



ENERGY ASSURANCE DAILY

Thursday Evening, May 23, 2013

Electricity

Industry Not Doing Enough to Protect U.S. Electric Grid Against Cyberattacks, Geomagnetic Storms – Lawmakers

U.S. Rep. Edward Markey and Rep. Henry Waxman on Tuesday issued a report based on the responses to surveys by more than 150 investor-owned utilities, municipally-owned utilities, rural electric cooperatives, and Federal entities that own major pieces of the bulk power system that concludes that the electric grid is the target of numerous and daily cyberattacks; most utilities comply only with mandatory cybersecurity standards and have not implemented voluntary North American Electric Reliability Corporation (NERC) recommendations; most utilities have not taken concrete steps to reduce the vulnerability of the grid to geomagnetic storms; and it is unclear whether the number of available spare transformers is adequate.

http://markey.house.gov/sites/markey.house.gov/files/documents/Markey%20Grid%20Report_05.21.13.pdf

Illinois Congress Overturns Governor's Veto on Legislation That Supports Utilities' Smart Grid Infrastructure Upgrades

The Illinois House of Representatives on Wednesday voted to overturn Governor Pat Quinn's veto of Senate Bill 9, legislation that amends the Public Utilities Act and enables utilities including Ameren Illinois and Commonwealth Edison to move forward with plans to invest in infrastructure upgrades to a smart grid. The Senate took the same action on Tuesday. Senate Bill 9 was supported by utilities after the Illinois Commerce Commission denied proposed rate hikes the State's utilities said were needed to make the infrastructure upgrades.

<http://ameren.mediaroom.com/index.php?s=43&item=1166>

https://www.comed.com/newsroom/news-releases/Pages/newsroomreleases_05222013.pdf

<http://www.smartmeters.com/smart-grid-news/4038-illinois-senate-overrides-governors-smart-grid-veto.html>

Update: Fallen Turbine Blade Shuts 265 MW Ocotillo Wind Power Plant in California May 16; Prompts Manufacturer to Curtail Operations at Select Wind Farms Globally

Siemens confirmed Monday that it has convened a team of experts at the Ocotillo Wind power plant east of San Diego, where a 170-foot, B53-model blade broke loose and fell to the ground sometime overnight on May 15–16, to determine the root cause of the incident and whether it is related to a recent similar incident in Iowa. On April 5, a B53 blade broke on the same model turbine at MidAmerican Energy's Eclipse wind farm in Iowa. In an abundance of caution, Siemens is now curtailing all turbines with the B53 blade type globally. The B53 blade is used on a turbine model with about 700 units in operation worldwide—600 of those in the United States. Ocotillo Wind remains shut, and operator Pattern Energy is evaluating all 90 turbines at the farm.

<http://www.utsandiego.com/news/2013/may/20/wind-turbine-mystery/>

<http://content.caiso.com/unitstatus/data/unitstatus201305221515.html>

Update: TransAlta Extends Outage at Its 395 MW Keephills Coal-Fired Unit 1 in Alberta; Says Sundance Coal-Fired Unit 1 Will Return to Service Early, by July 2013

TransAlta Corporation today announced the extension of the forced outage at its Keephills 1 power plant as it continues work to repair a generator. Keephills 1 tripped offline on March 5, and TransAlta declared force majeure on generation from the unit, due to a winding failure within the generator. Upon completion of two phases of repair work, further condition testing identified greater winding degradation requiring a full rewind of the generator. As a result, the power plant is anticipated to return to service by mid-November, 2013. TransAlta also announced that it will return its Sundance 1 power plant to service by July 31, earlier than a previous estimate of fall 2013. TransAlta took Sundance Units 1 and 2, whose combined generating capacity was 560 MW before the company decided to shut them in December 2010 due to inadequate boiler tube conditions.

<http://www.transalta.com/newsroom/news-releases/2013-05-24/transalta-updates-return-service-dates-keephills-1-and-sundance-1->

<http://www.transalta.com/facilities/plants-operation/sundance>

Inland Empire Energy Center's 376 MW Inland Empire Natural Gas-Fired Unit 1 in California Returns to Service by May 22

The unit returned from an outage that began by May 20 and was due to planned and unplanned causes.

<http://content.aiso.com/unitstatus/data/unitstatus201305221515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201305201515.html>

Update: Black Hills Begins Construction on 132 MW Cheyenne Prairie Generating Station in Wyoming

Black Hills Corp. on Wednesday announced construction has begun on the new Cheyenne Prairie Generating Station power plant near Cheyenne, Wyoming. The plant will contain three natural gas-fired turbines with a total capacity of 132 MW. The plant will include one simple-cycle combustion turbine unit that will be wholly owned by Black Hills' subsidiary Cheyenne Light, Fuel & Power. It will also include one combined-cycle unit that will be jointly owned by Cheyenne Light and another Black Hills subsidiary, Black Hills Power. The plant is scheduled to be placed in service in the fourth quarter of 2014. Black Hills Power needs replacement generation for 82 MW of older, coal-fired generation that cannot be economically retrofitted to meet new U.S. Environmental Protection Agency air emissions regulations and must be retired before March 2014. Cheyenne Light is preparing for growing electricity demand due to an increase in economic development and the need to replace a 40 MW power supply agreement that ends in 2014.

<http://www.cheyennelight.com/cpgn-construction-starts>

NRC Approves Increased Power Output for McGuire Nuclear Power Plant in North Carolina

The U.S. Nuclear Regulatory Commission (NRC) on Wednesday announced it has approved a request by Duke Energy Carolinas to increase the generating capacity of McGuire Nuclear Station Units 1 and 2 by 1.7 percent each. The NRC determined that Duke could safely increase the reactors' power output primarily through more accurate means of measuring feedwater flow. Duke intends to implement Unit 2's increase during its spring 2014 refueling outage, and Unit 1's increase during its fall 2014 outage.

<http://www.nrc.gov/reading-rm/doc-collections/news/2013/13-041.pdf>

Petroleum

Magellan Considering Pipeline Extension to Move Up to 75,000 b/d of Refined Products to Central Arkansas amid Supply Concerns

Magellan Midstream Partners LP on Thursday said it was exploring the feasibility of building a pipeline extension connecting its network to its terminals in Little Rock, Arkansas, to move up to 75,000 b/d of refined products into the area, where the imminent shutdown of a separate distillate pipeline has raised concerns about supply in the State. Enterprise Products Partners L.P. is planning to end deliveries on its 230,000 b/d TE Products pipeline running from Texas via Arkansas to southeastern parts of Missouri, Illinois, Indiana, and Ohio, and reverse the line as part of the development of its Appalachia to Texas (ATEX Express) pipeline, which will deliver growing ethane production from the Marcellus and Utica Shale regions in Pennsylvania, West Virginia, and Ohio to the U.S. Gulf Coast.

<http://www.reuters.com/article/2013/05/23/magellan-pipeline-arkansas-idUSL2N0E40ZH20130523>

Update: Portland Pipe Line Still Considering Project to Reverse Montreal-Portland Oil Pipeline to Move Western Canadian Oilsands Crude to Maine

Portland Pipe Line Corp. and Montreal Pipe Line Ltd., which is principally owned by Suncor Energy Inc., Imperial Oil Ltd., and Royal Dutch Shell Plc, are considering a project to reverse their jointly owned 18-inch Portland-Montreal Pipeline to carry Western Canadian oilsands crude from Montreal to South Portland, site of an Atlantic deepwater port. The pipeline now mainly carries imported crude to Canadian refineries. Portland Pipe Line Corp., which operates the U.S. side of the pipeline, said in December 2012 that it had no active plans to move forward with the pipeline reversal project, but that if there were demand for it in the future, the company would reconsider.

http://www.pmpl.com/current_events.php

<http://www.reuters.com/article/2013/05/22/oilsands-maine-idUSL2N0E317720130522>

Valero Plans Investments to Bring More North American Crude to Its 265,000 b/d Quebec, Montreal Refinery

Valero Energy Corp. will invest as much as C\$200 million in its Quebec refinery if Enbridge Inc. proceeds with its plan to reverse its Line 9 pipeline to bring oil from western North America to Montreal, CEO Brian Klesse said. Valero would then deliver the crude from Montreal to its refinery near Quebec City by company-owned ships down the St. Lawrence. Valero is also planning investments to overhaul its handling capacity at the refinery, including increased tankage and new crude-carrying ships, in order to increase access to North American crude. Valero is expanding the 265,000 b/d refinery's ability to receive western crude by rail and will import up to 50,000 b/d from the Eagle Ford play in Texas.

http://www.downstreamtoday.com/news/article.aspx?a_id=39593

Operational Upset During Storm Causes FCCU, Boiler Emissions at Delek's 60,000 b/d Tyler, Texas Refinery May 21

Delek U.S. Holdings reported emissions at its Tyler refinery Tuesday night were due to an operational upset resulting from sudden weather changes during an intense storm, according to a filing with the Texas Commission on Environmental Quality. The filing lists the fluid catalytic cracking unit (FCCU) and the No. 9 boiler as sources of emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183143>

Update: FCCU at Planned Rates at Valero's 83,000 b/d Houston, Texas Refinery by May 23

Valero Energy Corp. on Thursday said the fluid catalytic cracking unit (FCCU) at its Houston refinery had returned to planned rates after an unspecified issue with the unit resulted in flaring on Tuesday.

Reuters, 10:53 May 23, 2013

ExxonMobil Reports Hydrogen Compressor Shutdown at Its 572,500 b/d Baytown, Texas Refinery May 21

ExxonMobil Corp. reported a hydrogen compressor shutdown at its Baytown refinery on Tuesday, 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=183146>

ExxonMobil Reports Process Pipe Leak at Its 503,000 b/d Baton Rouge, Louisiana Refinery May 22

ExxonMobil Corp. reported a process pipe leak at its Baton Rouge refinery Tuesday morning, according to a filing with the U.S. National Response Center. Operators were investigating the cause of the leak, which had not yet been secured at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1047931

Update: Tesoro Restarts Hydrotreater, Unspecified Major Unit at Its 166,000 b/d Martinez, California Refinery by May 22; Prepares to Restart FCCU

Tesoro Corp. reported the startup of a hydrotreater and an unspecified major unit after work was completed at its Martinez refinery on Wednesday, according to a filing with Contra Costa Health Services. In a separate filing, the company reported putting feed into the fluid catalytic cracking unit (FCCU) to prepare to restart production. The refinery had reported late last week that it was restarting major units after a power outage affected the boiler house and led to unit shutdowns.

Reuters, 19:56 May 22, 2013

Six-Inch Line Leak Spills 13 Barrels of Gasoline at Chevron's 279,000 b/d El Segundo, California Refinery by May 22

Chevron Corp. reported 6-inch line at its El Segundo refinery was discovered leaking and had spilled 13 barrels of gasoline, according to a filing with the California Emergency Management Agency. Operators immediately isolated the leak.

Reuters, 18:08 May 22, 2013

Natural Gas

Update: Jordan Cove Files FERC Applications for LNG Export Project at Coos Bay, Oregon

The Jordan Cove Energy Project announced it has filed applications to the U.S. Federal Energy Regulatory Commission (FERC) to construct and operate a liquefied natural gas (LNG) export facility on the North Spit of the International Port of Coos Bay. The project would have a liquefaction capacity of 6 million metric tons per year, and export 1Bcf/d, with a peak export capacity of 1.2 Bcf/d. The project would also build the 420 MW South Dunes combined-cycle, natural gas-fired power plant to support the facility. The FERC will compile data and publish a Draft Environmental Impact Statement for public comment and consideration later this year. Jordan Cove has received all local land use approvals necessary for the project, and is now seeking construction, operation, and export permits from the FERC and the U.S. Department of Energy. Following receipt of all approvals, construction of the export facility and supporting power plant is anticipated to span 42 months.

<http://www.jordancoveenergy.com/project.htm>

http://www.jordancoveenergy.com/news/JCEP_Application_Submission-May_2013.pdf

http://elibrary.ferc.gov/idmws/Doc_Family.asp?document_id=14117201

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
May 23, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	93.51	95.19	89.25
NATURAL GAS Henry Hub \$/Million Btu	4.16	4.03	2.55

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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