



# ENERGY ASSURANCE DAILY

Friday Evening, March 02, 2012

## Electricity

---

### **Severe Weather, Tornadoes Batter U.S. South, Cut Power to over 50,000 Utility Customers in Georgia and Tennessee March 2**

Severe weather battered the U.S. South today, as storms and reported tornadoes downed power lines and cut power in parts of Georgia and Tennessee. In Georgia, Athens Utilities reported 6,300 of its customers were without power after storms this morning, according to city officials. Huntsville Utilities reported 35,000 of its customers lost power at the height of the storms. As of 2:00 PM local time, the utility had restored power to all but 5,000 customers, reports said. In Tennessee, the severe weather cut power to approximately 1,400 EPB customers and 7,500 Volunteer Energy Cooperative customers near Chattanooga, and nearly 3,500 Nashville Electric Service customers near Nashville, according to local reports.

<http://timesfreepress.com/news/2012/mar/02/almost-9000-without-power-chattanooga-area/?breakingnews>

<http://blog.al.com/breaking/2012/03/athens.html>

[http://blog.al.com/breaking/2012/03/huntsville\\_utilities\\_reports\\_3.html](http://blog.al.com/breaking/2012/03/huntsville_utilities_reports_3.html)

<http://www.newschannel5.com/story/17066953/over-3000-without-power-in-nashville>

### **Control Malfunction Shuts Two Units at Maalaea Power Plant in Hawaii, Cutting Power to 20,000 MECO Customers March 1**

About 20,000 Maui Electric Co. (MECO) utility customers lost power Thursday when a malfunction on the controls of two large generating units at the Maalaea Power Plant caused the units to trip offline at around 1:30 PM local time, according to reports. The utility restored power to all its customers affected by the outage by 5:00 PM, reports said.

<http://www.staradvertiser.com/news/breaking/141129893.html>

<http://mauinow.com/2012/03/01/maalaea-generating-units-trip-offline-resulting-in-widespread-outage/>

### **Northeast Utilities Issues Report on CL&P's Storm Preparedness and Response after Massive Weather-Related Outages in 2011**

After Tropical Storm Irene and the October Nor'easter left a combined 2.4 million utility customers without power, Connecticut Light & Power (CL&P) parent company Northeast Utilities ordered its own investigation into CL&P's emergency preparedness and response. The results of that investigation have been published in a report that concludes CL&P restored power to all its customers within a reasonable timeframe in comparison to similar events. The report also includes 66 recommendations for improvement for the utility to consider.

[http://www.wtnh.com/dpp/weather/winter\\_weather/final-report-released-on-clps-storm-preparedness](http://www.wtnh.com/dpp/weather/winter_weather/final-report-released-on-clps-storm-preparedness)

<http://media2.wtnh.com/docs/Storm-Review-Final-Report.pdf>

### **ERCOT Warns Hot Weather Forecasted for Texas this Summer Could Strain Power Supplies**

The Electric Reliability Council of Texas (ERCOT) on Thursday warned that the state will likely see another hot summer that will strain power supplies. Texans consumed a record amount of electricity in the summer of 2011, which was the state's hottest summer on record. ERCOT declared emergencies on six days in August 2011 to avoid rolling power outages. Weather forecasts for the next three months show above-normal temperatures, though not as extreme as last year, an ERCOT executive said in a statement. The agency will work with state regulators to expand programs to curtail power load in emergency situations and to recall idled power plants to supply additional power as needed. Approximately 1,500 MW of generation in ERCOT that is currently mothballed could be returned to service with one to four months notice, the agency said.

<http://www.reuters.com/article/2012/03/01/utilities-texas-ercot-idUSL2E8E1F1E20120301?feedType=RSS&feedName=marketsNews&rpc=43>

## **Update: STP Could Restart Its 1,251 MW South Texas Nuclear Unit 2 in Texas by Mid-April after Repairs – Executive**

NRG Energy expects to return Unit 2 to service in mid-April, well before summer demand builds, executives told investors this week. The unit has been shut since November 29, when the main generator locked out due to a ground fault that resulted in damage to a rotor and stator coils, according to previous reports. STP Nuclear Operating Company, which operates the plant, has now replaced 72 coils, and the damaged rotor is being refurbished at a Siemens facility in North Carolina.

<http://www.reuters.com/article/2012/03/01/utilities-operations-stp-southtexasprojectUSL2E8E1EXG20120301?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

## **Update: FirstEnergy Reports an Automatic Turbine Runback Shut Its 1,235 MW Perry Nuclear Unit 1 in Ohio March 1**

FirstEnergy reported operators initiated a manual reactor protection system early March 1 when three turbine bypass valves opened as a result of an automatic turbine runback signal, according to a filing with the U.S. Nuclear Regulatory Commission. The plant is currently stable in hot shutdown mode. FirstEnergy was investigating the cause of the turbine runback at the time of the filing.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120302en.html>

## **Update: Entergy's 979 MW Indian Point Nuclear Unit 3 in New York at Full Power by March 2**

On the morning of March 1 the unit was operating at 1 percent.

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

## **PSE&G's 1,049 MW Hope Creek Nuclear Unit 1 in New Jersey Reduced to 55 Percent by March 2**

On the morning of March 1 the unit was operating at 99 percent.

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

## **Intermountain's 900 MW Intermountain Coal-Fired Unit 1 in California Shut by March 1**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201203011515.html>

## **GE May Assume Ownership of 1,884 MW Homer City Coal-Fired Power Plant in Pennsylvania to Help Prevent Closure**

A unit of General Electric said today it intends to continue operating the Homer City plant in Pennsylvania if it assumes operation of the facility. Edison Mission, a unit of Edison International, operates the plant and leases it from General Electric's GE Capital unit. Edison has said it could not raise the money for upgrades needed to meet stricter federal environmental rules. GE is working with Edison to potentially transfer Homer City to GE Energy Financial Services to continue the plant's operations, the company said in a statement. The companies are awaiting government approval to install emissions control equipment.

Reuters, 11:43 March 2, 2012

## **DOE Approves ITC Michigan-Ontario Power Transformers; Devices to Stop Unscheduled Lake Erie Power Flows**

The U.S. Department of Energy (DOE) approved of ITC Holdings Corp's (ITC) phase angle regulator power transmission project on the Michigan-Ontario border, the company said Thursday. ITC expects the phase-shifting transformers, also known as phase angle regulators (PARs), to enter service in the second quarter of this year. The PARs are meant to improve reliability by helping control unscheduled flows of power around Lake Erie

<http://www.reuters.com/article/2012/03/01/utilities-itc-pars-idUSL2E8E1A7X20120301?feedType=RSS&feedName=industrialsSector&rpc=43>

## **DeWind Co. Places 20 MW Frisco Wind Energy Project into Service in North Texas February 29**

DeWind Co. placed its 20 MW Frisco Wind Energy Project into service in North Texas, according to reports. The farm operates ten DeWind D8.2 wind turbines near the Texas-Oklahoma border.

[http://www.evwind.es/noticias.php?id\\_not=16967](http://www.evwind.es/noticias.php?id_not=16967)

## **Energy Department Announces New Initiative to Deploy U.S. Offshore Wind Projects**

U.S. Energy Secretary Steven Chu yesterday announced the start of an initiative to capture the potential of wind energy off American coasts. As part of a planned six-year initiative, an initial grant will be available this year as the first step in supporting up to four innovative offshore wind energy installations across the United States. These offshore wind projects will accelerate the deployment of breakthrough wind power technologies that will help diversify our nation's energy portfolio, promote economic development and launch a new industry here in America. In addition to the new funding, the Department is continuing to work with partners across the federal government to implement a comprehensive offshore wind energy strategy, conduct resource assessments, and streamline siting and permitting.

<http://energy.gov/articles/energy-department-announces-180-million-ambitious-new-initiative-deploy-us-offshore-wind>

## ***Petroleum***

---

### **NY Policymakers Have No Plan to Delay Switch to ULSD for Heating Oil Despite Regional Refinery Closures**

The New York State Energy Research and Development Authority (NYSERDA) doesn't plan to delay the July 1 start date for a mandatory switch to ultra-low sulfur diesel (ULSD) fuel for use as heating oil, despite a report this week from the Energy Information Administration (EIA) warning that regional refinery closures could lead to diesel price spikes. States throughout the Northeast are requiring consumers to switch from higher-sulfur heating oil to ULSD to reduce pollution. The EIA report says that the New York switch to ULSD would boost demand by 70,000 b/d, with the demand spiking in the winter heating season. A NYSERDA spokeswoman said the agency "will monitor fuel supplies prior to the heating season to determine ULSD availability." State law would require the governor to issue an executive order to suspend the switch requirement.

DJN, 08:54 March 2, 2012

### **United Refining Says It Might Purchase Sunoco's 335,000 b/d Philadelphia, Pennsylvania Refinery, Currently Planned for Closure**

Reuters, 14:24 March 1, 2012

### **BP Shuts 77,000 b/d Oil Gathering Center at Prudhoe Bay Oil Field in Alaska Due to Fire February 29**

BP shut a 77,000 b/d oil gathering center at a key Prudhoe Bay oil field due to a fire on Wednesday, but it has begun restoring output, the company and state officials said on Thursday. The company confirmed a "small fire" occurred at the Gathering Center 2 (GC-2), where operators saw a flame and heard a noise at one of two low-pressure gas-handling buildings at about 10:30 AM local time on Wednesday. A company spokesman said no oil spilled and the fire extinguished itself. As a precaution, BP shut the plant down and isolated the affected building. Operators were planning to bring the plant back online Wednesday, but the impact to production had not yet been determined.

Reuters, 19:38 March 1, 2012

### **Update: Tesoro Resumes Planned Rates at Its 120,000 b/d Anacortes Refinery March 2 after Unplanned Repairs**

Tesoro Corp. reported its Anacortes refinery was running at planned rates Friday after making unplanned repairs over the last week. The company reported Wednesday that it was in the process of restarting units after shutting them for unplanned repairs on February 24.

Reuters, 09:10 March 2, 2012

### **BP Restarts Ultraformer at Its 455,790 b/d Texas City, Texas Refinery March 2**

BP reported it was restarting ultraformer No. 3 Friday and expected it to resume normal operations, 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=165526>

### **UGI Subsidiary Announces Plans to Jointly Develop 800 MMcf/d Commonwealth Natural Gas Pipeline in Pennsylvania, Maryland, and Washington D.C.**

UGI Corporation yesterday announced that its subsidiary UGI Energy Services, Inc. has entered into an agreement with Inergy Midstream, L.P. and Capitol Energy Ventures Corp. to jointly market and develop a new interstate pipeline known as the Commonwealth Pipeline. The proposed 200-mile, 30-inch pipeline is expected to transport at least 800 MMcf/d of natural gas when it is placed in service in 2015. The Commonwealth Pipeline will extend from the southern terminus of Inergy Midstream's MARC I pipeline in Lycoming County, Pennsylvania, due south through the UGI Utilities, Inc. service areas in central and eastern Pennsylvania and will continue south to access markets across southeastern Pennsylvania and the Philadelphia, Baltimore, and Washington, D.C. metropolitan areas. The pipeline will connect these markets directly to supplies of Marcellus natural gas production from across Pennsylvania.

<http://finance.yahoo.com/news/ugi-subsidiary-announces-plans-jointly-130000030.html>

### **Spectra Energy Holds Open Season for Renaissance Gas Transmission Project to Build 1.25 Bcf/d Natural Gas Pipeline Serving Markets in U.S. South**

Spectra Energy Corp. today announced a non-binding open season for its Renaissance Gas Transmission project, a new pipeline system that will link growing natural gas supplies to markets in Georgia, Alabama, and Tennessee. The Renaissance project will commence at an interconnect with Spectra Energy's Texas Eastern Transmission, LP. Texas Eastern is positioned with existing connectivity through the Marcellus, Utica, Appalachian, and other shale gas supply sources, creating a direct link from these basins to the Renaissance project. The new 230-mile pipeline will have a projected capacity of approximately 1.25 Bcf/d, and is estimated to be placed into service in late 2015.

<http://www.spectraenergy.com/Newsroom/News-Archive/Spectra-Energy-Holds-Open-Season-for-Renaissance-Gas-Transmission-Project/>

### **AGI Unit Shuts on High Temperature at Enbridge's Tilden Gas Plant in Texas March 1**

Enbridge reported acid gas injector (AGI) Unit 2 shut down Thursday due to third high-stage discharge temperature, according to a filing with the Texas Commission on Environmental Quality. Operators immediately responded to correct the situation, minimizing emissions when possible.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165544>

### **Water Tube Leak Shuts Engine at Exterran's 50 MMcf/d Reinecke Gas Plant in Texas February 29**

Exterran reported Engine No. 40046 went down on low auxiliary water level, according to a filing with state regulators. Upon inspection, operators detected a leak in the water hose. Operators could not keep enough water in the unit to keep it running, the filing said. A new water hose was ordered for the unit.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165530>

## **Other News**

---

Nothing to report

## **International News**

---

### **Saudi Arabia Denies Reports of Oil Pipeline Explosion March 2**

An unconfirmed Iranian media source reported an explosion on a pipeline in Saudi Arabia yesterday, briefly sending crude oil prices to \$110.55 per barrel, according to reports. Saudi Arabian officials later denied the report, and prices retreated Friday to around \$107.

<http://www.bloomberg.com/news/2012-03-01/oil-tops-110-on-saudi-pipeline-report-commodities-at-close.html>  
[http://www.nwintimes.com/business/oil-below-after-saudi-explosion-report-denied/article\\_dcd72429-0d6e-5d0c-aebe-4397600fe41c.html](http://www.nwintimes.com/business/oil-below-after-saudi-explosion-report-denied/article_dcd72429-0d6e-5d0c-aebe-4397600fe41c.html)

## Petrobras Starts Production from Cascade Prospect in Gulf of Mexico February 25

Petrobras reported production from its Cascade field in the Gulf of Mexico began on February 25, the company said Friday. The company will use a floating, production, storage, and offloading (FPSO) system to produce the oil, and then use shuttle tankers rather than pipelines to get the oil ashore, a news release said. The FPSO facility will have a nominal production capacity of 80,000 b/d of oil and 16 MMcf/d of gas compression, and its available crude oil storage capacity is 500,000 barrels, according to the company website.

Reuters, 09:53 March 2, 2012

[http://www.petrobrasusa.us/main.jsp?lumPageId=402882831FDB9DFF011FEB62B0432130&lumI=petrobras\\_usa.service.highlights.details&lumItemId=4028828320D96EFB0120F1FD3F2A7EB8](http://www.petrobrasusa.us/main.jsp?lumPageId=402882831FDB9DFF011FEB62B0432130&lumI=petrobras_usa.service.highlights.details&lumItemId=4028828320D96EFB0120F1FD3F2A7EB8)

## Energy Prices

U.S. Oil and Gas Prices			
March 2, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	106.69	108.52	102.50
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.45	2.68	3.79

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>

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)