



ENERGY ASSURANCE DAILY

Thursday Evening, January 24, 2013

Electricity

New Jersey BPU Adopts Measures to Improve Utility Storm Responses

The New Jersey Board of Public Utilities (BPU) on Wednesday announced it has required electric distribution companies (EDCs) operating in the state to take specific action to improve their preparedness and responses to major storms. The Board approved 103 separate measures, based on recommendations contained in a report prepared by the Board's consultant Emergency Preparedness Partnerships; recommendations provided by Board staff in the BPU Hurricane Irene Electric Response Report; and stakeholder comments received by the Board at numerous public hearings and in response to the above reports. The Board's Order sets deadlines by which EDCs must complete each specific improvement measure, with implementation of most measures prior to the beginning of the 2013 Hurricane Season on June 1, and nearly all of the measures prior to September 2013.

<http://www.nj.gov/bpu/pdf/boardorders/2013/20130123/1-23-13-6B.pdf>

<http://www.nj.gov/bpu/newsroom/announcements/pdf/20130123.pdf>

West Virginia PSC Orders Electric Utilities to Implement Vegetation Trimming Program in Response to June 2012 Derecho Storm

The Public Service Commission (PSC) of West Virginia on Wednesday ordered all electric utility companies operating in the state to file a petition to propose a comprehensive vegetation trimming program to maintain all rights-of-way over a proposed period of time. Petitions for the programs are to be submitted to the Commission within six months. Yesterday's order closes a general investigation launched by the Commission for the purpose of looking into utility responses and practices following the June 29, 2012 derecho summer storm, which left thousands of West Virginia utility customers without power for an extended period of time.

http://www.psc.state.wv.us/press/2013/Press_20130123.pdf

Update: Entergy's 1,075 MW Waterford Nuke Unit 3 in Louisiana Restarts, Ramps Up to 58 Percent by January 24

Waterford 3 is returning from an outage that began by January 22, when a low level condition on steam generator No. 1 caused the reactor to trip. The cause of the low level condition and associated reactor trip were under investigation.

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

Update: Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts at Full Power by January 24

The Pilgrim nuclear reactor returned to full power Thursday after an outage that began by January 22, when operators shut the unit down due to suspected leakage across the first stage pilot of a safety relief valve. Operators restarted the unit by January 23.

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

Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana Reduced to 77 Percent by January 24

On the morning of January 23 the unit was operating at full power.

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

Operators Reduced Load to Limit Emissions After Equipment Malfunction at Luminant's 593 MW Big Brown Coal-Fired Unit 2 in Texas January 23

Luminant reported the Big Brown Unit 2 electrostatic precipitator (ESP) 2-1 Outlet West and 2-2 Inlet West transformer rectifier set tripped yesterday morning, causing a brief episode of opacity, according to a filing with the Texas Commission on Environmental Quality. Operators reduced the unit load for compliance, and were planning to replace the ESP breakers and the silicon control rectifier.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178359>

IPL to Install Environmental Controls at Its Petersburg and Harding Street Coal-Fired Power Plants in Indiana to Comply with New EPA Standards

Indianapolis Power & Light Company (IPL) on Tuesday announced plans to install new environmental controls at its Petersburg and Harding Street coal-fired power generating plants, located in southwestern Indiana and in Indianapolis, respectively. The pollution controls, which are expected to reduce mercury emissions by approximately 80 percent, are intended to bring the facilities into compliance with new Mercury and Air Toxics Standards (MATS) established by the U.S. Environmental Protection Agency (EPA). Pending approval from the Indiana Utility Regulatory Commission, the company expects the project to take about three years to complete. An IPL official said the company is also discussing shutting down some of its older and smaller coal-fired units to be compliant with the MATS, including units at the Eagle Valley coal-fired power plant in Martinsville, Indiana.

<http://www.businessweek.com/ap/2013-01-23/aes-unit-plans-511m-in-power-plant-upgrades>http://www.iplpower.com/Our_Company/Media/News/News_Items/2013/IPL_plans_to_make_major_investment_in_environmental_controls/

Petroleum

Enterprise Cuts Deliveries Through 400,000 b/d Seaway Crude Oil Pipeline to 175,000 b/d Due to High Inventories at the Jones Creek, Texas Terminal January 23

Enterprise Products Partners has no timetable for restoring full flows through its Seaway oil pipeline, a spokesman said on Thursday. The 400,000 b/d pipeline connects Cushing, Oklahoma with the U.S. Gulf Coast. The company was forced to issue a curtailment order to shippers on Wednesday, restricting deliveries at the Jones Creek, Texas terminal to 175,000 b/d due to high inventories. Oil traders on Thursday said the curtailment at Seaway was due to an electrical fault at a connecting pipeline, which caused supplies to build up at Jones Creek. The problem could be resolved by next week, which would allow Seaway to resume normal rates, traders said. An Enterprise spokesman declined to comment on the status of facilities not owned by the company, but he did say that problems “downstream” of Seaway were the cause of the curtailment. Officials at ExxonMobil, which owns the 425,000 b/d pipeline that connects the Seaway terminal at Jones Creek with oil refineries in nearby Texas City and Houston, were not immediately available to comment.

Reuters, 12:28 January 24, 2013

Reuters, 08:08 January 24, 2013

Update: Shell Begins Service on First Segment of Its 300,000 b/d Houston-to-Houma Crude Oil Pipeline Reversal Project in Texas

Shell Pipeline has opened for shippers the first segment of its Houston-to-Houma, Louisiana (“Ho-Ho”) crude oil pipeline reversal project, a company spokeswoman said Wednesday. The 200,000 b/d Houston-to-Nederland, Texas segment is assuming a Mars-type crude service, the spokeswoman said, without specifying when the first phase of the project opened. First announced in March 2012, the Ho-Ho Reversal Project reversed the existing Houma-to-Houston service, including new origination and destination points, to connect the Houston and Port Arthur, Texas markets with Louisiana markets. The project will provide pipeline access to approximately 300,000 b/d of additional crude service to refineries along the U.S. Gulf Coast, including crudes from the Eagle Ford, Permian Basin, and Bakken shale plays, as well as crude supplies from the Cushing, Oklahoma hub. Subsequent phases of the project include reversing the pipeline between Nederland/Port Neches and delivery points in Louisiana to service facilities in the Lake Charles, Clovelly, and St. James areas. In late December 2012, Shell said it would issue a second open season in January inviting additional firm capacity commitments for the fully reversed pipeline system.

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Oil/6066710>

<http://www.shell.us/products-services/solutions-for-businesses/pipeline/houma.html>

Update: State Supreme Court Upholds Air Permit for Hyperion's Proposed 400,000 b/d South Dakota Refinery and Energy Center

The South Dakota Supreme Court has upheld the approval of an air quality permit that would allow Hyperion Refining LLC to begin construction on a proposed 400,000 b/d refinery in southeast South Dakota. The Hyperion Energy Center would process heavy oil sands crude from Alberta and would include a power plant that would use a refinery byproduct—solid petroleum coke—to produce electricity for the refinery. Opponents sued the South Dakota Board of Minerals and Environment, arguing the air quality permit was invalid because the board did not include an environmental impact statement. The court upheld the permit, saying an environmental impact statement was not required and that the board took into account all relevant environmental issues. Hyperion had previously hoped to start construction in March 2013, but reports late last year indicated that deadline appeared to be no longer feasible. http://siouxcityjournal.com/news/local/a1/sd-supreme-court-upholds-hyperion-refinery-permit/article_3f249be0-2511-5a94-b0d8-b53b67f15404.html

Citgo Says Its 163,000 b/d Corpus Christi, Texas Refinery Operating at Planned Rates after Unspecified Maintenance Work January 24

Citgo Corp. said its Corpus Christi refinery was operating at planned rates on Thursday. The refinery had reported maintenance work on an unidentified unit.
Reuters, 09:24 January 24, 2013

Delek Reports FCCU, Boiler Emissions at Its 60,000 b/d Tyler, Texas Refinery January 22

Delek Refining LTD reported excess opacity at its Tyler refinery Tuesday afternoon was due to maintenance on the electrostatic precipitator, according to a filing with the Texas Commission on Environmental Quality. The filing lists a fluid catalytic cracking unit (FCCU) and the No. 9 boiler as sources of emissions. <http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178371>

PBF Reports Gas Compressor Upset, Sulfur Dioxide Emissions at Its 180,000 b/d Paulsboro, New Jersey Refinery January 24

PBF Energy Inc. on Thursday reported a gas compressor upset at its Paulsboro refinery, according to a filing with the New Jersey Department of Environmental Protection (DEP). In a separate DEP filing, the refinery also reported sulfur dioxide emissions were caused when a flare shut down due to the cold weather.
Reuters, 08:24 January 24, 2013

Phillips 66 Reports Unspecified Unit Shutdown at Its 120,000 b/d Rodeo, California Refinery January 22

Phillips 66 reported an unspecified unit shut down at its Rodeo refinery on Tuesday, according to a filing with the Contra Costa County Health Department Hazardous Materials Program.
Reuters, 18:12 January 23, 2013

Natural Gas

Southern Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas January 23

Southern Union Gas Services reported it was flaring acid gas at its Keystone plant Wednesday morning because a liquid seal on the condenser drain had failed, 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=178393>

Other News

Nothing to report.

Bomb Shuts Ecopetrol's 70,000 b/d Cano Limon Crude Pipeline in Colombia January 22; Marks Third Attack on the Pipeline This Year

Leftist rebels allegedly dynamited a section of Colombia's Cano Limon crude oil pipeline late Tuesday, marking the third bombing of the pipeline since the year began. An official at state oil company Ecopetrol said the attack, which forced the company to shut the 70,000 b/d pipeline, occurred near the town of Saravena, across the border from Venezuela. The pipeline transports crude oil from the Cano Limon oilfield to the Atlantic coast. The Ecopetrol official said the pipeline will remain closed until repairs can be completed. The Cano Limon pipeline was also bombed on January 3 and 8, allegedly by the National Liberation Army, or ELN. Leftist rebels were also accused of dynamiting two southern oil pipelines and planting a bomb on the top coal exporter's northern railway in Colombia last weekend.

<http://www.foxbusiness.com/news/2013/01/23/colombia-rebels-blamed-again-for-cano-limon-pipeline-bombing-pumping-halted/>

Energy Prices

U.S. Oil and Gas Prices			
January 24, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	95.58	95.33	98.75
\$/Barrel			
NATURAL GAS			
Henry Hub	3.53	3.43	2.39
\$/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>

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