of-fuel>

<http://finance.yahoo.com/news/no-sheen-seen-drill-ship-194315841.html>

Black Pearl Resources Awards Engineering Contract to Develop 20,000 b/d Blackrod Oil Sands Project in Alberta

Canadian oil sands startup Black Pearl Resources has awarded a detailed engineering contract to Projex to develop a 20,000 b/d in-situ bitumen extraction facility in Alberta, a company official said Monday. The Blackrod steam-assisted gravity drainage project will initially have a capacity of 20,000 b/d, and two more phases of 30,000 b/d each will be added later, the official said. The facility will recover bitumen from the Lower Grand Rapids area in the Athabasca region, where Black Pearl's proven plus probable resources are estimated to be 476 million barrels. The company's current plans assume 2013 will include detailed engineering design and ordering of long lead time items, while field construction will occur in 2014 and 2015 and first steam in the ground will start in late 2015. The project will require approval from Alberta's Energy Resources Conservation Board, which in October announced it had received an application from Black Pearl to build and operate the Blackrod oil sands project.

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Oil/6968665>

<http://www.ercb.ca/RSS/yp-starter/2680.aspx>

Natural Gas

Update: West Virginia Public Service Commission Says Columbia Pipeline May Restart Its Ruptured 20-Inch Natural Gas Pipeline after Meeting Certain Conditions – Local Official

The West Virginia Public Service Commission (PSC) has conditionally approved to Columbia Gas Transmission to restart its 20-inch natural gas pipeline that exploded in Sissonville, West Virginia on December 11, a local official reported. The official said the PSC included a "long list" of actions the gas company has to take before Columbia can restart the pipeline, and that it would "take a while" for the company to respond to each demand. The official said he wasn't sure how long it would take. The PSC approved replacing the portion of the pipeline that exploded, and told Columbia it could operate the pipeline at 80 percent pressure.

http://www.downstreamtoday.com/news/article.aspx?a_id=38116

Update: Canada Regulator Solicits Public Comments on TransCanada's Proposed 1.7 Bcf/d Coastal GasLink Natural Gas Pipeline Project in British Columbia

The Canadian Environmental Assessment Agency on Monday announced it was inviting public comments as part of a federal environmental assessment for the proposed Coastal GasLink Pipeline Project in British Columbia. TransCanada Corporation announced in June 2012 that it had been selected by Shell Canada Limited and its partners to design, build, own, and operate the Coastal GasLink project, a proposed 650-km pipeline that would transport natural gas from the Montney gas-producing region near Dawson Creek, British Columbia, to a proposed liquefied natural gas (LNG) export facility near Kitimat, B.C. The project will initially have the capacity to flow approximately 1.7 billion cubic feet of natural gas per day (Bcf/d) and could deliver up to approximately 5.0 Bcf/d after further expansion.

<http://www.ceaa-acee.gc.ca/050/document-eng.cfm?document=84265>

<http://www.ceaa-acee.gc.ca/050/details-eng.cfm?evaluation=80020>

Ice Buildup Causes AGI Compressor Shutdowns at Regency's 290 MMcf/d Waha Gas Plant in Texas December 31

Regency Energy Partners reported an acid gas injector (AGI) compressor at its Waha plant shut down on high fourth-stage scrubber level late Monday night and twice again Tuesday morning, according to filings with the Texas Commission on Environmental Quality. Operators determined that the fourth-stage meter and transmitter were faulting from ice build-up during cold weather. Extra insulation was added covering the equipment.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=177558>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=177560>

Southern Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas December 31

Southern Union Gas Services reported it was flaring low-pressure gas at its Keystone plant on Monday due to field units going down, 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=177556>

Two AGI Units Unexpectedly Shut at Enbridge's Tilden Gas Plant in Texas December 30

Enbridge reported that both the No. 1 and No. 2 acid gas injector (AGI) units at its Tilden plant shut down Sunday afternoon, according to a filing with the Texas Commission on Environmental Quality. AGI Unit 1 shut on a compressor motor fault, and AGI Unit 2 shut on high fifth-stage level.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=177549>

Other News

Congress Extends Tax Credits for Wind Energy, Biodiesel, and Cellulosic Ethanol with American Taxpayer Relief Act

Congress on Tuesday night passed the American Taxpayer Relief Act of 2012, which includes tax credit extensions for wind energy, biodiesel, and cellulosic ethanol. The bill today moved to President Barack Obama for his expected signature. The extension of the wind energy production tax credit, and investment tax credits for community and offshore projects, will cover all wind projects that start construction in 2013. The \$1/gallon biodiesel tax incentive was retroactively reinstated to January 1, 2012 and renews it through the end of 2013. Tax extensions for production of cellulosic ethanol from plant materials are also included in the bill, and for tax purposes algae will now be treated as a qualified feedstock for production of biofuel.

<http://ens-newswire.com/2013/01/02/fiscal-cliff-deal-extends-wind-energy-biodiesel-tax-credits/>
<http://www.hydrocarbonprocessing.com/Article/3135927/Latest-News/US-votes-to-reinstate-biodiesel-tax-incentive.html>

American Fuel & Petrochemical Manufacturers Petitions EPA to Waive 2012 Cellulosic Biofuel Mandate Citing Lack of Domestic Supply

The American Fuel & Petrochemical Manufacturers (AFPM) announced Monday that it has petitioned the U.S. Environmental Protection Agency (EPA) to waive the 2012 cellulosic biofuel mandate, citing a lack of domestic supply available for commercial use. This is the second year in a row that AFPM filed a waiver petition for the biofuel mandate, which EPA has ordered under the Renewable Fuel Standard.

<http://www.afpm.org/news-release.aspx?id=3468>

International News

Update: Yemen Resumes Operation of Its 110,000 b/d Maarib Crude Oil Pipeline at Reduced Rates after Repairs December 31

Sources at Yemen's state-run Safer oil company and the oil ministry said the 110,000 b/d Maarib crude oil pipeline, which has been damaged in repeated bombings, resumed pumping crude oil at reduced rates on Monday after repairs. The pipeline has been shut since a November 12 explosion. The pipeline was pumping around 70,000 b/d to the Ras Isa oil terminal on the Red Sea.

<http://thepeninsulaqatar.com/business/220124-yemen-resumes-oil-flows-after-pipeline-repairs.html>

Officials Impound Vessel Carrying 1,000 Tonnes of Stolen Crude Oil Offshore Nigeria January 1

<http://saharareporters.com/news-page/jtf-impounds-vessel-carrying-1000-tonnes-crude-oil-rivers>

<http://en.starafrica.com/news/nigerian-army-arrests-vessel-with-suspected-1000-tonnes-of-stolen-crude-oil.html>

Energy Prices

U.S. Oil and Gas Prices			
January 2, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	92.89	91.06	99.60
\$/Barrel			
NATURAL GAS			
Henry Hub	3.24	3.37	2.98
\$/Million Btu			

Source: Reuters

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 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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