



# ENERGY ASSURANCE DAILY

Thursday Evening, March 01, 2012

## *Electricity*

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### **GenOn to Deactivate 3,140 MW of Generation at 8 Plants in Pennsylvania, Ohio, and New Jersey by Mid-2015 on Environmental Rules**

GenOn Energy Inc. expects to shut about 13 percent of its generating capacity between June 2012 and May 2015 because forecasted returns on investments necessary to comply with environmental regulations are insufficient, the company announced in a release yesterday. Except for one unit, all the plants burn coal, according to GenOn's website. The U.S. Environmental Protection Agency has worked to enact numerous pollution controls that would impact the nation's coal-fired power plants, including the recently finalized Mercury and Air Toxics Standards and the Cross-State Air Pollution Rule, which is currently pending further court review. GenOn's announcement yesterday refers to the following affected power plants and their expected deactivation dates:

- 460 MW Elrama plant in Pennsylvania, June 2012
- 217 MW Niles plant in Ohio, June 2012
- 401 MW Portland plant in Pennsylvania, January 2015
- 732 MW Avon Lake plant in Ohio, April 2015
- 330 MW New Castle plant in Pennsylvania, April 2015
- 597 MW Shawville plant in Pennsylvania, April 2015
- 243 MW Titus plant in Pennsylvania, April 2015
- 160 MW Glen Gardner plant in New Jersey, May 2015

The company has previously announced other fleet reductions planned for 2012 and 2013; when taken together with the deactivations announced yesterday, total reductions amount to 5,512 MW of generating capacity, according to the release.

<http://www.bloomberg.com/news/2012-02-29/genon-will-shut-plants-through-2015-on-environmental-rules-1-.html>  
<http://www.genon.com/news.aspx>

### **Update: Exelon Terminates Unusual Event Status after Restoring Offsite Power to Its 1,168 MW Byron Nuclear Unit 1 in Illinois February 29**

Exelon Corp. terminated its declaration of an unusual event for Unit 1 late Wednesday after repairing switchyard components and restoring offsite power, according to a filing with the U.S. Nuclear Regulatory Commission. Operators declared an unusual event Tuesday evening when an insulator in the station's switchyard failed. Both reactors continued to operate during the event, a spokesman said in a statement.

Reuters, 09:48 March 1, 2012

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120301en.html>

### **Update: Entergy Expects to Restart 979 MW Indian Point Nuclear Unit 3 in New York by this Weekend after Auxiliary Transformer Issue**

Entergy Corp. disconnected Unit 3 at the Indian Point nuclear power plant from the grid late Tuesday after observing gases within some transformer oil, which is an indicator of potential transformer degradation, a spokesman confirmed in a statement. Repairs required the company to disconnect the transformer from the electrical generator. The company expects to have the unit back online by the weekend, the spokesman said. The U.S. Nuclear Regulatory Commission reported Unit 1 was reduced to 1 percent power by Thursday morning, and Unit 2 was operating at full power.

Reuters, 17:18 February 29, 2012

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

### **FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Shut by March 1**

On the morning of February 29 the unit was operating at full power.

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

### **Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama at Full Power by March 1**

On the morning of February 29 the unit was operating at 48 percent.

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

### **Update: APS's 1,243 MW Palo Verde Nuclear Unit 1 in Arizona at Full Power by March 1**

On the morning of February 29 the unit was operating at 70 percent.

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

### **FPL Announces Continued Investments to Strengthen Electric Grid against Major Storms**

Florida Power & Light Company (FPL) announced plans to invest more than \$200 million in 2012 to strengthen the electric grid against major storms and keep service reliability high, the company said in an annual filing with the Florida Public Service Commission today. In 2011, FPL took steps to strengthen its electrical infrastructure and to enhance its emergency response capabilities through pole inspections, system infrastructure hardening, vegetation management, as well as other storm preparedness initiatives.

[http://www.fpl.com/news/2012/030112\\_1.shtml](http://www.fpl.com/news/2012/030112_1.shtml)

## ***Petroleum***

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### **Update: BP's 225,000 b/d Cherry Point, Washington Refinery to Remain Shut into April for Repairs after Fire and Planned Maintenance**

BP Plc said Wednesday that its Cherry Point refinery in Washington will remain shut into April for repairs from a February 17 fire and planned maintenance work originally due later in the year, according to reports. The fire in mid-February began when a mechanical failure shot residual crude oil out of a crude vacuum unit, where it is processed under high heat and pressure, and the crude ignited. BP initially hoped it could restore up to 75 percent of refinery production through a bypass of the vacuum unit, according to sources familiar with the refinery's operations. It later became clear, however, that the damage was too extensive to allow a bypass, the sources said. Reuters, 20:45 February 29, 2012

### **Delek Reports FCCU Regenerator Malfunction, Emissions at Its 60,000 b/d Tyler, Texas Refinery February 28**

Delek reported a malfunction at the fluid catalytic cracking unit (FCCU) regenerator led to excess emissions Tuesday, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Operators were working to correct the issue. The company reported emissions from the FCCU and No. 9 boiler were expected to last from February 22 to March 5, according to a TCEQ filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165220>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165509>

### **Update: Chevron Reports Continued Flaring at Its 245,271 b/d Richmond, California Refinery February 29**

Chevron Corp reported its Richmond refinery continued to flare on Wednesday morning due to a hydrogen plant malfunction, according to the Contra Costa County Hazardous Materials Office. On Monday the company reported flaring due to low feed rates caused by a malfunction on the hydrogen plant. A Chevron spokeswoman declined to discuss refinery operations.

Reuters, 17:06 February 26, 2012

<http://www.reuters.com/article/2012/02/29/refinery-operations-chevron-richmond-idUSH5E8D901A20120229>

## **TransCanada Launches Binding Open Season for 2 Million-Barrel Keystone Hardisty Crude Oil Terminal**

TransCanada Corporation today launched an open season to obtain binding commitments from interested parties for the Keystone Hardisty Terminal, which will be located at the major crude oil terminal hub in Hardisty, Alberta. The company proposes an above ground, two million-barrel crude oil batch accumulation terminal with tankage and pipeline infrastructure that could be expanded according to interest. The proposed project will provide new infrastructure for Western Canadian producers and access to the Keystone Pipeline System, which delivers over 500,000 b/d of Canadian crude oil to U.S. Midwest markets and Cushing, Oklahoma. Subject to the receipt of sufficient contractual commitments from shippers and regulatory approvals, TransCanada expects to place the project into service by early 2015.

<http://www.transcanada.com/5972.html>

## **Natural Gas**

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### **Next Generation Processing to Build 1.4 Bcf/d Natural Gas Liquids Extraction Plant near Haven, Kansas**

Southern Union Company today announced that its Panhandle Eastern Pipe Line Company subsidiary has signed a straddle agreement with Next Generation Processing, LLC (NGP) to build and operate a natural gas liquids extraction plant near the Panhandle Eastern compressor station in Haven, Kansas. The plant, which will be capable of processing up to 1.4 Bcf/d of natural gas, is expected to be in service by the fourth quarter of 2013.

<http://www.4-traders.com/SOUTHERN-UNION-COMPANY-14506/news/SOUTHERN-UNION-COMPANY-Southern-Union-Company-s-Panhandle-Eastern-Pipe-Line-Signs-Gas-Processing-Agr-14156682/>

### **Canada's NEB Approves NOVA Gas Transmission's Northwest Mainline Expansion Project in British Columbia and Alberta**

The Canadian National Energy Board (NEB) issued a decision Tuesday approving NOVA Gas Transmission Ltd's Northwest Mainline Expansion Project to construct and operate, along existing rights of way, three new natural gas pipeline loops totaling 111.2 km in northeast British Columbia and northwest Alberta. The loops will help link natural gas supplies from the Upper Peace River area to markets in Canada and the United States.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=35631](http://www.downstreamtoday.com/news/article.aspx?a_id=35631)

## **Other News**

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### **Local Commissioners Vote to Bring Two Coal Export Projects to Port Westward, Oregon**

Port of St. Helens commissioners voted January 25 to bring two coal export projects to the Port Westward facility, according to recent reports. Commissioners voted to allow Kinder Morgan to lease port property for a coal export terminal, where the company intends to offload coal shipped via Portland and Western Rail on trains with 100–125 rail cars, each carrying 120 tons of coal, and ship it overseas. The commissioners voted also to grant a terminal services agreement with Ambre Energy's Pacific Transloading, LLC, in conjunction with the Marrow Pacific Project to establish an export route for Powder River Basin coal. Ambre Energy intends to bring coal barges up the Columbia River from the Port of Marrow in Central Oregon to Port Westward and offload an estimated 3.5 million tons annually of coal onto cargo vessels headed for Asia.

[http://www.crbizjournal.com/news/article\\_73d139fe-6337-11e1-88dc-0019bb2963f4.html](http://www.crbizjournal.com/news/article_73d139fe-6337-11e1-88dc-0019bb2963f4.html)

## **International News**

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### **Mexico Oil Output Could Stagnate at 2.8 MMb/d over Next 14 Years Unless Pemex Significantly Boosts Investment – Energy Ministry Report**

Reuters, 19:24 February 29, 2012

## Energy Prices

U.S. Oil and Gas Prices March 1, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	107.68	107.39	98.84
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.44	2.60	3.93

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](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

*Energy Assurance Daily* provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EDT. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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