



U.S. DEPARTMENT OF ENERGY  
Office of Electricity Delivery and Energy Reliability  
Infrastructure Security and Energy Restoration

# ENERGY ASSURANCE DAILY

Tuesday Evening, January 18, 2011

## Major Developments

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### **Update: Alyeska Shuts, Restarts TAPS Oil Pipeline System in Alaska January 15-17 – Company Installed Bypass Pipe around Site of Leak**

Alyeska Pipeline Service Company shut its 800-mile Trans Alaska Pipeline System (TAPS) at 12:07 AM on January 15 to install a bypass pipe around the site of a leak, but the company completed the bypass and restarted the TAPS pipeline at 10:18 AM on January 17, according to the website of the Unified Command, a jointly-run response team comprised of the company, the Environmental Protection Agency (EPA), and the Alaska Department of Environmental Conservation. Alyeska shut the line on January 8 after it found crude oil leaking into the basement of a booster pump building. The company restarted the line at reduced rates on January 11, but that restart was only a temporary measure designed to prevent the pipeline and associated tanks from freezing. The second shutdown forced Prudhoe Bay producers to slash crude output to 12 percent of normal: from 630,000 b/d, on average, to approximately 75,600 b/d. Those producers, however, were authorized to resume full production on January 17. The pipeline was delivering more than 500,000 b/d of crude – compared to 642,261 b/d, on average, in December 2010 – as of latest reports. The flow rate was expected to continue rising toward normal levels yesterday evening.

[http://dec.alaska.gov/spar/perp/response/sum\\_fy11/110108301/110108301\\_index.htm](http://dec.alaska.gov/spar/perp/response/sum_fy11/110108301/110108301_index.htm)

<http://www.reuters.com/article/idUSTRE70H0RN20110118>

## Electricity

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### **Update: Luminant's 1,150 MW Comanche Peak Nuclear Unit 1 in Texas at Full Power by January 16**

The company shut the unit by January 14 to fix a transformer, a Nuclear Regulatory Commission (NRC) spokesman said previously. The NRC reported that on the morning of January 15 the unit was operating at 6 percent.

<http://www.bloomberg.com/news/2011-01-14/u-s-nuclear-output-rises-as-energy-future-shuts-texas-reactor.html>

Information also derived from the NRC Power Reactor Status Reports:

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

### **AEP to Shut, Restart 528 MW Welsh Coal-Fired Unit 3 in Texas January 14-18**

American Electric Power (AEP) expected to shut and restart the unit on January 14-18 as it conducted “maintenance on auxiliary equipment, it said in separate filings with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149462>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149464>

### **San Miguel Electric Coop Restarting 410 MW San Miguel Coal-Fired Power Plant in Texas January 14**

The company fixed a tube leak and was restarting the unit on January 14, it said in a filing with state regulators. It was not clear when the unit went offline.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149491>

### **Calpine's 366 MW Inland Empire Gas-Fired Unit 2 in California Shut by January 17**

According to the California Independent System Operator, the unit reported an unplanned outage by January 17.

<http://www.caiso.com/unitstatus/data/unitstatus201101171515.html>

### **AES's 225 MW Huntington Beach Gas-Fired Unit 3 in California Shut by January 17**

According to the California Independent System Operator, the unit reported an unplanned outage by January 17.  
<http://www.caiso.com/unitstatus/data/unitstatus201101171515.html>

### **Calpine's 561 MW Los Medanos Gas-Fired Unit in California Reduced, Ramped Up by January 14-15**

According to the California Independent System Operator, the unit reported an unplanned curtailment of 296 MW by January 14, but ramped up from that curtailment by January 15.

<http://www.caiso.com/unitstatus/data/unitstatus201101141515.html>

<http://www.caiso.com/unitstatus/data/unitstatus201101151515.html>

### **Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Reduced to 41 Percent by January 18**

The company slowed the unit to "remove a faulty water recirculation pump from service," Bloomberg News said, citing a plant spokeswoman. The spokeswoman did not say when the unit might resume normal service. The Nuclear Regulatory Commission reported that on the morning of January 17 the unit was operating at full power.

<http://www.bloomberg.com/news/2011-01-18/u-s-nuclear-output-rises-as-oconee-1-starts-in-south-carolina.html>

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: Entergy's 730 MW Palisades Nuclear Unit in Michigan at Full Power by January 17**

Entergy declared an unusual event on January 8 at its 730 MW Palisades nuclear power plant in Michigan due to "a breaker/bus fault in a non-safety related feeder bus 'F'," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The failure led to the "loss of cooling water tower pumps and fans and subsequently a loss of one cooling tower." The company reduced the unit to 55 percent power on January 8 (and to 54 percent by January 9). It isolated the faulted bus and terminated the Unusual Event early on January 9. The NRC reported that on the morning of January 16 the unit was operating at 60 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110110en.html>

[http://www.mlive.com/news/kalamazoo/index.ssf/2011/01/palisades\\_nuclear\\_plant\\_exits.html](http://www.mlive.com/news/kalamazoo/index.ssf/2011/01/palisades_nuclear_plant_exits.html)

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: Duke Energy's 846 MW Oconee Nuclear Unit 1 in South Carolina at Full Power by January 18**

A "technical specification" required Duke Energy to shut the unit on January 8 due to the "partial closure of letdown line isolation valve 1HP-5," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of January 17 the unit was operating at 80 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110110en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

## ***Petroleum***

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### **SRU Shutdown Triggers Emissions at Flint Hills' 300,000 b/d Corpus Christi, Texas Refinery January 15-16**

Flint Hills Resources "implemented sulfur shedding plant-wide" a sulfur recovery unit (SRU) shutdown led to emissions at the west plant of its 300,000 b/d Corpus Christi, Texas refinery, the company said in a filing with state regulators. The upset also led to the shutdown of a coker wet gas compressor. Flint Hills was investigating the incident, but said initial findings suggested "instrumentation problems" were to blame for the SRU trip.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149498>

## **FCC-Related Malfunction Causes Flaring at Motiva's 285,000 b/d Port Arthur, Texas Refinery January 13**

"A restriction" in a fluid catalytic cracking unit (FCC) tail gas line led to flaring at Motiva's 285,000 b/d Port Arthur, Texas refinery on January 13, the company said in a filing with state regulators. The flaring ended within just over three hours, according to the filing. It was not clear if there was any impact on production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149490>

Reuters, 19:48 January 14, 2011

## **Snag Leads Total to Reduce Units Briefly at 232,000 b/d Port Arthur, Texas Refinery January 13**

A problem with a Unibon unit led Total to slow multiple units – the Unibon, a fluid catalytic cracking unit (FCC), a light cycle oil unit, and a distillate hydrotreater – for approximately five hours at its 232,000 b/d Port Arthur, Texas refinery on January 13, the company said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149470>

<http://online.wsj.com/article/BT-CO-20110114-710566.html>

## **Fire Extinguished Quickly at ExxonMobil's 149,500 b/d Torrance, California Refinery January 14**

A fire broke out at ExxonMobil's 149,500 b/d Torrance, California refinery on January 14, but the blaze was extinguished in 15 minutes and the facility continued to operate, according to a filing with state regulators. Firefighters blamed the blaze on a "petroleum product" spill. The filing suggested that the spill involved at least one barrel of crude oil.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/586f08bf7b68a7e888257819000ac5c8?OpenDocument>

[http://www.dailybreeze.com/news/ci\\_17097445](http://www.dailybreeze.com/news/ci_17097445)

## **Update: After January 6 Fire, Canadian Natural's 110,000 b/d Horizon Oil Sands Plant in Alberta, Canada Remains Offline January 17**

Canadian Natural Resources Limited's 110,000 b/d Horizon oil sands plant in Alberta, Canada remained shut on January 17, and an official stop work order was expected to keep the fire-downed facility offline until a crane arrived to give inspectors an aerial view of the damage. A fire injured five workers and forced shut the site on January 6. "It's likely to be a few days yet," a spokesman with the Alberta Occupational and Health and Safety (OH&S) said on January 17. The project produced about 107,800 b/d of synthetic crude oil, on average, in November 2010, and 83,700 b/d, on average, during December 2010; it was, prior to the January 6 incident, expected to yield between 105,000 b/d and 112,000 b/d in 2011.

<http://www.canada.com/business/Canadian+Natural+unsure+when+Horizon+restart/4120408/story.html?>

[http://www.cnrl.com/upload/media\\_element/371/02/0110-horizon-upgrader-incident-further-update.pdf](http://www.cnrl.com/upload/media_element/371/02/0110-horizon-upgrader-incident-further-update.pdf)

[http://www.cnrl.com/upload/media\\_element/369/02/0106\\_horizon-oil-sands-production.pdf](http://www.cnrl.com/upload/media_element/369/02/0106_horizon-oil-sands-production.pdf)

## **Citing Economic Growth and Cold Weather, IEA Revises Upward its Forecast for 2011 Global Oil Demand**

Global oil demand will surge to 89.1 million b/d in 2011, compared to 87.7 million b/d in 2010, the International Energy Agency (IEA) forecast in its newly-issued Oil Market Report. The 89.1 million b/d figure marks a 320,000 b/d increase from IEA's prior forecast; IEA credited the increase to "buoyant global economic growth and cold northern hemisphere weather."

<http://omrpublic.iea.org/>

<http://www.rttnews.com/ArticleView.aspx?Id=1529084>

### **Millennium Pipeline Fixes Leak along 525,400 Dth/d, 30-Inch, 182-Mile Natural Gas Pipeline in New York Over Weekend**

New York State Electric & Gas Corp. (NYSEG) asked its customers to reduce natural gas usage late last week as Millennium Pipeline fixed a leak along its 525,400 Dth/d, 30-inch, 182-mile natural gas pipeline in New York, but Millennium finished repairing the line on January 16, multiple news and company sources reported. Millennium planned to shut a portion of the pipeline on January 15, according to NYSEG. The Millennium Pipeline is jointly-sponsored by units of NiSource Inc., National Grid, and DTE Energy, according to its website. It runs from Steuben County to Rockland County, New York,

<http://www.pressconnects.com/article/20110117/NEWS01/101170365/1112/Fixes-to-Millennium-Pipeline-complete>

<http://online.wsj.com/article/AP9122bbfa5ba849a4ab8224ee10df0cf8.html>

<http://www.millenniumpipeline.com/defaultc.aspx>

### **Update: TransCanada Opens 407 MMcf/d, 30-Inch, 303-Mile, Wyoming-to-North Dakota Bison Natural Gas Pipeline January 14**

The pipeline runs from northeastern Wyoming, through Montana and North Dakota, to the Northern Border Pipeline in North Dakota. With additional compression, it is expandable to 1 Bcf/d.

<http://www.transcanada.com/5630.html>

### **Copano Energy, Energy Transfer Partners Plan 75,000 b/d NGL Pipeline in Eagle Ford Shale, Texas**

Copano Energy and Energy Transfer Partners plan to construct a 75,000 b/d, 12-inch, approximately 83-mile natural gas liquids (NGL) pipeline in the Eagle Ford Shale, Texas, Copano said on January 18. The Liberty Pipeline would begin at Copano's Houston Central Complex in Colorado County, Texas; it would run to Formosa Hydrocarbons Company's leased NGL product storage facility in Matagorda County, Texas, and then to Formosa's petrochemical facility in Calhoun County, Texas. Copano expects to complete the line by the summer of 2011.

<http://www.copanoenergy.com/RSS/News.asp?releaseID=1516597>

## Other News

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### **Montana Advanced Biofuels Plans 115 MMGal/Yr. Ethanol Plant near Great Falls, Montana**

The facility would process wheat and barley.

<http://www.greatfallstribune.com/article/20110114/DC5/101140350>

### **Update: Range Fuels to Shut Newly-Opened, Planned 60 MMGal/Yr. Cellulosic Biofuels Facility in Soperton, Georgia**

Citing a "problem with the feed system," economic conditions, and a "public apathy toward green fuels," Range Fuels expects to shut its newly-opened, pinewood waste-based, cellulosic methanol plant in Soperton, Georgia, according to the company's CEO and Reuters. Range Fuels opened the plant during the summer of 2010; the facility was equipped to produce less 10 MMGal/Yr. of cellulosic methanol, the CEO said then. The company, however, had expected to begin construction in the summer of 2011 on a project to expand the plant's capacity to 60 MMGal/Yr. The CEO referred to the shutdown as temporary. He said he hoped to resume production in several months.

<http://www.wrcbtv.com/Global/story.asp?S=13849214>

<http://www.reuters.com/article/idUS154341571120110114>

<http://www.rangefuels.com/range-fuels-produces-cellulosic-methanol-from-first-commercial-cellulosic-biofuelsplant.html>

## Energy Prices

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| U.S. Oil and Gas Prices<br>January 18, 2011                          |       |          |          |
|--|-------|----------|----------|
|  | Today | Week Ago | Year Ago |
| <b>CRUDE OIL</b><br><b>West Texas Intermediate U.S.</b><br>\$/Barrel | 91.62 | 89.30    | 78.43    |
| <b>NATURAL GAS</b><br><b>Henry Hub</b><br>\$/Million Btu             | 4.38  | 4.42     | 5.77     |

Source: Reuters

## Energy Notes

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**Transformer Snag Cuts Power Briefly to More Than 13,000 Alliant Energy Customers in Iowa January 17**

<http://easterniowanewsnow.com/2011/01/17/alliant-reports-13000-without-power/>

**Mechanical Problem Cuts Electricity to Approximately 10,000 Alabama Power Customers in Alabama January 17 – Company Restored Service to about Half of Customers within Hours, Expected to Return Electricity to Remaining Users Quickly**

[http://blog.al.com/spotnews/2011/01/power\\_restored\\_to\\_5000\\_of\\_1000.html](http://blog.al.com/spotnews/2011/01/power_restored_to_5000_of_1000.html)

**Attempted Copper Theft Allegedly to Blame as More than 1,587 Duke Energy Customers, 440 Laurens Electrical Cooperative Customers Lose Power for Several Hours in Laurens County, South Carolina January 15**

<http://www.wyff4.com/r/26504742/detail.html>

**Underground Electrical Explosion Injures Two Passers-By in San Bernardino, California January 17 – SCE Continuing Repairs, as of Latest Reports**

[http://abclocal.go.com/kabc/story?section=news/local/inland\\_empire&id=7904101](http://abclocal.go.com/kabc/story?section=news/local/inland_empire&id=7904101)

**Smoldering Wires Force Residents to Evacuate from 20 Multi-Family Homes in Boston, Massachusetts January 13-14**

<http://www1.whdh.com/news/articles/local/12003267586763/homes-evacuated-due-to-smoldering-wires-in-boston/>

**Cold Weather to Blame as SCE&G Customers in South Carolina Set New Record for Winter Peak Demand January 14 – Customers Used 4,872 MW of Electricity during 8 AM Hour, Breaking Previous Record of 4,720 MW Set on January 11, 2010**

<http://www.sceg.com/en/news-room/current-news/sceg-customers-set-new-record-for-winter-peak-demand.htm>

**NRC Working to Resolve Problems that Could Restrict Cooling Water Flows at Multiple U.S. Nuclear Power Plants**

<http://fredericksburg.com/News/FLS/2011/012011/01152011/600453>

**Academic and Industry Researchers Employ Synchrophasers to Monitor Large Electric Power Systems – Method Intended to Help Avoid Widespread Power Outages**

<http://www.dailytech.com/NC+State+Researchers+Develop+Technique+for+Monitoring+Large+Power+Systems/article20650.htm>

**Update: NRC Issues Final Safety Evaluation Report in Support of APS' Bid to Renew License for 20 Years at 3,872 MW Palo Verde Nuclear Power Plant in Arizona January 13**  
[http://adamswebsearch2.nrc.gov/idmws/DocContent.dll?library=PU\\_ADAMS^pbntad01&LogonID=2c53419c4c89cb04487b77fbbdfe19f&id=110130343](http://adamswebsearch2.nrc.gov/idmws/DocContent.dll?library=PU_ADAMS^pbntad01&LogonID=2c53419c4c89cb04487b77fbbdfe19f&id=110130343)

**Vapor Release at ConocoPhillips 362,000 b/d Wood River, Illinois Refinery by January 18**  
Reuters, 04:10 January 18, 2011

**Update: Judge Rejects Ensco Offshore's Bid to Force Federal Government to Accelerate Processing of Deepwater Drilling Applications January 13**  
[http://www.rigzone.com/news/article.asp?a\\_id=103154](http://www.rigzone.com/news/article.asp?a_id=103154)

**Norwegian Oil Production Declines 220,000 b/d, from Estimated 2.355 Million b/d in 2009 to 2.135 Million b/d in 2010: Oil Daily**  
<http://www.energyintel.com/#latest>

**No Injuries Reported after Small Explosion, Fire at Superior Pipeline's Gas Processing Plant near Cashion, Oklahoma January 15**  
<http://www.kfor.com/news/sns-ap-ok--plantfire,0,6131508.story>

**Shutdown of Delivery Point Leads to Pressure Build-up along Duke Energy's La Gloria Natural Gas Pipeline System in Texas January 16 – Issue Resolved within Hours**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149499>

**Turbines, Expanders Shut at Pegasus Gas Plant in Texas January 16-17 – At Least One Turbine Restarted January 17**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149501>

**Compressor Shuts, Restarts at West Credo Booster Station in Texas January 15**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149495>

**Power Disruption Leads to Compressor Shutdowns at Cedar Lake Booster Station in Texas January 15 – Compressor Restarted within about One Hour**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149496>

**Iran's Khayyam Field Contains 260 Billion Cubic Meters of Natural Gas: Oil Minister**  
[http://www.rigzone.com/news/article.asp?a\\_id=103174](http://www.rigzone.com/news/article.asp?a_id=103174)

**Update: After Grabbing Texas' Jurisdiction over Permit Process for Certain In-State Industrial Facilities, EPA Does Not Anticipate Delays in Process**  
<http://www.bloomberg.com/news/2011-01-14/epa-says-texas-plants-won-t-see-delays-in-permits.html>

**Foreign Automakers Ask Congress to Review EPA's Authorization of E15 Gasoline for Newer Vehicles**  
<http://detnews.com/article/20110114/AUTO01/101140434/1148/rss25>



## Links

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***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](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

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

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