



ENERGY ASSURANCE DAILY

Friday Evening, May 04, 2012

Electricity

Storm Knocks Out Power to 24,000 PPL Electric Utilities Customers in Northeastern Pennsylvania May 4

A storm moving through northeastern Pennsylvania this morning cut power to just over 24,000 PPL Electric Utilities customers throughout the region, including 14,313 customers in Wayne County, according to local reports. Power was restored to most affected customers by the end of the morning, reports said.

<http://www.poconorecord.com/apps/pbcs.dll/article?AID=/20120504/NEWS/120509908/-1/NEWS01>

<http://thetimes-tribune.com/news/storm-knocks-out-power-to-24-000-majority-restored-1.1310498#axzz1tuWIAx3s>

Update: Midwest Generation to Retire 326 MW Fisk and 532 MW Crawford Coal-Fired Power Plants in Chicago in September 2012, Ahead of Schedule

Midwest Generation on Wednesday announced that it will retire the Fisk and Crawford coal-fired power stations in September of this year, ahead of schedule. The company announced in late February that it would retire its two Chicago power plants, as the result of an agreement with Mayor Emanuel and the City of Chicago. The Fisk station was originally scheduled to close no later than the end of 2012, and the Crawford station was originally scheduled to close by the end of 2014. A Midwest Generation executive said the company was shutting the plants early for economic reasons.

<http://www.fiskandcrawford.com/newsroom.html>

<http://www.reuters.com/article/2012/05/03/utilities-edisoninternational-coal-idUSL1E8G3JM520120503?feedType=RSS&feedName=industrialsSector&rpc=43>

Ameren Seeks More Time to Install Pollution Controls at Coal-fired Power Plants in Illinois; Without an Extension, May Be Forced to Mothball Units

Ameren Energy Resources Company, LLC (AER) filed yesterday a petition with the Illinois Pollution Control Board (IPCB) seeking flexibility in meeting certain emissions standards established by the Illinois Multi-Pollutant Standards (MPS). AER said significantly depressed power prices combined with the high cost of environmental controls and other factors have made it difficult to invest in pollution control equipment. The AER petition seeks additional time to meet the sulfur dioxide limits applicable to its fleet, extending the compliance dates to December 31, 2020. Steven R. Sullivan, president and CEO of AER, said in a press release, "If the requested relief is not granted, we will have to seriously consider mothballing two of our three remaining unscrubbed energy centers (Edwards, Joppa, and/or Newton) on January 1, 2015.... Unfortunately, without relief, this may become our default MPS compliance strategy."

<http://ameren.mediaroom.com/index.php?s=43&item=1040>

<http://www.bizjournals.com/stlouis/news/2012/05/03/ameren-seeks-more-time-to-meet.html>

Update: Kentucky PSC Approves LG&E and KU's Plans to Build New 640 MW Natural Gas-Fired Unit at the Cane Run Power Plant in Louisville

The Kentucky Public Service Commission (PSC) yesterday approved plans for Louisville Gas and Electric Company (LG&E) and Kentucky Utilities Company (KU) to build a new 640 MW natural gas combined-cycle generating unit at the existing Cane Run site in southwestern Louisville. The project is subject to the receipt of other permits. Construction of the new unit is expected to begin this year for completion in 2015. Last September, LG&E and KU announced plans to retire 801 MWs of coal-fired generation in Kentucky due to U.S. Environmental Protection Agency regulations and replace the lost capacity with 1,135 MWs of new natural gas-fired generation, including a new unit at the Cane Run site. The 563 MW Cane Run coal-fired unit will remain operational until the replacement generation and associated transmission projects are completed.

http://www.lge-ku.com/newsroom/archive2012/news_050312.asp

SCS Files Amended Application to Build 300 MW HECA Integrated Gasification Combined Cycle Power Plant in Kern County, California

SCS Energy California LLC on Wednesday filed with the California Energy Commission an amended application for certification of the Hydrogen Energy California (HECA) project in Kern County, a 300 MW power plant project co-funded by the U.S. Department of Energy and administered by the National Energy Technology Laboratory under its Clean Coal Power Initiative. Upon approval, the HECA project will build an integrated gasification combined cycle plant that will manufacture hydrogen to use to generate electricity and to produce low-carbon nitrogen based products, such as fertilizers. It will also capture more than 90 percent of the carbon dioxide produced at the plant and transport it for use in enhanced oil recovery in the adjacent Elk Hills oilfield, owned and operated by Occidental of Elk Hills, Inc.

http://www.pennenergy.com/index/power/display/4106510989/articles/pennenergy/power/coal/2012/may/scs-files_amended.html

Update: Indiana-Michigan Power's 1,060 MW D.C. Cook Nuclear Unit 2 in Michigan Ramped Up to 97 Percent by May 4

Unit 2 is returning from an outage that began April 30, when the main turbine tripped, shutting the unit. The cause of the turbine trip was under investigation May 1.

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

Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana Shut by May 4

On the morning of May 3 the unit was operating at 85 percent.

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

Petroleum

Update: TransCanada Submits Amended Application for 830,000 b/d Keystone XL Pipeline Segment from U.S./Canada Border in Montana to Nebraska

TransCanada Corporation announced today it has submitted a Presidential Permit application to the U.S. Department of State for the Keystone XL Pipeline from the U.S./Canada border in Montana to Steele City, Nebraska. TransCanada will supplement that application with an alternative route in Nebraska that avoids the Sandhills as soon as that route is selected. The application includes the already reviewed route in Montana and South Dakota.

Keystone XL has an initial capacity of 830,000 b/d of oil. TransCanada expects to begin construction of Keystone XL in the first quarter of 2013, with completion slated for late 2014 or early 2015. Construction of the Gulf Coast Project (the portion of the Keystone XL pipeline running from Cushing, Oklahoma to Nederland, Texas) is expected to begin this summer, with an in-service date of mid- to late-2013.

<http://www.transcanada.com/6040.html>

Update: Pasadena Refining Plans to Rebuild Fire-Damaged Coker Unit at Its 100,000 b/d Pasadena, Texas Refinery

Pasadena Refining Systems Inc. said Friday it will begin rebuilding a coker unit at its refinery in Pasadena after careful evaluation of the scope of the work needed to repair the damage caused by a fire December 10, according to reports. The fire didn't impact any other unit at the refinery, a company spokesman said at the time.

DJN, 11:16 May 4, 2012

Flare Gas Recovery Compressor Trips at Phillips 66's 362,000 b/d Wood River, Illinois Refinery May 4

Phillips 66 reported that a flare gas recovery compressor tripped at its joint-venture Wood River refinery in Roxana, Illinois, according to a filing with state regulators posted on Friday. Operators put the compressor back online, which was expected to resolve the issue, the filing said. ConocoPhillips recently completed the spinoff of Phillips 66 as an independent downstream company.

Reuters, 10:51 May 4, 2012

Update: Alon Plans to Restart Its 11,000 b/d Bakersfield, California Refinery in May after First-Quarter Shutdown Due to Economics

Alon USA Energy Inc. said Friday it plans to restart its Bakersfield refinery in May, according to an executive. The company idled the refinery in mid-January due to bad margins.

Reuters, 10:10 May 4, 2012

Interior Releases Draft Rule Requiring Public Disclosure of Chemicals Used in Hydraulic Fracturing on Public and Indian Lands

The U.S. Interior Department today announced the release of a proposed rule to require companies to publicly disclose the chemicals used in hydraulic fracturing operations on public and Indian lands, with appropriate protections for proprietary information. Currently, there is no specific requirement for operators to disclose these chemicals on federal and Indian lands, where approximately 90 percent of the wells drilled use hydraulic fracturing to greatly increase the volume of oil and gas available for production. The proposed rule would require public disclosure of chemicals used during hydraulic fracturing after fracturing operations have been completed.

The draft rule also contains measures to ensure development continues safely and responsibly by improving assurances on well-bore integrity to verify that fluids used in wells during fracturing operations are not escaping; and confirming that oil and gas operators have a water management plan in place for handling fracturing fluids that flow back to the surface.

<http://www.doi.gov/news/pressreleases/Interior-Releases-Draft-Rule-Requiring-Public-Disclosure-of-Chemicals-Used-in-Hydraulic-Fracturing-on-Public-and-Indian-Lands.cfm>

<http://www.doi.gov/news/pressreleases/loader.cfm?csModule=security/getfile&pageid=293916>

Update: Enterprise Begins Operations at 300 MMcf/d Yoakum Natural Gas Processing Facility in the Eagle Ford Shale in Texas

Enterprise Products Partners L.P. yesterday announced the start-up of the first train at the partnership's new cryogenic natural gas processing plant at Yoakum, Texas. This facility has a design capacity of 300 MMcf/d and can extract approximately 37,000 b/d of natural gas liquids (NGLs). During the start-up period, the plant will process existing Eagle Ford production in a reduced recovery mode to enable testing of the plant and supporting facilities and make adjustments to plant operations. Incoming natural gas volumes and recovery percentages at the facility will continue to increase throughout the month of May, with full production from the plant expected by June 1, 2012. A 65-mile, 36-inch residue natural gas pipeline linking the Yoakum plant to Enterprise's Wilson natural gas storage facility was completed in April 2012. Additionally, the partnership has also completed construction of 169 miles of 20-inch and 24-inch pipeline for delivering mixed NGLs extracted at Yoakum to Enterprise's fractionation and storage complex at Mont Belvieu, Texas.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1691572>

Update: Sempra Energy Announces Agreement for Remaining Capacity at Proposed 1.7 Bcf/d Cameron LNG Export Facility in Louisiana

Sempra Energy subsidiary Cameron LNG yesterday announced it has signed a third and final commercial development agreement with a subsidiary of GDF SUEZ S.A. to develop the remaining liquefaction train planned at the site of the Cameron LNG terminal in Hackberry, Louisiana. With this agreement of 4 million tonnes per annum (MPTA) with GDF SUEZ, Cameron LNG has commitments for the full capacity toward the development of the new liquefaction facility that will be comprised of three liquefaction trains with a total export capability of 12 Mtpa of liquefied natural gas (LNG), or approximately 1.7 Bcf/d. Pending approvals, construction on the project is expected to start in late 2013 with operations to commence in late 2016.

<http://sempra.mediaroom.com/index.php?s=19080&item=127918>

Amine System Upsets Shut AGI Compressor at Regency's 290 MMcf/d Waha Gas Plant in Texas May 3-4

Regency Energy Partners reported an acid gas injector (AGI) compressor shut down Thursday morning due to an upset in the amine system, according to a filing with the Texas Commission on Environmental Quality. Operators resolved the amine system problems that morning and restarted the compressor, but it went down again late Thursday night, on low suction pressure due to foaming in the amine system. Operators made adjustments and restarted the compressor again Friday morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168114>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168075>

Enbridge Reports AGI Unit Shutdowns at Its Tilden Gas Plant in Texas May 4

Enbridge reported acid gas injector (AGI) Units 1 and 2 shut down Friday morning due to high fifth-stage discharge pressure, 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=168098>

Targa Shuts AGI Unit Due to Mea Treater Upset, Leads to Flaring at Its 150 MMcf/d Sand Hills Gas Plant in Texas May 3

Targa Resources reported an upset within the Mea Treater at the Sand Hills Plant Thursday morning led operators to shut down the system to isolate critical equipment to avoid additional failures, according to a filing with state regulators. This shut down the acid gas compressor and resulted in flaring.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168090>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168091>

Update: Native Group Willing to Discuss Changes to Mackenzie Gas Project in Northwest Territories; Could Include Exporting LNG to Asia

Aboriginal Pipeline Group (APG) said this week that it is open to discussing changes in its joint-venture plans for the Mackenzie Gas Project in the Northwest Territories of Canada, according to reports. The project has long focused on building a 743-mile pipeline to ship 1.2 Bcf/d of natural gas along the Mackenzie River Valley to Alberta for sale within North America. APG and its partners, which include Imperial Oil Ltd. and ConocoPhillips, announced earlier this month that they were putting the project on hold because increased pipeline costs and low natural gas prices have reduced the economic viability of the project. The Mackenzie partners are now considering a project to ship Canadian natural gas from the Mackenzie Delta to a liquefied natural gas (LNG) export terminal proposed for Valdez, Alaska, where LNG could be exported to Asia. The partners must submit an amended proposal to the Canadian National Energy Board by the end of 2013. Construction must start by the end of 2015.

[http://www.reuters.com/article/2012/05/03/canada-naturalgas-arctic-](http://www.reuters.com/article/2012/05/03/canada-naturalgas-arctic-idUSL1E8G3CRP20120503?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

[idUSL1E8G3CRP20120503?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43](http://www.reuters.com/article/2012/05/03/canada-naturalgas-arctic-idUSL1E8G3CRP20120503?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

Other News

Nothing to report

International News

Update: Buckeye to Build Additional 1.2 Million Barrels of Crude Oil Storage at BORCO Terminal in the Bahamas by Third Quarter 2013

Buckeye Partners reported in a quarterly earnings statement that the company entered into a long-term contract agreement in April that will support the construction of an additional 1.2 million barrels of crude oil storage capacity, which Buckeye expects to be operational in the third quarter of 2013. This additional capacity is incremental to the previously announced 3.5 million barrel phase one expansion at BORCO.

<http://www.buckeye.com/LinkClick.aspx?fileticket=x19NJEP3ggM%3d&tabid=36>

Update: Total Moves Drilling Rig near Elgin Platform in North Sea to Pump Heavy Mud to Stop Leak; Well Kill in Coming Days

Total SA reported it made some progress addressing the leak on the G4 well on the Elgin complex Friday when the semi-submersible drilling rig, the West Phoenix, moved within the current exclusion zone ready to position itself directly alongside the complex. The rig will be the main support vessel during the forthcoming well intervention operation and will be used to pump heavy mud into the G4 well to stop the leak. Total is on track to begin the intended well intervention operation within the coming days, subject to continuing favorable weather.

<http://www.elgin.total.com/elgin/>

West African Pirates Free Gasoline Tanker Seized offshore Togo April 28; Steal Unspecified Amount of Cargo

West African pirates freed a gasoline tanker they hijacked last week after stealing some of its gasoline cargo, a spokesman for the shipowner, BW Maritime, said Friday. The tanker BW Rhine was seized from anchorage off Lome, Togo on April 28. The spokesman did not specify how much of the cargo was stolen, but a trade source said the tanker had been loaded with about 60,000 tonnes of gasoline.

Reuters, 09:05 May 4, 2012

Energy Prices

U.S. Oil and Gas Prices			
May 4, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	98.08	104.37	108.69
NATURAL GAS Henry Hub \$/Million Btu	2.29	2.10	4.60

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 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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