



ENERGY ASSURANCE DAILY

Friday Evening, March 14, 2014

Electricity

CPUC Acts to Ensure Energy Reliability in Southern California after 2,200 MW San Onofre Nuclear Plant Closure

The California Public Utilities Commission (CPUC) on Thursday directed Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) to procure energy supplies to meet Southern California needs, including from preferred resources (such as renewable power, Demand Response resources, and energy efficiency) or energy storage. SCE was ordered to procure between 500 and 700 MW, and SDG&E to procure between 500 and 800 MW by 2022 to meet local capacity needs stemming from the retired San Onofre Nuclear Generating Station. The decision, combined with prior CPUC decisions aimed at ensuring energy supplies for Southern California, brings a total of 1,900 to 2,500 MW to the L.A. Basin from SCE, up to 60 percent of which may come from preferred resources. SDG&E is required to procure at least 25 percent and up to 100 percent of new local capacity from preferred resources. SCE and SDG&E are required to procure at least 50 MW and 25 MW, respectively, from energy storage. The CPUC's actions thus far will offset the retirement of the 2,200 MW San Onofre Nuclear Generating Station and nearly 5,900 MW of once-through cooling plants.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M088/K989/88989943.PDF>

DTE Energy's 45 MW Stockton Biomass Plant in California Begins Operations

DTE Energy Services, Inc. has finished its construction project to convert a shuttered coal-fired power plant at the Port of Stockton, California, to operate on biomass fuel. The plant, known as Stockton Biomass, began commercial operations on February 21. It is selling its renewable power to PG&E Company to help it meet its renewable energy requirement. The plant will use about 320,000 tons of woody biomass fuel annually to generate about 45 MW of power. The fuel primarily is derived from urban wood waste, tree trimmings, and agricultural processes.

<https://dteenergy.mediaroom.com/2014-03-13-DTE-Energys-Northern-California-biomass-plant-begins-operations>

Update: Constellation's 1,120 MW Nine Mile Point Nuclear Unit 2 in New York at Full Power by March 14

On the morning of March 13 the unit was operating at 16 percent after restarting and ramping up to 1 percent by March 12. Constellation reported unit 2 experienced an actuation of the alternate rod insertion (ARI) system, which resulted in a reactor scram on the afternoon of March 10.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: NPPD's 764 MW Cooper Nuclear Unit in Nebraska Ramps Up to 96 Percent by March 14

On the morning of March 13 the unit was operating at 74 percent, up from 38 percent on March 12. Nebraska Public Power District (NPPD) reported the unit was reduced for repairs on a turbine stop valve. The unit's power was reduced to 10 percent on Monday and the repairs to the turbine stop valve were completed and tested Monday evening, according to NPPD.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Petroleum

EPA Lifts BP Suspension, Debarment from Federal Contracts March 13

The Environmental Protection Agency (EPA) and BP on Thursday executed an agreement resolving all suspension and debarment actions against BP that barred the company from doing business with the federal government following the company's guilty plea in the Deepwater Horizon disaster of April 2010. The administrative agreement will be in place for five years. Under the agreement, BP is required to retain an independent auditor approved by EPA who will conduct an annual review and report on BP's compliance with the agreement. There are also specific provisions addressing ethics compliance, corporate governance, and process safety. The agreement additionally provides EPA the authority to take appropriate corrective action in the event the agreement is breached.

<http://yosemite.epa.gov/opa/admpress.nsf/596e17d7cac720848525781f0043629e/c6a5be4a1a2db87f85257c9a0071760c!OpenDocument>

Natural Gas

Hess to Start-up Its 250 MMcf/d Tioga, North Dakota Natural Gas Plant This Month

Hess Corp. will begin selling natural gas from its Tioga, North Dakota, plant this month, firing up the station weeks after severe weather delayed its expansion, the company said Friday. The plant's start-up may help boost oil production from the prolific Bakken shale after about 100 producing wells had to be shut earlier this year to minimize flaring due to the delays, the state Industrial Commission said this week. A Hess spokesperson said due to the unusually harsh winter weather, the company is slightly behind its initial plans, but expects to start selling residue gas this month. The station had been shut since late last year as Hess worked on the expansion. The recent upgrade to the Tioga plant includes additions to ethane recovery, full fractionation, and sales of natural gas liquids, according to Hess filings with the U.S. Securities and Exchange Commission.

<http://www.reuters.com/article/2014/03/14/natgas-bakken-hess-idUSL2N0MBOW120140314>

Other News

Update: Mechanical Failure to Blame for Fire at Green Plains Renewable Energy's Ethanol Plant in Fergus Falls, Minnesota

The Fergus Falls fire chief reported March 12 that a mechanical failure caused a fire and explosion March 10 at the Green Plains Renewable Energy ethanol plant in Minnesota. A hydraulic pump used to control the damper in the dryer building of the plant failed, an investigation uncovered.

<http://www.inforum.com/event/article/id/429105/>

International News

Shell Says Its Nigerian Operations Lost 100,000 b/d of Oil, \$1 Billion in 2013 Due to Theft, Disruptions

Royal Dutch Shell lost nearly \$1 billion through theft and various disruptions to its Nigerian oil and liquefied natural gas (LNG) operations in 2013 and said that rampant oil theft is costing the country even more. The company also said that proposed Nigerian legislation had curbed investment, hindering production, while security is a daily challenge and oil theft "very material." Shell's Nigerian oil and gas output averaged 265,000 barrels of oil equivalent per day (boe/d) in 2013, down 100,000 boe/d from 2012 and equal to about 8 percent of Nigeria's total supply of 3.2 million boe/d.

http://www.downstreamtoday.com/news/article.aspx?a_id=42590

Energy Prices

U.S. Oil and Gas Prices			
March 14, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	98.79	102.62	92.83
NATURAL GAS Henry Hub \$/Million Btu	4.39	4.90	3.72

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>

Please direct comments and questions to: ead@oe.netl.doe.gov