



ENERGY ASSURANCE DAILY

Thursday Evening, February 02, 2012

Electricity

Update: Entergy Reapplies with Vermont Board to Continue Operating Its 563 MW Vermont Yankee Nuclear Plant

Entergy Corp. has asked the Vermont Public Service Board for permission to continue operating its Vermont Yankee nuclear plant for another 20 years. The filing follows a January 19 decision by the U.S. District Court invalidating a state law that would have required Entergy to shut the plant when its first federal operating license expires in March 2012. Entergy filed a motion asking the Board to take action in the existing docket without further proceedings, a company executive said. Vermont has not said whether it intends to appeal the District Court ruling, but a permanent injunction issued in the decision prohibits the state from shutting the plant during any appeal. Reuters, 16:24 February 1, 2012

Watson Cogenerations' 417 MW Watson Gas-Fired Unit in California Reduced by February 1

The unit entered an unplanned curtailment of 227 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201202011515.html>

Dynegy's 335 MW El Segundo Gas-Fired Unit 4 in California Shut by February 1

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201202011515.html>

Petroleum

Hess to Shut FCCU for Repairs at Its 70,000 b/d Port Reading, New Jersey Refinery February 2

Hess Corp. will temporarily shut the gasoline-making fluid catalytic cracking unit (FCCU) for repair at its Port Reading refinery, a spokeswoman said on Thursday. The unit has been using more catalyst than normal, and after completing a technical evaluation, the company decided to shut the unit for repair. Hess did not estimate when the unit would return to service.

Reuters, 10:32 February 2, 2012

Flint Hills Resources Shuts Alkylation Unit Due to Leak at Its 288,468 b/d Corpus Christi, Texas Refinery January 31

Flint Hills Resources (FHR) operators discovered a leak Tuesday night from a thermal weld on the depropanizer tower in the alkylation unit, according to a filing with state regulators. FHR shut the alkylation unit and began purging the tower with nitrogen after depressurizing the equipment. Following the investigation and subsequent repairs, FHR will return the process unit to normal operating conditions.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=164319>

ConocoPhillips Reports Unit Upset, Emissions at Its 247,000 b/d Belle Chasse, Louisiana Refinery February 1

ConocoPhillips reported a release of light hydrocarbons on Wednesday due to an unspecified unit upset at its Alliance Refinery in Belle Chasse, Louisiana, according to a filing with the U.S. National Response Center.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1001875

Enbridge Applies for Permission to Build 60,000 b/d Oil Pipeline in North Dakota

Enbridge Inc. has asked state and federal regulators for permission to build a new oil pipeline beneath Lake Sakakawea, the largest reservoir in the Missouri River. The 12-inch pipeline would carry 60,000 b/d of oil from Enbridge's Beaver Lodge pumping station southeast of Tioga to a location east of Watford City, in McKenzie County, Enbridge said in a regulatory filing. The company would like to commence operations on the pipeline by the end of 2013. North Dakota's Public Service Commission is reviewing the pipeline's route and development plans, and the U.S. Bureau of Land Management is conducting an environmental review of federal lands along the pipeline's proposed route.

<http://www.grandforksherald.com/event/apArticle/id/D9SL1VVG0/>

Suncor May Slow Plans to Boost Output to 1 MMb/d by 2020

Suncor Energy Inc. may increase oil production more slowly than it had planned if labor and supply costs rise in Alberta, where the company produces the bulk of its production from oil sands, executives said during a conference call Wednesday. The company has reported plans to increase output to 1 million barrels a day across all its operations by 2020 as it expands its oil-sands operations.

<http://www.businessweek.com/news/2012-02-02/suncor-may-slow-plans-to-boost-output-if-costs-rise.html>

Natural Gas

Cryogenic Plant Shutdown Causes Upset, Flaring at Copano's 700 MMcf/d Houston Central Gas Plant in Texas January 31

Copano Processing reported its still make tank overpressured and led to flaring during an upset caused by the cryogenic plant being down. Operators controlled pressure and the flaring and smoking ceased.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=164323>

Shell Expects Low Gas Prices to Recover, Has No Plans to Curtail Natural Gas Production

Royal Dutch Shell has no plans to cut natural gas production because it expects low commodity prices to recover, an executive said Thursday. Shell does plan, however, to concentrate on more profitable liquids-based plays, rather than pure gas fields.

Reuters, 09:39 February 2, 2012

Other News

GVG, Partners Move Forward with Plans to Develop Beet Biofuel Industry in North Dakota, Construct at Least 12 Beet Ethanol Plants across State

A project to develop an advanced biofuel from energy beets will move forward with a significant two-year grant from the North Dakota Renewable Energy Council, according to local reports. The project is being developed by a public-private partnership with the Green Vision Group (GVG) of Fargo, the Heartland Renewable Energy of Muscatine, Iowa, and the North Dakota State University. Phase II of the project seeks to establish a federal crop insurance program for energy beets; develop the energy beet biofuels industry in North Dakota; expand regional research; develop storage technology to enable year-round processing; promote opportunities to local producers; and develop at least 12 sustainable ethanol facilities across North Dakota. GVG is in the process of selecting the location for its first processing facility, which is expected to produce 20 MMGal/Yr. of ethanol once complete.

<http://www.agweek.com/event/article/id/19515/>

USDA Announces Conditional Loan Guarantee for 25 MMGal/Yr. ZeaChem Boardman Biorefinery in Oregon

The U.S. Department of Agriculture (USDA) announced late last week that it has approved a conditional 60 percent loan guarantee to ZeaChem Boardman Biorefinery, LLC (ZBB) through the Biorefinery Assistance Program. ZBB will operate a 25 MMGal/Yr. biorefinery, which will be constructed on an industrial site in Boardman, Oregon, along the Columbia River. The biorefinery is projected to be operational by late 2014. The biorefinery will use high-yield cellulosic fermentation technology to produce advanced biofuels (cellulosic ethanol and other biofuels). The feedstock will consist of approximately 30 percent agricultural residue, such as wheat straw and corn stover, and 70 percent woody biomass from a local hybrid poplar farm.

http://www.rurdev.usda.gov/STELPRD4014437_print.html

NRC Study Concludes Existing Mitigation Measures at U.S. Nuclear Plants Should Prevent Reactor Core Damage in the Event of a Severe Accident

The U.S. Nuclear Regulatory Commission (NRC) released a report Wednesday with conclusions from its State-of-the-Art Reactor Consequence Analyses (SOARCA), a research project it began in 2007 to examine possible radiological health consequences for potential severe nuclear power plant accidents in the United States. The NRC concluded that potential public health risks are “very small” because reactor operators, if successfully implementing existing mitigation measures, should have time to prevent core damage and reduce the release of radioactive materials. The availability of portable diesel-driven pumps, for example, would be helpful in mitigating the consequences of a severe accident by moving water through the reactor core to cool the fuel.

<http://www.reuters.com/article/2012/02/01/us-utilities-nuclear-accidentstudy-idUSTRE8101ZA20120201>

Significant Increases in Computer Security Needed to Protect against Power-Grid Cyber Attacks – Bloomberg Survey

A recent Bloomberg survey showed that energy companies, including utilities, would have to increase their investment in computer security more than seven-fold to reach an ideal level of protection against a cyber attack. According to security analysts, Internet-based terrorists could cause blackouts lasting as long as 9–18 months by disabling critical systems such as transformers. The survey of network managers at 21 energy companies, including 14 utilities, found companies spend an average of \$45.8 million a year on computer security and are able to prevent 69 percent of known cyber strikes against their systems. Increasing a company’s annual spending to an average of \$69.3 million could avert 88 percent of attacks, the study found, and an average annual budget of \$344.6 million per company could avert 95 percent of the threats.

<http://www.bloomberg.com/news/2012-02-01/cyber-attack-on-u-s-power-grid-seen-leaving-millions-in-dark-for-months.html>

International News

Shell Says Global Refining Industry Facing 6 MMb/d Surplus Capacity, Predicts More European Plant Closures

Royal Dutch Shell said Thursday the global oil refining industry is facing about 6 MMb/d of surplus capacity after 2 million barrels of new capacity came on stream last year and another one and a half are predicted this year, according to an executive. The company predicted more European plant closures due to weak profit margins and noted it had reduced its European portfolio significantly over the last few years.

<http://www.reuters.com/article/2012/02/02/shell-oil-refining-idUSL5E8D254Q20120202>

Energy Prices

U.S. Oil and Gas Prices			
February 2, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	96.00	100.77	89.12
NATURAL GAS Henry Hub \$/Million Btu	2.32	2.61	4.42

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 EDT every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM EDT every Thursday.

ENERGY ASSURANCE DAILY

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

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