



ENERGY ASSURANCE DAILY

Tuesday Evening, March 19, 2013

Major Developments

Powerful Storms Knock Out Power to More Than 318,000 Utility Customers in U.S. Southeast March 18; More Than 102,000 Remain Without Power March 19

Powerful winds and massive hail hammered the Southeast Monday night, toppling trees and power lines with straight-line winds gusting as high as 80 miles per hour and knocking out power to 318,432 utility customers in Alabama, Georgia, and South Carolina. As of 3:30 p.m. EST Tuesday, 102,541 customers remained without power. Alabama Power was hardest hit by the storms, with 222,432 of its customers losing power at the storm's peak Monday. The utility reported Tuesday afternoon that 77,200 of its customers remained without service, mostly near Birmingham, and said that widespread damage was in some cases making it difficult for technicians to make repairs. Reinforcements were traveling from other states to assist in the restoration efforts.

<http://alabamapower.tumblr.com/post/45770412686/tuesday-2pm-update>

Southeastern Customer Power Outages			
March 18–19			
Electric Utility	State	Peak	Latest Reported
Alabama Power	AL	222,432	77,000
Georgia Power	GA	73,000	21,700
GreyStone Power Corporation	GA	9,000	341
Southern Rivers Energy	GA	8,000	3,500
Aiken Electric Cooperative	SC	6,000	0
TOTAL*		318,432	102,541

*Total outages represent only electric utilities listed in this table.

Sources:

<https://twitter.com/alabamapower>

<http://alabamapower.tumblr.com/post/45770412686/tuesday-2pm-update>

<http://www.myfoxdal.com/story/21675129/storm-damage-could-mean-no-power-for-days>

<https://twitter.com/GeorgiaPower>

<https://www.facebook.com/GeorgiaPower?WT.svl=fb2>

<http://www.outageentry.com/dvosm/dvOSM2.php?Client=GREYS>

<http://douglasville.patch.com/articles/golf-ball-sized-hail-hits-douglasville>

http://www.southernriversenergy.com/newsCenter/13-03-19/Outage_Update.aspx

<http://www.edgefieldadvertiser.com/2013/03/aiken-electric-cooperative-reports-6000-restored/>

Electricity

JCP&L Begins Conducting New Emergency Responder Electrical Safety Training

Jersey Central Power & Light (JCP&L) said Monday that it is conducting a new electrical safety training program for emergency first responders throughout the company's northern and central New Jersey service areas. Each trainee receives a kit that includes a video on recognizing and avoiding the hazards of electricity, a DVD detailing JCP&L's storm restoration process, and suggested guidelines for developing standard operating procedures for emergency situations when electrical facilities are involved. The program is part of a series of new operational practices to provide additional safety information to municipal officials about power restoration efforts during significant storm events.

https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/jcp-l-holds-new-emergency-responder-electrical-safety-training-.html

Update: SCE Concludes Its 1,070 MW San Onofre Nuclear Unit 2 in California Could Be Restarted Safely and Run at Full Power

Southern California Edison (SCE) has submitted an operational assessment to the U.S. Nuclear Regulatory Commission (NRC), indicating that Unit 2 steam generators could be operated safely at 100 percent power. SCE submitted the assessment in response to NRC questions. The new evaluation determined Unit 2 could operate at full power for 11 months with full tube integrity. The assessment supplements an earlier assessment of Unit 2 operation at 70 percent power. SCE has proposed restarting Unit 2 at 70 percent power for five months to prevent the conditions that caused excessive tube wear in San Onofre's steam generators. SCE has not yet presented a restart plan for Unit 3, which has more damage than Unit 2. Both units at San Onofre have been shut since January, when operators discovered premature tube wear in the steam generators.

http://www.songscommunity.com/docs/031813_news.pdf

http://www.songscommunity.com/docs/031513_oa.pdf

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 50 Percent by March 19

On the morning of March 18 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Reduced to 90 Percent by March 19

On the morning of March 18 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Petroleum

Colonial Pipeline Plans to Expand Capacity to Northeast by Up to 600,000 b/d

Colonial Pipeline said on Monday it is planning to expand the capacity of its petroleum product pipeline network by as much as 600,000 b/d to meet growing customer demand in the U.S. Northeast where refining capacity has fallen in recent years. Colonial currently has the capacity to deliver around 800,000 b/d from the Gulf Coast to fuel terminals in the New York Harbor area. Colonial, which will more clearly define its expansion plans by mid-2013, said it is considering further expanding its Line 3 pipeline between Greensboro, NC, and Linden, NJ by 100,000 b/d; and expanding Line 4, from Greensboro to Maryland, which could be extended into southern New Jersey. Colonial also said it will re-evaluate whether to build a new 800,000 b/d pipeline between Baton Rouge, LA, and Atlanta, GA; a project which was previously abandoned. Colonial recently applied for air permits to add more than 4 million additional barrels of storage tank capacity along its route, with about 1.7 million barrels of that now under construction in the Gulf Coast region. In addition to its expansion plans, the company also said it will invest in improvements such as installing portable generators, to gird against major storms.

http://online.wsj.com/article/SB10001424127887324323904578368220358099296.html?mod=googlenews_wsj

Reuters, 14:20 March 18, 2013

Hyperion Refining Halts Plans for Proposed 400,000 b/d South Dakota Refinery March 15

Instead of asking for more time to start construction on a proposed 400,000 b/d refinery in Union County, South Dakota, Hyperion Refining has put its plans on hold and said it will consider filing a new application with the State Department of Environment and Natural Resources. The proposed Hyperion Energy Center would process heavy oil sands crude from Alberta and would include a power plant that would use a refinery byproduct—solid petroleum coke—to produce electricity for the refinery. Opponents sued the South Dakota Board of Minerals and Environment, arguing the air quality permit was invalid because the board did not include an environmental impact statement. The validity of the permit was upheld, but the extensive litigation and the loss of more than 3,000 acres of land rezoned for the construction caused the deadline to be unfeasible.

http://www.downstreamtoday.com/news/article.aspx?a_id=38927

Petrobras Brasileiro SA Removes 100,000 b/d Pasadena, Texas Refinery from Planned Asset Sale March 19

Reuters, 12:06 March 19, 2013

Update: Valero Restarts 57,000 b/d HCU at Its 310,000 Port Arthur, Texas Refinery by March 18; Unit Increasing to Planned Rates

Valero Energy Corp. said March 18 that it had restarted a hydrocracking unit (HCU) at its Port Arthur, Texas refinery over the weekend and was increasing the unit to planned rates. The company shut the HCU on March 11 to repair a compressor seal.

Reuters, 10:47 March 18, 2013

Total Reports SRU Malfunction at Its 232,000 b/d Port Arthur, Texas Refinery March 18

Total Petrochemicals Inc. said a sulfur recovery unit (SRU) malfunctioned at its Port Arthur, Texas refinery, resulting in elevated emissions, according to a noticed filed with the Texas Commission on Environmental Quality.

Reuters, 15:22 March 18, 2013

Alon Shuts SRU at Its 67,000 b/d Big Spring, Texas Refinery March 18

Alon USA Holdings reported that the sulfur recovery unit (SRU) at its Big Spring, Texas refinery was shut down due to a false instrument reading on the main unit air blower, according to a report filed with the Texas Commission on Environmental Quality. This caused acid gas to flare.

Reuters, 18:44 March 18, 2013

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=180585>

FCCU Wet Gas Scrubber Malfunctions at HollyFrontier's 105,000 b/d Navajo Refinery in Artesia, New Mexico March 15

According to a report filed with the National Response Center, approximately 500 pounds of sulfur dioxide was released March 15 when the wet-gas scrubber on the fluidic catalytic cracking unit malfunctioned at the refinery.

Reuters, 18:12 March 17, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1041136

Phillip 66 Shuts Isomerization Unit at Its 139,000 b/d Los Angeles Refinery After Finding Leak March 18

An isomerization unit at Phillips 66's 139,000 b/d Los Angeles refinery was shut Monday after operators discovered a leak. The company said the unit, which makes unleaded gasoline components, may remain down until Tuesday for line repairs.

<http://www.bloomberg.com/news/2013-03-18/los-angeles-gasoline-advances-as-phillips-66-exxon-repair-units.html?cmpid=yhoo>

BP's 225,000 b/d Cherry Point, Washington Refinery Operating Normally March 18 After Pollution Control Malfunction March 17

BP PLC said its Cherry Point refinery in Washington was operating normally Monday after experiencing a malfunction in pollution control equipment March 17. According to a filing with the U.S. National Response Center, the refinery used flares to burn off gasses released by the malfunction.

Reuters, 16:03 March 18, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1041274

Update: Imperial Oil to Begin Operating Kearl Oil Sands Project by March 31

Imperial Oil Ltd. said Monday that it expects to begin operations its Kearl oil sands project in Calgary, Alberta, by March 31. The company had initially planned to start production at the facility in December but a series of court challenges in the U.S. Pacific Northwest that stalled the transport of huge foreign-made processing modules to the project site pushed completion into the coldest months of northern Alberta's winter, slowing outdoor work at the site. The three Kearl production trains have a capacity of 50,000 b/d, but the company cannot estimate how much initial production will be. Kearl will eventually produce 110,000 b/d from its initial stage, with expansions up to 345,000 b/d. Before oil will be distributed to the Canadian market, Imperial must first fill storage tanks and the pipeline to the facility. This could take up to 90 days, the company said.

Reuters, 14:17 March 18, 2013

<http://business.financialpost.com/2013/03/18/imperial-expects-kearl-oil-sands-production-within-two-weeks/>

Natural Gas

Nothing to report.

Other News

Update: Valero Set to Restart Last Two of Three Idled Ethanol Plants

Valero Energy Corp. said on Monday that it has restarted its 110 MMGal/Year Bloomingburg, Ohio ethanol plant and would soon restart its Linden, Indiana plant in the next week or so, leading to all 10 of its ethanol plants being online and operating at or near capacity. Valero idled three plants last June, due to poor margins caused by high corn prices and high industry ethanol inventories attributable to lower ethanol and gasoline demand. In February, the company resumed production at its plant in Albion, Nebraska.

Reuters, 10:56 March 18, 2013

<http://www.hydrocarbonprocessing.com/Article/3174421/Latest-News/Valero-restarts-three-idled-US-ethanol-plants.html>

International News

Canadian Government Announces Stricter Oil Tanker Safety Standards March 18

The Canadian government announced Monday changes that are designed to improve oil tanker safety off Canadian coasts and shore up support for several projects that would increase oil exports from British Columbia, including the Northern Gateway project and Kinder Morgan's TransMountain pipeline expansion. These changes include administrative penalties for polluters, mandatory marine response plans for oil terminal operators, and annual inspections for all tankers and offshore aerial surveillance. The government is also planning on reviewing the oil pollution liability regime currently in place to determine if the funds available are sufficient to ensure that taxpayers are not responsible for the cost of any spills.

<http://www.yorktonthisweek.com/article/GB/20130318/CP02/303189868/-1/yorkton/more-inspections-tougher-pollution-penalties-for-oil-tanker-traffic&template=cpart>

Update: Protests Threaten Waha Oil's 120,000–125,000 b/d Gialo Oil Field Output in Libya

Libyan Deputy Oil Minister Omar Shakmak said March 19 that 120,000-125,000 b/d of production from Waha Oil Co.'s Gialo field is at risk due to protests. Since last week, protesters have been blocking the entrance to the Gialo field, which feeds crude into a pipeline to the Es Sider export terminal. According to Shakmak, production has not been affected and operations are continuing as normal.

http://www.rigzone.com/news/oil_gas/a/125150/Libyan_Production_at_Risk_amid_Gialo_Field_Protests

Energy Prices

U.S. Oil and Gas Prices			
March 19, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	92.86	93.05	106.58
NATURAL GAS Henry Hub \$/Million Btu	3.98	3.64	2.17

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>

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