



ENERGY ASSURANCE DAILY

Thursday Evening, January 16, 2014

Electricity

Owensboro Municipal Utilities Substation Explodes in Kentucky Leaving 2,000 Customers Without Power January 15

An Owensboro Municipal Utilities substation exploded in Owensboro, Kentucky around 9 p.m. EST Wednesday night leaving approximately 2,000 customers without power. By 10:30 p.m. EST, power was restored to all customers. No injuries were reported and the cause of the explosion is under investigation.

<http://www.tristatehomepage.com/story/substations-explodes-in-owensboro-thousands-withou/d/story/7kh6daFRs0qYKLVB06OxnA>

Alabama Power to Repower Gaston, Gadsden, and Barry Coal-fired Power Plants Totaling 1,600 MW With Natural Gas

Southern Co.'s Alabama Power plans to run three coal power plants with a total capacity over 1,600 MW on cleaner natural gas fuel in the coming years to comply with the U.S. Environmental Protection Agency's Mercury and Air Toxics Standards which requires power companies to reduce mercury and other air emissions. Alabama Power wants to add gas capability to the four 255 MW units 1-4 at the Gaston coal-fired plant in Alabama by 2016 so they can run primarily on gas going forward. At the other Gaston unit, the 842 MW unit 5, Alabama Power said it will continue to burn coal but is adding in 2016 an air pollution control device known as a baghouse that removes particulates from the unit's exhaust. Alabama Power said it applied for the Gaston air permits with state regulators in mid-2013. In addition, Alabama Power said it expects to be running both 65 MW units 1 and 2 at the Gadsden coal- and gas-fired power plant in Alabama on natural gas in 2015. The Gadsden plant already has the capability to run on either coal or gas. Alabama Power also expects the 138 MW unit 1, 137 MW unit 2, and 249 MW unit 3 at the Barry coal-fired plant in Alabama to be running on natural gas in 2016. The company said the Barry units will lose the capability to use coal going forward.

Reuters, 12:32 January 16, 2014

California's Energy Commission Approves NextEra's 485 MW Blythe Solar Power Plant

The California Energy Commission on Wednesday agreed to allow NextEra to switch to solar photovoltaic technology from the previously approved solar parabolic-trough system at its proposed Blythe solar power plant. A NextEra spokesman said the company is still seeking approvals for the project from the U.S. Bureau of Land Management and is still looking for a company to buy the power from the proposed project. NextEra wants to build the project on land controlled by the Bureau of Land Management. NextEra's project would be developed on 4,070 acres of land in four phases, with the first three consisting of 125 MW and the fourth generating 110 MW. Construction on the project is expected to last 48 months.

Reuters, 16:29 January 15, 2014

Update: OPPD's 478 MW Fort Calhoun Nuclear Unit in Nebraska at Full Power by January 16

On the morning of January 15 the unit was operating at 60 percent from 30 percent on January 14, according to the Nuclear Regulatory Commission. The unit restarted and ramped up to 6 percent by January 13. The unit was shut January 9 when Omaha Public Power District (OPPD) reported inoperable water pumps due to the inability to close one of the sluice gates.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: Southern's 839 MW Farley Nuclear Unit 2 in Alabama at Full Power by January 16

Southern Co. restarted unit 2 and ramped the unit up to 44 percent power by the morning of January 15 after workers completed repairs to a reactor protection system. On January 10, during scheduled testing of the reactor protection system, the station received indications that required additional testing and maintenance of the system. Operators shut the reactor on January 11 to work on the system. The company said there was no release of radiation or threat to employees or the public.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: Luminant's 1,150 MW Comanche Peak Nuclear Unit 1 in Texas Ramps Up to 98 Percent by January 16

On the morning of January 15 the unit was operating at 65 percent from full power on January 14, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: PG&E's 1,087 MW Diablo Canyon Nuclear Unit 2 in California at Full Power by January 16

On the morning of January 15 the unit was operating at 80 percent from 50 percent on January 14, according to the Nuclear Regulatory Commission. PG&E Corp. said it reduced the unit to 50 percent power on January 10 to perform a planned cleaning of the unit's ocean water intake tunnels. The cleaning was done to prevent a buildup of ocean debris and biological growth in the tunnels, a company spokesman said.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Petroleum

Apache Corp. Says Severe Winter Weather Hurt Its Crude Oil Output in Oklahoma, Texas, and New Mexico in Fourth Quarter of 2013

Apache Corp. said a severe winter in late November and early December hurt output at its operations in Oklahoma, Texas, and New Mexico in the fourth quarter of 2013. Widespread power cuts and icy roads slowed down the resumption of production. Energen Corp., Pioneer Natural Resources Co., and its unit Pioneer Southwest Energy Partners have also said that severe weather in the U.S. hurt production. Pipeline outages and downtime caused by severe weather offset an increase in output in the Permian Region, which spans New Mexico and Texas, Apache said. The company estimated that Permian production increased by about 1,000 b/d during the fourth quarter. Output there had gone up by about 8,400 b/d during the third quarter. Apache said output slightly decreased in the Central Region, comprising Texas Panhandle and Western Oklahoma, but did not give an estimate. Fewer rigs drilling in the region and asset sales also weighed on output.

Reuters, 9:42 January 16, 2014

Chevron Delays Repairs at Its 245,000 b/d Richmond, California Refinery Until Late 2014 Despite Orders from Cal/OSHA – U.S. Congressman

Chevron Corp. is delaying repairs to its San Francisco Bay refinery in Richmond, California that was hit by a fire in 2012. The repairs are being delayed until late 2014 despite orders from the California Division of Occupational Safety and Health (Cal/OSHA), a U.S. congressman said in a letter on Wednesday. The letter said Chevron was using clamps to keep refinery units in operation until repairs could be made during a planned overhaul scheduled for late 2014. The congressman said Cal/OSHA ordered the clamps, put in place to stop leaks on the units, be replaced by repaired equipment by March 4, 2013. Chevron was appealing the citations issued by Cal/OSHA ordering the replacement of the clamps. In a report issued in April, the Chemical Safety Board (CSB) found a leak in piping on the refinery's sole crude distillation unit that triggered a fire on August 6, 2012. The leak was caused by corrosion from sulfur in crude oil, which dangerously thinned the wall of the pipe. Chevron chose not to replace the pipe during refinery overhauls prior to the fire, according to the CSB. No workers were injured in the fire, but in the days following, 15,000 San Francisco Bay area residents sought treatment for respiratory irritation due to the smoke plume.

Reuters, 1:04 January 16, 2014

Update: Chevron Says Normal Operations Continued Despite Process Unit Snag at Its 279,000 b/d El Segundo, California Refinery Over Weekend

Chevron Corp. said on Wednesday its refinery in El Segundo, California, continued to operate normally following minor operational issues related to a process unit over the last weekend. The company reported unplanned flaring on January 11 due to a breakdown at the refinery, according to a filing with state pollution regulators.
Reuters, 19:00 January 15, 2014

Tesoro Reports Unit Start-up at Its 166,000 b/d Martinez, California Refinery January 15

Tesoro Corp. reported the start-up of an unspecified unit at its Golden Eagle refinery in Martinez, California, according to a filing with Contra Costa Health Services.
Reuters, 11:42 January 16, 2014

Phillips 66 Reports ‘Start-up Issues’ at Its 362,000 b/d Wood River, Illinois Refinery January 15

Phillips 66 reported “start-up issues” with units at its Wood River refinery in Roxana, Illinois, a filing with the Illinois Emergency Management Agency said.
Reuters, 4:29 January 16, 2014

Shell Reports Operational Upset at Its 327,000 b/d Deer Park, Texas Refinery January 16

Royal Dutch Shell Plc said one or more of its units experienced an operational upset due to a power blip at the refinery on Thursday, which resulted in flaring, according to a message posted on a community information line. The Deer Park facility, which is a 50-50 joint venture between Shell and Pemex, houses the refinery and a chemical plant.
Reuters, 11:01 January 16, 2014

Natural Gas

Alaska, Energy Firms Sign Deal to Build 800-Mile Alaska Gasline to Bring Stranded Gas Reserves to Market January 15

Governor Sean Parnell said in a statement that a Heads of Agreement (HOA) on the Alaska Gasline project has been signed by the commissioners of the Alaska Department of Natural Resources and Revenue, ExxonMobil, BP, ConocoPhillips, TransCanada, and the Alaska Gasline Development Corporation (AGDC). The HOA provides a roadmap for the Alaska liquefied natural gas (LNG) project to ramp up the Pre-Front End Engineering and Design (Pre-FEED) stage, and establishes a framework for negotiating multiple project-enabling agreements. The HOA will pave the way for the construction of an 800-mile pipeline to a proposed LNG terminal in the Nikiski area on the Kenai Peninsula or another site.

<http://gov.alaska.gov/parnell/press-room/full-press-release.html?pr=6708>

<http://www.dor.alaska.gov/Portals/5/Docs/PressReleases/HOA.pdf>

<http://finance.yahoo.com/news/alaska-energy-firms-ink-deal-142234701.html>

Southern Union Reports Units Shut Due to Low Pressure Compression at Its Keystone Gas Plant in Texas January 15

Southern Union reported its Keystone gas plant lost all low pressure compression due to high liquid levels in inlet scrubbers which caused units to shut down. The field units were shut due to liquid coming in from the field, and no. 20 Cooper and no. 23 Cat units at the plant were shut due to hydrate in the common dump line. The field department was called about liquid coming into the Emperor station. The liquid was drained into a truck and compression was put on as levels allowed. Steam was put on the dump line for no. 20 and no. 23 to clear hydrate and put units back online.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=193034>

Enbridge Reports AGIs Shut Due to High Amount of Condensate at Its Tilden Gas Plant in Texas January 14

Enbridge reported acid gas injectors (AGIs) no. 2 and no. 3 shut down due to a large amount of condensate entering the plant due to a pigging event. The condensate overloaded the inlet filters and scrubbers of the Bigfoot inlet compressors. The inlet filters and scrubbers on all Bigfoot compressors were drained and AGIs no. 2 and no. 3 were restarted as quickly thereafter to minimize flaring emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=193032>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices January 16, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	93.55	90.97	94.18
NATURAL GAS Henry Hub \$/Million Btu	4.45	4.36	3.40

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>

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