



# ENERGY ASSURANCE DAILY

**Tuesday Evening, May 01, 2012**

## ***Electricity***

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### **California ISO Says Southern California Region under Restricted Maintenance Operations until May 31 Due to Loss of Generation Resources**

The California Independent System Operator (ISO) has declared the Orange County and San Diego areas of its Southern California Region are under “restricted maintenance operation” for the period from April 30 through May 31 due to the loss of generation resources, according to a notice issued yesterday afternoon. The notice cautions market participants to avoid actions that may jeopardize generator and/or transmission availability. The California ISO has been working to assure adequate power resources to meet demand in Southern California should the ongoing shutdown of both San Onofre nuclear reactors continue. Southern California Edison, which operates the San Onofre nuclear power plant, has kept both units offline since January to test and inspect steam generators, which have been flagged for unusual tube degradations.

<http://www.caiso.com/awe/systemstatus.html>

### **PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey Automatically Trips Due to Unknown Causes, Leads to Invalid Fire Indication April 30**

PSE&G declared an unusual event at Salem nuclear Unit 1 Monday morning after the unit automatically tripped off line and fire alarms sounded, according to a spokesman. Operators are still investigating the cause of the shutdown, but they noted workers were testing the unit’s emergency cooling system at the time of the trip, which occurred at 10:15 AM EDT. Soon after, multiple fire alarms sounded. Operators believe that the trip/safety injection may have caused piping to shake, resulting in dust near the fire detection equipment resulting in the invalid fire indication, according to a filing with the U.S. Nuclear Regulatory Commission. Operators found no evidence of a fire and declared the unusual event over at 12:49 PM. It is unclear when the unit will return to service. The events had no impact on Salem Unit 2, which continues to operate at full power.

[http://www.nj.com/sunbeam-news/index.ssf/2012/05/unusual\\_event\\_declared\\_at\\_sale\\_1.html](http://www.nj.com/sunbeam-news/index.ssf/2012/05/unusual_event_declared_at_sale_1.html)

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120501en.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/20120501ps.html>

### **Indiana-Michigan Power's 1,060 MW D.C. Cook Nuclear Unit 2 in Michigan Shuts Due to Main Turbine Trip April 30**

Indiana-Michigan Power reported its D.C. Cook nuclear Unit 2 reactor automatically tripped Monday night due to a trip of the main turbine, according to a filing with the U.S. Nuclear Regulatory Commission. The cause of the main turbine trip is still under investigation. D.C. Cook Unit 2 remains stable in Mode 3 while operators conduct the post-trip review, the filing said. The trip had no impact on Unit 1, which continues to operate at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120501en.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/20120501ps.html>

### **Update: Illinois EPA Approves Air Permit for Tenaska's Proposed 716 MW IGCC Coal-Fired Power Plant in Christian County**

The Illinois Environmental Protection Agency (EPA) on Monday approved an air permit for Tenaska's proposed clean coal-fired power plant project in Christian County, according to reports. The Taylorville Energy Center is a proposed 716 MW integrated gasification combined-cycle (IGCC) plant that would include carbon capture and storage facilities, as well. The Illinois EPA has called for significant changes to Tenaska's proposal, including lowered permissible mercury emissions and a binding limit on carbon emissions. The company is still waiting for additional approvals from the Illinois House of Representatives.

[http://www.herald-review.com/business/local/tenaska-wins-key-air-permit-from-state/article\\_ffad42ec-9343-11e1-9680-001a4bcf887a.html](http://www.herald-review.com/business/local/tenaska-wins-key-air-permit-from-state/article_ffad42ec-9343-11e1-9680-001a4bcf887a.html)

<http://www.cleancoalillinois.com/tec.html>

## **ERCOT Expects to Use Nearly 2,000 MW of Previously Idled Capacity to Meet Peak Energy Demand in Texas This Summer**

The Electric Reliability Council of Texas (ERCOT) today released its Seasonal Assessment of Resource Adequacy (SARA) for summer 2012, a report that considers near-term conditions and elements such as weather and economic conditions that can affect generation and demand forecasts. The report lays out ERCOT's plans to use a variety of resources to meet anticipated electric demands this summer, including nearly 2,000 MW of capacity that had been mothballed. Owners have decided to return those units to service, including about 430 MW of capacity that was not available last summer, according to a press release. ERCOT expects to have 73,853 MW of generation available when power demand peaks this summer, and it has estimated peak demand will reach 67,492 MW, according to the SARA report.

Reuters, 11:58 May 1, 2012

[http://www.ercot.com/news/press\\_releases/show/510](http://www.ercot.com/news/press_releases/show/510)

## **Entergy Texas Files Application with Public Utility Commission to Join MISO**

Entergy Texas, Inc. yesterday filed a formal change of control request with the Public Utility Commission of Texas, a step in its plan to join a regional transmission organization, the Midwest Independent Transmission System Operator, or MISO. Entergy Texas is seeking to transfer operational control of its transmission assets to MISO by December 2013. Under the proposed plan, MISO would assume control of transmission planning, the commitment and dispatch of generation that is offered into MISO's markets, and congestion management. Entergy in April 2011 first announced plans to integrate its transmission system into MISO amid pressure from state regulators and from independent power producers and utilities seeking to operate outside the Entergy system. Entergy Texas' application marks the last of Entergy's utilities to apply for approval from state regulators. No states have yet approved the transfer.

[http://www.entropy.com/news\\_room/newsrelease.aspx?NR\\_ID=2425](http://www.entropy.com/news_room/newsrelease.aspx?NR_ID=2425)

<http://www.reuters.com/article/2012/04/30/utilities-entropy-miso-idUSL1E8FUIE120120430?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

## **Update: LCRA Commences Construction on 540 MW Natural Gas-Fired Ferguson Replacement Project in Texas**

The Lower Colorado River Authority (LCRA) on April 27 held a groundbreaking ceremony to commence construction on the Ferguson Replacement Project at the new plant's construction site, next to the operating Thomas C. Ferguson Power Plant in Texas. LCRA is replacing its 37-year-old, 420 MW Ferguson natural gas-fired unit near Horseshoe Bay with a new 540 MW combined-cycle natural gas-fired power plant. LCRA plans to decommission the existing plant following two years of construction, and expects to bring the new power plant online in 2014.

<http://www.lcra.org/newsstory/2012/gbcfergusonpp.html>

## **AEP Restarts 558 MW Welsh Coal-Fired Unit 2 in Texas May 1 after Unspecified Outage Activity**

American Electric Power Co. (AEP) restarted Unit 2 at the Welsh coal-fired power plant in Texas on Tuesday following the completion of unspecified outage activity, according to a filing the Texas Commission on Environmental Quality. The startup will span from May 1–8, the filing said.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=166317>

## **Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Reduced to 85 Percent by May 1**

On the morning of April 30 the unit was operating at full power.

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

## **Update: AES's 498 MW Alamitos Gas-Fired Unit 5 in California Returns to Service by April 30**

The unit returned from an unplanned outage that began by April 27

<http://content.caiso.com/unitstatus/data/unitstatus201204301515.html>

## **AES's 496 MW Redondo Gas-Fired Unit 8 in California Reduced by April 30**

The unit entered an unplanned curtailment of 246 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201204301515.html>

## Petroleum

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### **Update: Delta Air Lines Buys ConocoPhillips's Shuttered Trainer, Pennsylvania Refinery; Plans to Convert Infrastructure to Maximize Jet Fuel Production**

Delta Air Lines' wholly owned subsidiary Monroe Energy has entered into an agreement with ConocoPhillips' downstream spinoff Phillips 66 to acquire the idled 185,000 b/d Trainer refinery near Philadelphia, according to reports. Delta intends to convert existing infrastructure to maximize jet fuel production at the refinery, and it will exchange gasoline, diesel, and other refined products for jet fuel from Phillips 66 and BP through multi-year agreements. Production at the refinery along with the exchange agreements will provide 80 percent of Delta's jet fuel needs in the United States, according to Delta, allowing the company to reduce its fuel expense by \$300 million annually. The acquisition also includes pipelines and transportation assets needed to deliver jet fuel to Delta's operations throughout the U.S. Northeast, including hubs at LaGuardia and JFK airports in New York. Delta expects to close on the acquisition in the first half of 2012; begin producing jet fuel during the third quarter of 2012; and complete infrastructure changes to increase jet fuel production by the end of the third quarter of 2012.

<http://www.hydrocarbonprocessing.com/Article/3020414/Latest-News/Delta-strikes-deal-for-Conoco-Pennsylvania-refinery.html>

### **ExxonMobil to Restart 16-Inch South Line Oil Pipeline in Louisiana This Week**

ExxonMobil Corp. on Tuesday reported it plans to restart its 16-inch South Line oil pipeline, which ships Heavy Louisiana Sweet oil from Raceland to Anchorage, Louisiana and is part of ExxonMobil's Southwest system. The company will restart the line this week after completing a hydrostatic test, a company spokeswoman said. A portion of the Southwest system from South Bend to Sunset, Louisiana, was shut indefinitely October 31, 2011 after the U.S. Pipeline and Hazardous Materials Safety Administration rejected a special permit application on the segment, a spokeswoman said in November.

Reuters, 09:35 May 1, 2012

<http://www.bloomberg.com/news/2012-04-30/exxon-expects-to-restart-portion-of-south-pipe-this-week-1-.html?cmpid=yhoo>

### **Pump Failure at BP's 405,000 b/d Whiting, Illinois Refinery April 30 Prevents Deliveries to West Shore Pipeline near Chicago**

A pump failure at BP's Whiting refinery on Monday prevented the company from delivering products to the West Shore pipeline near Chicago, according to a worker for Buckeye Partners LP, which operates the line. The pipeline connecting the Whiting refinery to the West Shore line was expected to reopen today, according to Buckeye.

<http://www.bloomberg.com/news/2012-04-30/chicago-gasoline-jumps-to-three-month-high-on-bp-pump-failure.html?cmpid=yhoo>

### **ExxonMobil Reports Flaring Due to Unknown Causes at Its 503,000 b/d Baton Rouge, Louisiana Refinery April 29**

ExxonMobil on Sunday reported a release of hydrogen sulfide from a flare at its Baton Rouge refinery due to unknown causes, according to a filing with the U.S. National Response Center. The single flare was intermittently burning with a very low flame, according to the filing.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1010038](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1010038)

### **ConocoPhillips Reports FCC Unit Upset, Flaring at Its 146,000 b/d Borger, Texas Refinery April 29–30**

ConocoPhillips reported a process upset at the fluid catalytic cracking (FCC) unit at its joint-venture Borger refinery in Texas, according to a filing with the Texas Commission on Environmental Quality. The refinery reported emissions from FCC Unit No. 40 began late Sunday, the filing said.

<http://www.tceq.state.tx.us/oce/ear/index.cfm?fuseaction=main.getDetails&target=167930>

## Natural Gas

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Nothing to report

## **Other News**

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### **Shell, Iogen Cancel Plans for New Cellulosic Ethanol Plant in Manitoba, Canada Due to Poor Economics**

Iogen Corp. and Royal Dutch Shell Plc, through their joint venture, Iogen Energy, have cancelled plans to build a cellulosic ethanol plant in southern Manitoba, Canada, citing poor economics.

<http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/shell-iogen-plant-cancellation-raises-doubts-about-new-biofuel-technology/article2417820/>

[http://www.iogen.ca/news\\_events/press\\_releases/2012\\_04\\_30\\_refocus.pdf](http://www.iogen.ca/news_events/press_releases/2012_04_30_refocus.pdf)

## **International News**

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### **Iraq's April Crude Oil Exports Averaged 2.51 MMb/d, Highest Level in 'Decades'**

Iraq exported an average of 2.51 MMb/d of crude oil in April, the highest level "in decades," according to the head of the State Oil marketing Organization, and more than 8 percent higher than the average of 2.32 MMb/d in March. This includes 2.12 MMb/d shipped by sea from the southern terminal of Basra, 387,000 MMb/d shipped from the northern oil hub of Kirkuk through a pipeline to Turkey, and 6,000 b/d shipped by road to neighboring Jordan. Iraq produced 2.89 MMb/d of crude in April, according to data compiled by Bloomberg, and expects to increase output to 3.4 million barrels a day by the end of the year.

<http://www.bloomberg.com/news/2012-05-01/iraq-s-april-crude-oil-exports-rose-to-highest-in-decades-1-.html>

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b> May 1, 2012			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	105.99	103.13	106.80
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.11	1.89	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>

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