



# ENERGY ASSURANCE DAILY

Monday Evening, April 02, 2012

## Electricity

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### **FPL's 839 MW Saint Lucie Nuclear Unit 1 in Florida Trips Due to Steam Bypass Valve Malfunction March 31**

Florida Power & Light Co. (FPL) reported in a filing with the U.S. Nuclear Regulatory Commission that early Saturday morning, while maintaining power stable at 10 percent for steam bypass control system testing, Unit 1 was manually tripped when a steam bypass control valve unexpectedly opened, causing an uncontrolled cooldown. Following the trip, operators closed the valve and brought the steam demand under control. Operators are investigating the cause of the unexpected valve opening. The plant is now stable in Mode 3 at normal operating temperature and pressure.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120402en.html>

### **Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 15 Percent by April 2 for Repairs**

Entergy Corp was operating at reduced power on Monday to perform repairs on one of the reactor's water recirculation pump motors, a company spokeswoman said. The unit began powering down on Sunday morning and was operating at about 15 percent power Monday, according to the U.S. Nuclear Regulatory Commission. The spokeswoman did not specify when the unit would return to full power.

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

<http://www.reuters.com/article/2012/04/02/utilities-operations-entergy-fitzpatrick-idUSL3E8F27VZ20120402>

### **Update: Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina Restarts March 31, Ramps Up to 45 Percent by April 1**

Progress Energy reported Unit 2 shut after an automatic reactor trip March 28, according to a filing with the U.S. Nuclear Regulatory Commission. The reactor trip was the result of a turbine trip from a B Steam Generator Hi Level, which was under investigation late last week.

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

### **Luminant's 1,150 MW Comanche Peak Nuclear Unit 2 in Texas Shut by April 2**

On the morning of April 1 the unit was operating at full power.

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

### **Update: STP's 1,251 MW South Texas Nuclear Unit 1 in Texas at Full Power by April 1**

STP Nuclear Operating Co. reported Unit 1 was reduced March 29 after an issue with a single control rod surfaced during monthly control rod surveillance, according to a spokesman. The unit, which was reduced to 48 percent by March 30, ramped up to 75 percent by March 31 and to full power by April 1.

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

<http://af.reuters.com/article/energyOilNews/idAFL2E8ET7W620120329>

### **Update: Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Ramped Up to 99 Percent by March 31**

The unit was reduced to 31 percent by March 27. By the morning of March 30 the unit had ramped back up to 67 percent.

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

## **PG&E's 1,087 MW Diablo Canyon Nuclear Unit 1 in California Reduced to 55 Percent by April 2**

On the morning of April 1 the unit was operating at full power.

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

## **AES's 506 MW Redondo Gas-Fired Unit 7 in California Shut by April 1**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201204011515.html>

## **Update: Dynegy's 335 MW El Segundo Gas-Fired Unit 4 in California Returns to Service by March 30**

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201203301515.html>

## **Atlantic Power Closes Financing for 300 MW Canadian Hills Wind Power Project in Oklahoma; Construction to Immediately Begin**

Atlantic Power Corporation today announced it had closed on construction financing for the 300 MW Canadian Hills wind power project located near El Reno, Oklahoma, 20 miles west of Oklahoma City. Construction will begin immediately, and Atlantic Power expects the project to be fully operational by November 2012. The project has long-term power purchase agreements for 100 percent of its output with Southwestern Electric Power Company, Oklahoma Municipal Power Authority, and Grand River Dam Authority. The project will deploy Mitsubishi 2.4 MW MWT102 and REpower 2.05 MW MM92 wind turbines.

<http://www2.snl.com/irweblinkx/file.aspx?IID=4098671&FID=13050999>

## **Update: Mississippi PSC Allows Southern Co. to Continue Building 582 MW Coal-Fired Power Plant during Ongoing Litigation against Project**

The Mississippi Public Service Commission (PSC) on Friday voted 2-1 to issue a temporary certificate to allow a unit of Southern Co., Mississippi Power, to continue building a 582 MW integrated gasification combined-cycle (IGCC) power plant in Kemper County. The Mississippi State Supreme Court on March 15 voted unanimously to reverse the PSC's May 2010 approval of Mississippi Power's proposed project to build the plant, and sent the case back to the PSC. The PSC has asked the utility and the Sierra Club to submit proposals on how to proceed with the plant. In the meantime, the utility is permitted to continue building the plant.

Reuters, 17:39 March 30, 2012

## **Progress Energy's Application to Build Two New Nuclear Reactors in Florida May Be Delayed by Additional NRC Reviews, Seismic Analysis – Chairman Jaczko**

U.S. Nuclear Regulatory Commission (NRC) Chairman Gregory Jaczko said Friday that Progress Energy's application to build two new nuclear reactors in Levy County, Florida may be slowed by an NRC analysis of U.S. plant safety after the disaster at the Fukushima Dai'ichi plant in 2011. NRC has approved plans by Scana Corp. and Southern Co. to build Westinghouse AP1000 reactors, and Progress intends to construct identical units, but Jaczko wants the project to face additional review, including seismic analysis, to ensure the new reactors comply with rules being developed in response to the Fukushima disaster. The earliest the Progress units would come online is 2021, a spokesman said.

<http://www.bloomberg.com/news/2012-03-31/progress-energy-reactor-review-may-be-delayed-nrc-chief-says.html?cmpid=yhoo>

## **Update: NRC Imposes Conditions on SCE&G Licenses to Build Two New Reactors at the V.C. Summer Nuclear Power Plant in South Carolina**

As previously reported, the U.S. Nuclear Regulatory Commission (NRC) on Friday approved an application from the South Carolina Electric & Gas (SCE&G) and Santee Cooper for two combined licenses (COLs) to build and operate two AP1000 reactors at the Summer site in South Carolina. In a statement Friday, the commission announced it would impose two conditions on the COLs: the first requiring inspection and testing of squib valves, important components of the new reactors' passive cooling system; and the second requiring the development of strategies to respond to extreme natural events resulting in the loss of power at the new reactors. The commission also directed the NRC's Office of New Reactors (NRO) to issue to SCE&G and Santee Cooper, simultaneously with the COLs, an order requiring enhanced, reliable spent fuel pool instrumentation, as well as a request for information related to emergency plant staffing.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-034.pdf>

## **Xcel Energy Reconsiders Capacity Increase Project at its Prairie Island Nuclear Power Plant in Minnesota**

Xcel Energy on Friday asked the Minnesota Public Utilities Commission to reaffirm that increasing generating capacity at Prairie Island Nuclear Generating Plant is in customers' best interest before the company continues with the project. Friday's filing was prompted by changes that occurred since the commission in late 2009 issued a Certificate of Need after deciding that the project provided value to customers, Xcel said in a press release. As the filing notes, the project's benefit to customers is less because only 135 megawatts of added capacity can be achieved cost-effectively, not 164 megawatts as originally proposed, and because implementation has been delayed due to changing federal review requirements. Meanwhile, long-term growth in customer needs now is projected to be about 40 percent less than forecast when the project was first proposed, and falling natural gas prices make the alternative to adding capacity at Prairie Island—natural gas-fired generation—less expensive than it was previously. Additionally, there are possible combinations of new conditions that could lead to the conclusion that the Prairie Island project no longer is cost effective, the filing states.

[http://www.xcelenergy.com/About\\_Us/Energy\\_News/News\\_Releases/Xcel\\_Energy\\_requests\\_review\\_to\\_confirm\\_value\\_to\\_customers\\_of\\_Prairie\\_Island\\_capacity\\_increase\\_project](http://www.xcelenergy.com/About_Us/Energy_News/News_Releases/Xcel_Energy_requests_review_to_confirm_value_to_customers_of_Prairie_Island_capacity_increase_project)

## **Ameren Illinois to Deploy 780,000 Advanced Electric Meters over 10 Years**

Ameren Illinois today announced its initiative to deploy about 780,000 advanced electric meters over the next 10 years in a plan submitted to the Illinois Commerce Commission. Advanced meters are designed to support a number of energy management tools, including options for purchasing power at hourly prices at market rates and peak time rebate programs. The advanced meters can help identify distribution line and transformer overload issues that can be corrected before an outage occurs, and they can pinpoint the location of outages without the need for customers to report outages.

<http://ameren.mediaroom.com/index.php?s=43&item=1031>

## **Obama Administration and Great Lakes States Announce Agreement to Spur Development of Offshore Wind Projects**

The Obama Administration on Friday joined with the governors of Illinois, Michigan, Minnesota, New York, and Pennsylvania to announce the signing of a Memorandum of Understanding (MOU) that will streamline development of offshore wind resources in the Great Lakes. The MOU will enhance collaboration between Federal and State agencies to speed review of proposed offshore wind projects. Specifically, Federal and State agencies will develop an action plan that sets priorities and recommends steps for achieving efficient and responsible evaluation of proposed offshore wind power projects in the Great Lakes region. The Great Lakes' offshore wind energy resources have the potential to produce more than 700 GW of energy from offshore wind, about one fifth of the total offshore wind potential in the United States, according to a release from the U.S. Department of Energy (DOE).

<http://energy.gov/articles/obama-administration-and-great-lakes-states-announce-agreement-spur-development-offshore>

## ***Petroleum***

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### **Wet Gas Compressor Malfunction on FCCU Triggers Flaring at ConocoPhillips's 362,000 b/d Wood River, Illinois Refinery March 31**

ConocoPhillips' reported a wet gas compressor malfunction on a fluidic catalytic cracking unit (FCCU) triggered flaring at the joint-venture Wood River refinery on Saturday, according to filing with Illinois pollution regulators.

<http://www.reuters.com/article/2012/04/01/refinery-operations-conoco-woodriver-idUSL2E8F128M20120401?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

### **BP Restarts Ultracracker at Its 455,790 b/d Texas City, Texas Refinery March 30**

BP Plc reported it was restarting an ultracracker Friday at its Texas City refinery, according to a filing with the Texas Commission on Environmental Quality. Operators were working to minimize emissions during startup procedures, which were expected to continue through Monday.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=166641>

### **Update: O&G Producers Reach Deal with Alaska to Move Forward with Alaska North Slope Gas Pipeline and LNG Export Project**

ExxonMobil, BP, and ConocoPhillips announced plans to move forward with a large-scale project to construct a natural gas pipeline from the Alaska North Slope to southern Alaska, where it would be converted into liquefied natural gas (LNG) and exported to Asia. The announcement comes after the companies reached a settlement with the Alaska State government for the companies to produce 70,000 b/d of liquids from the Point Thompson field and deliver it to the Trans Alaska Pipeline System, and to produce 10,000 b/d of natural-gas condensates by the winter of 2015–16. The companies and TransCanada will now work on identifying a specific natural gas export project, including a timetable, a route for the pipeline, and a site for the LNG plant, within a year. The settlement also states the companies must decide on a “major gas sale,” a project to sell at least 500 MMcf/d from the North Slope, by 2016, and to move forward with the project by 2019. The producers have to reach these development goals in order to keep their leases.

<http://www.ft.com/intl/cms/s/0/ee7cd67c-7a89-11e1-8ae6-00144feab49a.html#axzz1qtUiDQqr>

<http://finance.yahoo.com/news/transcanada-concentrate-alaska-lng-pipeline-211539756.html>

<http://www.reuters.com/article/2012/03/30/alaska-pipeline-idUSL2E8EU9SG20120330?feedType=RSS&feedName=industrialsSector&rpc=43>

### **Update: Cabot Oil Partially Restores Output March 30 after Fire at Lathrop Compressor Station in Pennsylvania**

Cabot Oil & Gas Corporation today announced that it is currently producing about 200 MMcf/d of volumes behind the Lathrop Compression station, which experienced damage by a flash fire on March 29. Production recommenced Friday night, temporarily by-passing the compression station, and Cabot has been producing continuously at that rate. The 200 MMcf/d rate represents the restoration of 55 percent of the volumes that were going through Lathrop before the fire.

<http://phx.corporate-ir.net/phoenix.zhtml?c=116492&p=irol-newsArticle&ID=1679008>

## Other News

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Nothing to report

## International News

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### **Update: Kurdistan Regional Government Halts 50,000 b/d of Oil Shipments April 1 to Protest Central Government's Failure to Pay Oil Companies**

The Kurdistan Regional Government (KRG) on Sunday said it was halting until further notice its oil shipments of around 50,000 b/d of oil to protest the central government's failure to pay oil companies working there, according to reports. Baghdad says only the central government can control oil rights and refuses to fully recognize development and exploration deals signed by the KRG. The KRG says it can control petroleum in its region. Baghdad said last week it had approved payment of \$560 million to oil producers in the Kurdish region and is awaiting final audits. After the news Sunday, Iraqi Deputy Prime Minister for Energy Hussain al-Shahristani accused the KRG of sabotaging the country's budget by halting its oil exports.

<http://www.reuters.com/article/2012/04/01/iraq-oil-kurdistan-idUSL6E8F100A20120401?feedType=RSS&feedName=industrialsSector&rpc=43>

### **Iraq Exports More Than 2.3 MMb/d of Oil in March after Opening Offshore Oil Terminal; Highest Level Since 2003**

Iraq's crude oil exports rose to their highest level since 2003 in March, at 2.317 MMb/d, up from 2.014 MMb/d in February, after launching operations at a new offshore export terminal, the State Oil Marketing Organization said on Sunday. Iraq began loading tankers at the 900,000 b/d single-point mooring in early March, and it expects to open the second of four offshore terminals in April.

Reuters, 05:25 April 1, 2012

## Militants Blow Up Pipeline Feeding Balhaf LNG Export Facility in Yemen; Halts Production by at Least Four Cargoes

Militants on Friday blew up a pipeline that transports gas to a liquefied natural gas (LNG) facility at Balhaf port on the Arabian Sea, energy workers said, forcing a halt to production. The explosion took place 28 km north of the Balhaf LNG export plant. Yemen LNG said late on Friday its production would drop by four cargoes following the explosion, according to traders.

Reuters, 18:21 March 30, 2012

<http://www.reuters.com/article/2012/04/02/markets-britain-gas-power-idUSL6E8F23PG20120402>

## Update: Flare on Elgin Platform in North Sea Extinguishes Itself March 31; Total Prepares Operations to Control Leak

Total S.A. confirmed on Saturday morning that the flare on the Elgin production platform had extinguished itself, making conditions safer for workers to proceed with attempts to regain control of the leaking well, reports said. To intervene, the company is considering using a floating support vessel to pump mud into the well, an option that would require reboarding the platform. The company is also carrying out underwater inspections to determine how best to drill a relief well and a backup relief well, which may require moving drilling rigs from two nearby fields, Total said on Monday. Total evacuated the platform and halted production March 26 after discovering the gas leak, the precise cause of which is still unknown.

BSW, 09:35 April 2, 2012

Reuters, 10:15 April 2, 2012

## Energy Prices

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U.S. Oil and Gas Prices			
April 2, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	104.65	106.87	106.80
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.00	2.07	4.32

Source: Reuters

## Links

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*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 and 1:00 PM Eastern Time every Wednesday.

*Natural Gas Weekly Update* from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM Eastern Time 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](mailto:ead@oe.netl.doe.gov)*