



ENERGY ASSURANCE DAILY

Monday Evening, February 13, 2012

Electricity

Update: AEP Reconsiders Plans to Retire Its 816 MW Big Sandy Coal-Fired Unit 2 in Kentucky

American Electric Power Co. (AEP) might keep its Big Sandy Unit 2 in operation after state regulators indicated the company could possibly recover from customers the cost to refit the coal-burning unit to reduce toxic emissions, an executive told investors Friday. The company announced in June that new U.S. Environmental Protection Agency air-pollution rules would force it to retire nearly 6,000 MW of capacity.

<http://www.bloomberg.com/news/2012-02-10/aep-reduces-coal-fired-plants-it-will-shut-because-of-epa-rules.html?cmpid=yahoo>

<http://www.aep.com/environmental/news/?id=1697>

PG&E's 1,087 MW Diablo Canyon Nuclear Unit 2 in California Reduced to 87 Percent by February 13

On the morning of February 12 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Terra Gen's 150 MW Alta Wind Energy Center Unit 3 in California Shut by February 10

The unit reported a curtailment of 150 MW due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201202101515.html>

Boiler Tube Leak Reported at Luminant's 593 MW Big Brown Coal-Fired Unit 2 in Texas February 11

Luminant reported that water from a boiler tube leak in the Unit 2 boiler leaked into the No. 1 fly ash silo, according to a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164716>

Southwestern's 360 MW Harrington Coal-Fired Unit 1 in Texas Shut February 11

Southwestern Public Service Co. reported Unit 1 experienced a tilt rotor set trip in the precipitator, leading to emissions, according to a filing with the Texas Commission on Environmental Quality. Operators immediately dropped load on the unit to decrease the opacity.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164724>

Petroleum

PBF Reports Normal Operations after Fluid Coking Unit Upset at Its 190,000 b/d Delaware City, Delaware Refinery February 13

PBF Energy said all operations were normal on Monday at its Delaware City refinery, according to a notice on the community information line. The company had earlier reported an upset at the fluid coking unit that caused a release of hydrogen sulfide, hydrogen cyanide, and ammonia.

Reuters, 09:19 February 13, 2012

Blower Loss Shuts FCCU at BP's 455,790 b/d Texas City, Texas Refinery February 10

BP Plc reported a fluid catalytic cracking unit (FCCU) tripped offline Friday due to the loss of a blower, according to a filing with the Texas Commission on Environmental Quality. Operators made adjustments to stabilize the unit, and the unit resumed operation.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164733>

ExxonMobil Reports Flaring at Its 344,500 b/d Beaumont, Texas Refinery February 13

ExxonMobil reported flaring at its Beaumont refinery, according to a notice posted on the Southeast Texas Alerting Network. The notice said operating conditions within the plant required flaring.

Reuters, 06:24 February 13, 2012

Valero Shuts SRU Due to Unit Upset at Its 310,000 b/d Port Arthur, Texas Refinery February 9

Valero reported a sulfur recovery unit (SRU-545) experienced an upset that required operators to shut it down, according to a filing with the Texas Commission on Environmental Quality. The refinery placed the sour water stripper units on circulation, moved acid gas to other sulfur recovery units, and activated the refinery sulfur shedding plan to reduce acid gas production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164697>

Unspecified Unit Malfunction Leads to Flaring at Citgo's 163,000 b/d Corpus Christi, Texas Refinery February 10

Citgo Petroleum Corp. reported a unit malfunction triggered flaring at its east and west plants on Friday night, according to a filing with local officials.

Reuters, 15:24 February 12, 2012

Valero Reports Flaring after Shutting Inlet Gas Compressors at Its 142,000 b/d Corpus Christi, Texas Refinery February 10

Valero on Monday said the flaring it reported on Friday, which was due to the shutdown of inlet gas compressors, had no material impact to production. No main production units were involved in the flaring, a spokesman said.

Reuters, 11:14 February 13, 2011

ConocoPhillips Reports Unspecified Process Upset, Emissions at Its 146,000 b/d Borger, Texas Refinery February 11

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164725>

Chevron Starts Hydrogen Plant at Its 330,000 b/d Pascagoula, Mississippi Refinery February 13

Chevron Corp. reported the startup of a hydrogen plant at its Pascagoula refinery on Friday, according to a filing with the U.S. National Response Center. The startup resulted in the flaring of nitrogen oxide, according to the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1002706

ConocoPhillips Reports a Leak at Its 120,000 b/d Rodeo, California Refinery February 9

ConocoPhillips reported a leak Thursday at its Rodeo refinery in Northern California, according to a notice with county regulators. Operators resolved the situation, according to the filing.

<http://www.businessweek.com/news/2012-02-10/u-s-northwest-gasoline-strengthens-on-work-at-bp-oil-refinery.html>

Update: Suncor Reduces Rates during Repairs to Damaged Unit at Its 135,000 b/d Edmonton, Alberta Refinery

Suncor Energy Inc. said repairs to a damaged unit at its Edmonton refinery will take up to two weeks. The refinery will operate at reduced rates while repairs are completed. A process upset occurred on Thursday after the piping in a hydrotreater unit failed. Suncor is inspecting the piping to determine the cause of the failure, according to a spokeswoman, who also said the refinery has sufficient inventories at Edmonton to meet customer demand.

Reuters, 17:20 February 10, 2012

Update: Venoco Nears Completion on Its South Ellwood Pipeline Project in California

The Santa Barbara Courtney Board of Supervisors are scheduled on Tuesday to consider an ordinance allowing the company to begin transporting oil via a pipeline that has already been built, instead of by barge. Venoco Inc. late last month finished installing a new 6-inch crude oil pipeline that will extend 8.5 miles from the company's Ellwood Onshore Facility and to the Plains Pipeline System in Gaviota. The pipeline will allow oil to bypass the Ellwood Marine Terminal.

http://www.noozhawk.com/article/020612_santa_barbara_county_venoco_pipeline/

Natural Gas

30-Inch Florida Gas Pipeline Ruptures in Louisiana February 13

A 30-inch natural gas pipeline operated by Florida Gas Transmission Co. ruptured around 2:15 AM in Pride, Louisiana, according to local officials, who are investigating the incident. Florida Gas operates a 5,000-mile pipeline system delivering up to 2.3 Bcf/d of gas from Texas to Florida.

Bloomberg News, February 13, 2012

http://www.fox8live.com/news/local/story/Gas-pipeline-ruptures-near-Baton-Rouge/OIXQsaP5UkO9A6yUlz_N7g.csp

http://www.panhandleenergy.com/comp_fld.asp

Other News

Arch Coal Estimates Coal Consumption for Power Generation to Decline by at Least 50 Million Tons from 2011

Arch Coal Inc. said in its fourth-quarter report Friday it currently estimates domestic coal consumption for power generation to decline by 50 million tons or more from 2011 levels, as mild weather has reduced power demand and the current oversupply in natural gas markets could induce more coal displacement. Domestic coal consumption declined 5 percent in 2011, according to the Arch report, resulting from the decrease in power generation as well as fuel switching by power producers given decade-low prices for natural gas and abnormally high hydroelectric availability.

<http://news.archcoal.com/phoenix.zhtml?c=107109&p=irol-newsArticle&ID=1659418>

International News

Update: Iraq Inaugurates New 900,000 b/d Persian Gulf Oil Export Terminal Offshore Basra February 12

Iraq's Prime Minister Nouri al-Maliki on Sunday opened the tap to start experimental pumping for the floating terminal, which is located about 35 miles off the Iraqi coast. Iraq plans to start the actual loading of crude in 7–10 days, initially boosting oil exports through the country's south by 200,000 to 300,000 b/d, according to an official with the state-run South Oil Co. The new, single-point mooring will have a full capacity of 900,000 b/d and is the first of five export facilities that would eventually handle about 5 MMb/d. The second floating terminal is scheduled to come online within 2–3 months, according to the official. Iraq currently produces 2.9 MMb/d and exported an average of 2.145 MMb/d of crude oil in December. It plans to increase production to 3.4 MMb/d and increase exports to 2.6 MMb/d in 2012.

Reuters, 05:18 February 12, 2012

<http://economictimes.indiatimes.com/news/international-business/iraq-opens-new-oil-export-terminal-in-persian-gulf/articleshow/11865650.cms>

Mexico Shuts Cayo Arcas Oil Export Port in the Gulf of Mexico February 11 Due to Poor Weather

Mexico shut Cayo Arcas, one of the country's three main oil export hubs in the Gulf of Mexico, on Saturday due to poor weather, port authorities said. Almost all of Mexico's crude oil exports are shipped to refineries on the U.S. Gulf Coast from the Cayo Arcas, Dos Bocas, and Coatzacoalcas facilities.

Reuters, 15:14 February 11, 2012

Energy Prices

U.S. Oil and Gas Prices February 20, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	100.10	96.97	84.25
NATURAL GAS Henry Hub \$/Million Btu	2.51	2.41	4.11

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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