



ENERGY ASSURANCE DAILY

Tuesday Evening, January 08, 2013

Electricity

New York Commission Recommends Privatizing LIPA after Its Poor Response to Sandy

New York Governor Cuomo's recently convened Moreland Commission on Monday recommended privatizing the state-owned Long Island Power Authority (LIPA) amid criticism that the utility was too slow to restore power to customers on Long Island following Hurricane Sandy. LIPA provides power on Long Island through a services agreement with National Grid Plc that expires at the end of 2013. At that time, a unit of Public Service Enterprise Group Inc. is set to take over as the system's operator for 10 years. The Moreland Commission has recommended a private utility buy LIPA, or that LIPA assume the management of its own operating system, in an effort to address what the commission called a "dysfunctional management structure" that led to an operational and communications disconnect between LIPA and National Grid and an inadequate response to Sandy.

<http://www.reuters.com/storm-sandy-lipa>

<http://moreland.ny.gov/>

More Than 9,000 MW of Coal-Fired Generation Retired in the United States in 2012 amid Stricter Federal Pollution Standards, Cheap Natural Gas

More than 9,000 MW of coal-fired generation were retired in the United States in 2012 as impending federal pollution standards moved closer to reality and cheaper natural gas made the coal-fired plants less economical, according to a Reuters survey of power generators. U.S. companies have retired or announced plans to shut or convert more than 36,000 MW of older coal-fired plants over the next few years as they work to reduce emissions in advance of new environmental rules and shift to less-expensive natural gas.

<http://www.reuters.com/article/2013/01/04/utilities-coal-usa-idUSL1E9C477A20130104?feedType=RSS&feedName=marketsNews&rpc=43>

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Restarts, Ramps Up to 9 Percent by January 8

Grand Gulf 1 is returning from an outage that began January 4, when the reactor automatically scrambled from what appeared to be a generator/turbine trip. The incident was under investigation.

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

Update: STP's 1,251 MW South Texas Nuclear Unit 2 in Texas Ramped Up to 48 Percent by January 8

South Texas Unit 2 is returning from an outage that began January 4, when operators manually tripped the reactor after two shutdown rods unexpectedly dropped during monthly control rod surveillance testing. The cause of the two dropped rods was under investigation. Operators restarted the unit by January 7.

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

Arizona Public Service's 1,247 MW Palo Verde Nuclear Unit 3 in Arizona Reduced to 46 Percent by January 8

On the morning of January 7 the unit was operating at full power.

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

Update: PG&E's 154 MW Kerkhoff Hydro Unit 1 in California Returns to Service by January 7

The unit returned from an unplanned outage that began by January 6.

<http://content.caiso.com/unitstatus/data/unitstatus201301071515.html>

GenOn's 317 MW Pittsburg Natural Gas-Fired Unit 6 Shut by January 7

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201301071515.html>

EDF Renewable Energy Announces Operation of 150 MW Bobcat Bluff Wind Project in Texas

EDF Renewable, a unit of French power company EDF Group, on Monday reported its 150 MW Bobcat Bluff wind project in Archer County, Texas became operational on December 26. The project consists of 100 of General Electric Co.'s 1.5-MW turbines.

<http://www.reuters.com/article/2013/01/08/utilities-edf-wind-idUSL1E9C819L20130108>

Update: Progress Energy Nearing Decision to Repair or Retire Its Damaged 838 MW Crystal River Nuclear Power Plant in Florida – Public Service Commission

Progress Energy Florida, a subsidiary of Duke Energy, on Monday told the Florida Public Service Commission that it is a week or two away from submitting a draft report evaluating repair options for its Crystal River reactor to the company's chief nuclear officer. The plant has been shut since a containment building crack formed during an upgrade and maintenance project in 2009. Repairs would likely take several years, with cost estimates ranging from \$1.5–\$3.5 billion. A lawyer for the utility said the company plans to make a decision by this summer, although he didn't rule out a decision before then. The commissioner said he expects a decision to come soon.

Reuters, 14:44 January 7, 2013

<http://finance.yahoo.com/news/crippled-fla-nuke-plant-decision-233132070.html>

<http://finance.yahoo.com/news/no-decision-yet-crippled-progress-175104723.html>

Petroleum

Oil Tanker Strikes 'Glancing Blow' to San Francisco Bay Bridge in California January 7; Officials Report No Leaks or Significant Damage

The oil tanker *Overseas Reymar* on Monday struck "a glancing blow" to a tower of the San Francisco Bay Bridge after unloading 350,000 barrels of crude at a Shell's Martinez, California refinery the day before, reports said. The U.S. Coast Guard confirmed the 752-foot, Marshall Island's-registered tanker collided with a tower of the bridge around 11:20 a.m. PST yesterday. The double-hulled ship sustained damage to its starboard quarter without breaching the hull, and there have been no reports of oil or hazardous materials spilling from the ship. The bridge fender system was damaged in the incident, but no structural or foundational damage to the bridge has been discovered. Vehicle traffic over the bridge was never impacted. The vessel was immediately directed to an anchorage area just west of Alcatraz Island by the Coast Guard Captain of the Port.

<http://www.uscgnews.com/UPDATE-Coast-Guard-investigating-vessel-strike-of-Bay-Bridge-San-Francisco>

<http://www.bloomberg.com/oil-tanker-overseas-reymar-strikes-san-francisco-s-bay-bridge.html?cmpid=yahoo>

Update: Colonial Restores Normal Operations on Its Line 3 Products Pipeline by January 7; Says Repairs Resulted in Delays on Lines 1 and 3 North of Greensboro

Colonial Pipeline said it has completed pump repairs at its Greensboro, North Carolina facility and restored normal gasoline operations to Line 3, which carries mixed products from North Carolina to New Jersey. The company had shut Line 3 after a pump failed last Tuesday. Colonial said the sequencing of products on lines north of Greensboro was adjusted during the repair time, and that this, combined with changes to flow rates during the repair, would result in about two to three days of lost delivery time on Line 3, and about one day of lost delivery time on Line 1.

Reuters, 13:32 January 7, 2013

Update: Shell's *Kulluk* Drillship Towed to Safe Harbor in Alaska by January 7

Royal Dutch Shell Plc on Monday confirmed that its Arctic class drillship *Kulluk* has arrived and is anchored in its final safe harbor location in Kiliuda Bay, Alaska, where it will undergo assessment. The ship had on December 31 grounded on the southeast shoreline of Sitkalidak Island while under tow in heavy seas from Alaska to the U.S. port of Seattle, Washington State. The *Kulluk* is one of two Shell drillships that operated this year in Shell's Alaska exploration program.

<http://www.kullukresponse.com/go/doc/5507/1675887>

<http://www.shell.us/aboutshell/projects-locations/alaska/kulluk-response.html>

Valero Reports SRU Upset at Its 310,000 b/d Port Arthur, Texas Refinery January 3

Valero reported the sulfur recovery unit (SRU) at its Port Arthur refinery experienced an upset last Thursday night, according to a filing with the Texas Commission on Environmental Quality. All sour water stripper units were placed on circulation and acid gas distributed among other sulfur recovery units, the filing said.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=177692>

Update: BP Restores Normal FCCU Operations at Its 455,790 b/d Texas City, Texas Refinery January 6

BP Plc reported the fluid catalytic cracking unit (FCCU) at its Texas City refinery was resuming normal operations Sunday evening after tripping offline that morning due to the loss of a blower, according to filings with the Texas Commission on Environmental Quality. Emissions related to startup procedures were expected to continue until Tuesday night.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=177720>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=177712>

Update: Crews May Have Damaged Pipe Before Major Fire at Chevron's 245,271 b/d Richmond, California Refinery Last Summer – U.S. Chemical Safety Board

Firefighters responding to a small leak at Chevron's Richmond refinery last summer may have accidentally punctured a pipeline before a major fire ignited, investigators with the U.S. Chemical Safety Board said. An August 6 fire caused by a failed pipe damaged the crude distillation unit; the refinery has been operating at unspecified reduced rates since then. Chevron expects to complete repairs and bring the unit back online sometime in the first quarter of 2013.

<http://finance.yahoo.com/news/feds-chevron-refinery-crews-may-183545190.html>

Global Partners to Deliver 50,000 b/d of Bakken Crude to Phillips 66's 238,000 b/d Linden, New Jersey Refinery

Global Partners LP today announced that it has signed a five-year contract with Phillips 66 under which Global will use its rail transloading, logistics, and transportation system to deliver crude oil from the Bakken region of North Dakota to Phillips 66's Bayway refinery in Linden, New Jersey. Phillips 66 is to receive approximately 91 million barrels of crude oil over the contract term, which equates to approximately 50,000 b/d.

<http://www.globalp.com/news/article.cfm?articleID=272>

U.S. Coast Guard to Conduct Risk Assessment of Proposed Oil Tanker Routes out of Vancouver

A recently passed U.S. legislative amendment gives the U.S. Coast Guard six months to conduct a risk assessment of proposed oil pipeline expansion projects that would increase tanker traffic out of the Vancouver area. The Coast Guard will study the risk of transporting oil via supertanker, tanker, and barge through the Salish Sea waterways, which encompass U.S. and Canadian territorial waters between southern Vancouver Island and the mainland.

http://www.downstreamtoday.com/news/article.aspx?a_id=38160

<http://www.vancouversun.com/pipeline+risk+assessment+conducted+Coast+Guard/7781535/story.html>

Natural Gas

SRU Malfunction Causes Ongoing SO₂ Emissions at DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas January 4

DCP Midstream reported a sulfur recovery unit (SRU) malfunction at its Goldsmith plant was causing ongoing sulfur dioxide (SO₂) emissions to flare from an associated tail gas incinerator, according to a filing with the Texas Commission on Environmental Quality. Emissions were expected to continue through January 12, pending repairs.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=177703>

Ice Buildup Shuts Acid Gas Compressor at Regency's 290 MMcf/d Waha Gas Plant in Texas January 4

Regency Energy Partners reported the acid gas compressor at its Waha plant shut down on high fifth-stage pressure last Thursday night, according to a filing with the Texas Commission on Environmental Quality. Operators found that a check-valve and transmitter equipment between the injection pump and the wellhead were collecting ice due to cold weather.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=177709>

Southern Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas January 6

Southern Union Gas Services reported it was flaring low-pressure gas at its Keystone plant on Sunday after field compressors upstream went down, causing the low-pressure system to overload, 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=177734>

Enbridge Reports AGI Unit Shutdowns at Its Tilden Gas Plant in Texas January 4

Enbridge reported acid gas injector (AGI) Units 1 and 2 went down on high fifth-stage discharge pressure at its Tilden plant last Thursday after the chiller generator faulted on low oil pressure, according to a filing with the Texas Commission on Environmental Quality. During this time AGI Unit 2 also experienced a no flow left bank, while AGI Unit 1 had a compressor motor fault.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=177747>

Other News

Nothing to report

International News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
January 8, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	92.96	91.40	101.36
\$/Barrel			
NATURAL GAS			
Henry Hub	3.30	3.36	2.91
\$/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 & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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

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