



ENERGY ASSURANCE DAILY

Wednesday Evening, June 05, 2013

Electricity

Update: More Than 15,000 Utility Customers Remain without Power in Oklahoma and Missouri June 5 after Supercell Thunderstorms Last Weekend

Utilities in Oklahoma and Missouri continued working to restore power to customers affected by a cluster of supercell thunderstorms that knocked out power to 276,000 customers in the Central and Eastern United States and 48,000 customers in Quebec last weekend. As of 2:00 p.m. EDT today, Oklahoma Gas & Electric (OG&E) reported that 14,497 customers remained without power, down from 100,000 at the peak of the storm. The utility said it hoped to restore power to all its affected customers that can receive power by Thursday night. Ameren reported that 539 of its customers remained without power in Missouri, down from 93,000 at the peak of the storm. The utility said it expects to restore power to its remaining affected customers today.

<http://public.oge.com/systemwatch/SystemWatch.swf?startMapID=1>

http://www.oge.com/Documents/Estimated%20Time%20of%20Restoration%20Map_May%2031.pdf

<http://apps.ameren.com/outage/OutageMap.aspx?state=MO>

<http://ameren.mediaroom.com/index.php?s=43&item=1185>

Consumers Energy Reports 20 Percent Improvement in Electricity Reliability in Michigan Over Past 5 Years Due to Upgrades, Modernization

Consumers Energy today announced its investment of nearly \$1 billion over the past 5 years has resulted in a 20 percent improvement in electric reliability in its service territory in Michigan. In addition, during last summer's peak load day, customers experienced more than a 60 percent reduction in heat-related outages compared to previous years' peak load days. Consumers Energy invests about \$150 million per year to upgrade and modernize its electric distribution system. This work includes inspecting and replacing poles and cross-arms; replacing transformers, insulators, and adding new electric wires. The company is also installing new automatic relay equipment and strengthening animal protection measures at substations to further improve reliability. In addition, Consumers Energy invests up to \$45 million per year on line-clearing work to enhance reliability and reduce tree and vegetation contact with electric lines.

<http://www.consumersenergy.com/News.aspx?id=6300&year=2013>

Officials Say Fire Did Not Affect Power Generation at Xcel's 1,426 MW Comanche Coal-Fired Power Plant in Colorado June 1

The Pueblo Fire Department reported it extinguished a fire that broke out on a conveyor belt system Saturday morning at Xcel Energy's coal-fired Comanche power plant in Colorado. The conveyor belt system, which is about 180 feet above ground, moves coal from trains to storage areas. Initial reports indicate that a subcontractor was doing welding work on the conveyor system when sparks ignited the belts, which had coal and coal residue on them. Burning pieces of conveyor belt fell into a stack of coal, which also caught fire. Fire officials said Xcel can still generate electricity while it makes repairs.

<http://finance.yahoo.com/news/fire-burns-xcel-power-plants-151017951.html>

http://www.xcelenergy.com/About_Us/Our_Company/Power_Generation/Comanche_Generating_Station

Update: Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Ramped Up to 97 Percent; Unit 2 Reduced to 75 Percent by June 5

On the morning of June 4 Unit 1 was operating at 78 percent, and Unit 2 was operating at full power.

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

MidAmerican Energy Decides Against Building New Nuclear Power Plants in Iowa Citing Regulatory Uncertainty, Expense

MidAmerican Energy Company on Tuesday announced its nuclear feasibility study, which has been underway since 2010, resulted in several conclusions: (1) there are viable sites in Iowa that are potentially acceptable for a nuclear generation facility; (2) new small modular reactors can be a cost-effective alternative to other forms of generation when carbon emissions are constrained or taxed; and (3) new nuclear technologies will offer significantly enhanced safety capabilities. The study also concluded that it is premature, given the uncertainty of carbon regulation and the extensive regulatory review for new nuclear reactor designs, to immediately pursue any additional site work on a future generation option, including a nuclear facility. The assessment was submitted to the Iowa Utilities Board on June 3.

<http://www.midamerican.com/newsroom.aspx/newsdetails.aspx?id=639&type=current>

Texas Raises Wholesale Power Price Cap as Part of Ongoing Push to Encourage Investment in New Power Plants

The Texas Public Utility Commission raised the wholesale power price cap to \$5,000 per megawatt-hour (MWh) on June 1, up from \$3,000/MWh for much of last summer. Raising the cap is part of an ongoing push by the commission to encourage investment in new power plants to help meet electric demand, which is growing faster than generation is being built. The Electric Reliability Council of Texas (ERCOT) in May reported it is anticipating tight operating reserves this summer as power demands peak at 68,383 MW, slightly above the 68,305 MW all-time record set August 3, 2011. The amount of generation available to serve peak electric needs is forecast at 74,438 MW. The commission briefly raised the price cap to \$4,500/MWh last August before lowering it to \$3,000/MWh again due to fairly mild late-summer and winter weather. The cap will climb to \$7,000/MWh in 2014 and to \$9,000/MWh in 2015.

<http://www.reuters.com/article/2013/06/04/utilities-texas-summer-idUSL1N0EG18Z20130604?feedType=RSS&feedName=financialsSector&rpc=43>

DOI Approves Three Renewable Energy Projects Totaling 520 MW of Generating Capacity in Arizona and Nevada

The U.S. Department of the Interior on Monday announced the approval of three renewable energy projects, including the 350 MW Midland Solar Energy Project and the 70 MW New York Canyon Geothermal Project in Nevada, and the 100 MW Quartzsite Solar Energy Project in Arizona. The Midland solar photovoltaic facility is under development by Boulder Solar Power, LLC. The New York Canyon Geothermal Project and electrical transmission facility is under development by TGP Dixie Development Company, LLC, a subsidiary of TerraGen Power, LLC, and includes an associated 230-kV electrical line. The Quartzsite project is under development by Quartzsite Solar Energy, LLC, a subsidiary of Solar Reserve, LLC, and is slated to begin operations in 2014, once a power purchase agreement has been contracted and financing for the project is complete.

<http://www.solarreserve.com/wp-content/uploads/2013/06/SolarReserve-Quartzsite-Solar-Project-ROD-from-DOI-4Jun13-FINAL.pdf>

<http://www.doi.gov/news/pressreleases/secretary-jewell-announces-approval-of-three-renewable-energy-projects-in-arizona-and-nevada.cfm>

BOEM Announces First Offshore Renewable Energy Lease Sale to Auction Acres Offshore Rhode Island and Massachusetts

The U.S. Bureau of Ocean Energy Management (BOEM) on Tuesday announced that it will hold the first-ever competitive lease sale for renewable energy on the U.S. Outer Continental Shelf (OCS). The auction, scheduled to take place on July 31, will offer 164,750 acres offshore Rhode Island and Massachusetts for commercial wind energy leasing. BOEM also has made available a revised environmental assessment (EA) for commercial wind lease issuance and related activities within the Wind Energy Area offshore Rhode Island and Massachusetts, which concluded that the commercial wind lease issuance and related activities would not significantly impact the environment. The revised EA addresses comments received in response to an environmental assessment published in July 2012 for a 30-day public review period.

<http://www.doi.gov/news/pressreleases/interior-announces-first-offshore-renewable-energy-lease-sale.cfm>

Kinder Morgan Announces 900,000-Barrel Expansion of New BOSTCO Oil Terminal Currently under Construction on Houston Ship Channel

Kinder Morgan Energy Partners, L.P. today announced a 900,000-barrel expansion at the Battleground Oil Specialty Terminal Company, LLC (BOSTCO) currently under construction on the Houston Ship Channel. The expansion includes six 150,000-barrel ultra low sulphur diesel tanks, additional pipeline and deepwater vessel dock access, and high-speed loading at a rate of 30,000 barrels per hour. Work on the 900,000-barrel expansion is scheduled to start in the second quarter of 2013, with commercial operations expected to begin in the fourth quarter of 2014. A joint venture of KMP (which owns a 55 percent interest in and will operate the facility) and TransMontaigne Partners L.P., the BOSTCO oil terminal at mile marker 43 on the Houston Ship Channel is expected to begin commercial operations in the third quarter of 2013. With the completion of this expansion the terminal will be fully subscribed for the total capacity of 7.1 million barrels and will include the construction of 57 storage tanks to handle ultra low sulphur diesel, residual fuels, and other black oil terminal services.

<http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1827289>

Spectra Energy Announces Open Season for Express Crude Oil Pipeline from Alberta to Illinois

Spectra Energy Corp today announced an open season for crude oil shipments on the Express pipeline from Hardisty, Alberta to all points along its system, including a new proposed interconnection to a rail terminal under development in Casper, Wyoming. The open season begins today and will run until August 9, 2013, with service beginning as early as October 1, 2013. The 1,717-mile Express-Platte system, which begins in Hardisty, Alberta and terminates in Wood River, Illinois comprises the Express and Platte crude oil pipelines and is one of three major pipeline systems moving crude oil from western Canada to Rockies and Midwest refineries and markets.

<http://www.spectraenergy.com/Newsroom/News-Archive/Spectra-Energy-Announces-Open-Season-for-Express-Crude-Oil-Pipeline/>

Third-Party Power Outage Causes Unspecified Shutdown at Sinclair's 80,000 b/d Sinclair, Wyoming Refinery June 5 – Local Media

Local media reported that a power outage affecting nearly 3,000 Rocky Mountain Power customers in Wyoming sparked a shutdown at Sinclair Oil Corp.'s Sinclair refinery Wednesday morning.

Reuters, 10:02 June 5, 2013

DCU Upset Leads to Flaring at Motiva's 600,000 b/d Port Arthur, Texas Refinery June 3

Motiva reported flaring from the No. 1 delayed coking unit (DCU) at its Port Arthur refinery Monday night was caused by upset conditions in the DCU-1 gas recovery system, according to a filing with the Texas Commission on Environmental Quality. Emissions from the DCU-1, the DCU-1 flare, and the DCU-1 stripper tower continued for about 10 hours until Tuesday morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183581>

Pecan Hulling Causes FCCU Emissions at Valero's 171,000 b/d McKee, Texas Refinery June 3

Valero reported brief emissions from a fluid catalytic cracking unit (FCCU) at its McKee refinery on Monday morning were due to pecan hulling, 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=183529>

Natural Gas

Orange & Rockland Utilities Responds to Possible Natural Gas Explosion at Nyack College in New York June 4

A possible natural gas explosion blew out windows of a building at Nyack College north of New York City around noon EDT on Tuesday, injuring seven faculty members, local law enforcement said. Orange and Rockland Utilities Inc., a subsidiary of Consolidated Edison Co., shut off the gas service to the building after the explosion. Officials said the explosion appeared to have been caused by natural gas, but the incident was under investigation.

<http://www.reuters.com/article/2013/06/04/usa-explosion-newyork-idUSL1N0EG1B920130604?feedType=RSS&feedName=utilitiesSector&rpc=43>

Spectra Restricts Deliveries on 1 Bcf/d Southeast Supply Header Pipeline after Unplanned Outage at Its Delhi Compressor Station in Louisiana June 5

Southeast Supply Header, LLC (SESH), a joint venture between Spectra Energy and Centerpoint Energy, on Tuesday reported an unplanned outage at its Delhi Compressor Station in northeast Louisiana. Repair efforts were underway. SESH is a 274-mile, 1 Bcf/d pipeline that extends from the Perryville Hub in northeastern Louisiana to the Gulfstream Natural Gas System, LLC pipeline system near southern Mobile County, Alabama. On Wednesday, the company notified shippers that beginning Gas Day June 6, 2013, capacity will be limited to approximately 843 MMcf/d through the Delhi Compressor Station, 939 MMcf/d through the Gwinville Compressor Station, and 937 MMcf/d through the Lucedale Compressor Station until further notice. On Gas Day June 5, 2013, nominations at Delhi were 872 MMcf/d, nominations at Gwinville were 967 MMcf/d, and nominations at Lucedale were 909 MMcf/d.

<http://infopost.spectraenergy.com/infopost/SESHHome.asp?pipe=SESH&mode=1>

<http://www.reuters.com/article/2013/06/04/spectra-outage-idUSL1NOEG1VV20130604?feedType=RSS&feedName=marketsNews&rpc=43>

Southern Union Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas June 3

Southern Union Gas Services reported it was flaring low-pressure inlet gas at its Keystone plant Monday night after a communication failure caused an expander to shut, which in turn shut Unit 23 and field units, according to a filing with the Texas Commission on Environmental Control.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183577>

Other News

Nothing to report.

International News

Bomb Attack Shuts 350,000 b/d Kirkuk-Ceyhan Crude Oil Pipeline in Iraq June 4

Iraqi oil ministry officials on Wednesday reported that militants bombed the Kirkuk-Ceyhan oil export pipeline in Nineveh province early Tuesday morning, causing severe damage and halting flows, but that crude exports were unaffected because there was sufficient oil available in storage. The pipeline transports about 350,000 b/d of crude oil from northern Iraqi oilfields to the Turkish Port of Ceyhan on the Mediterranean Sea. Crews were assessing the damage, but could not estimate when crude flows would resume.

Reuters, 08: 10 June 5, 2013

South Sudan Needs at Least 1 Year to Fully Restore Crude Oil Output – Industry Sources

South Sudan will restart oil exports this month but will need at least a year to restore crude oil output fully after fighting with Sudan damaged facilities and impacted the performance of oilfields, industry sources said. South Sudan restarted production in March after a shutdown of more than a year due to a dispute over transit fees that halted the flow of 350,000 b/d since January 2012. Production is unlikely to get much higher than 230,000 b/d this year after restarting in April, the sources said. South Sudan had hoped to reach an output of 200,000 b/d by mid-April but new tensions with Sudan led to delays.

<http://www.trust.org/item/20130605140000-a2s0g>

Energy Prices

U.S. Oil and Gas Prices			
June 5, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	94.39	93.62	84.00
NATURAL GAS Henry Hub \$/Million Btu	4.00	4.19	2.32

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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