



ENERGY ASSURANCE DAILY

Friday Evening, June 29, 2012

Electricity

Update: ITCTransmission Starts Construction of Thumb Loop High-Voltage Transmission Project in Michigan

ITCTransmission, a wholly-owned subsidiary of ITC Holdings Corp., announced today the start of construction of its Thumb Loop transmission line. The Thumb Loop project consists of approximately 140 miles of double-circuit 345-kV transmission lines and four new substations. It will serve as the backbone of a system designed to meet the identified maximum wind energy potential of the Thumb region and will be capable of supporting a maximum capacity of about 5,000 MW. Additional lines and facilities will be needed in the future as wind generators go into service and connect to the backbone system. The project will be constructed in stages. Construction on the first segment, the western side of the loop from Tuscola County to Huron County, began in the second quarter of 2012 and will finish in late 2013. The remainder is targeted for completion by 2015.

www.itctransco.com

<http://finance.yahoo.com/news/itctransmission-celebrates-start-construction-thumb-130000783.html>

Ash Creek Fire in Southeast Montana Damages Electric Transmission Infrastructure, Knocks Out Power to 2,000 Tongue River Electric Cooperative Customers June 27; Full Power Restoration Expected by June 29

<http://www.kxjh.com/news/ash-creek-fire-in-se-montana-still-at-110k-acres-knocks-out-power/>

Exelon's 1,131 MW Byron Nuclear Unit 2 in Illinois Reduced to 86 Percent by June 29

On the morning of June 28 the unit was operating at full power.

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

Southwestern Reports Emissions from Its 360 MW Harrington Coal-Fired Unit 1 in Texas June 27

Southwestern Public Service Co. reported emissions from its Harrington Unit 1 Tuesday afternoon due to two causes: the first instance occurred while the power levels on the POR were being modified; the second occurred while operators were cooling the boiler with the fans on after the unit shut down for a tube leak. Operators adjusted air flow as needed to minimize opacity values.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170419>

Inland Empire Energy Center's 376 MW Inland Empire Gas-Fired Unit 1 in California Reduced by June 28

The unit entered a curtailment of 126 MW due to planned and unplanned causes.

<http://content.aiso.com/unitstatus/data/unitstatus201206281515.html>

City of Vernon's 134 MW Malburg Gas-Fired Unit in California Shut by June 28

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201206281515.html>

Update: Bruce Power Declares Force Majeure Due to Ongoing Repairs to 750 MW Bruce A Nuclear Unit 2 in Ontario

TransCanada Corporation reported yesterday that Bruce Power has submitted a request for a force majeure claim to the Ontario Power Authority as a result of an external event that delayed the synchronization of Unit 2 (Bruce A) to the Ontario power grid. The company reported on May 18 that the in-service date of the Bruce A Unit 2 reactor would be delayed after an incident in the generator system during the lead up to synchronizing the unit to the electrical grid caused some damage. TransCanada said yesterday that an assessment of the damage to Unit 2 is almost complete, that Bruce Power has the materials it needs to complete the repairs, and that work is underway. The company expects to estimate a restart timeframe for Unit 2 in the coming weeks. Refurbishment of the 750 MW Unit 1 reactor at Bruce Power continues to progress as planned, and it is expected to begin commercial operations in mid-third quarter 2012 as previously disclosed. Bruce Power consists of two generating stations (Bruce A & B), with each station housing four nuclear reactors. Six of those reactors are currently operational, producing more than 4,700 MW of power.

<http://transcanada.com/6048.html>

<http://transcanada.com/6063.html>

New York Adopts Regulations That Increase Environmental Oversight of New Power Plants, Limit CO₂ Emissions from New Power Plants

The New York State Department of Environmental Conservation (DEC) on June 28 adopted regulations (6 NYCRR Part 487) requiring new or expanding electric generating facilities in New York to evaluate the potential disproportionate impacts on nearby environmental justice communities. The DEC also adopted regulations (6 NYCRR Part 251) that limit carbon dioxide (CO₂) emissions from new major electric generating facilities and certain expansions at existing electric generating facilities. The regulations in Part 251 establishes CO₂ emission limits for proposed new major electric generating facilities that have a generating capacity of at least 25 MW, and for increases in capacity of at least 25 MW at existing electric generating facilities. The new regulations take effect July 12, 2012.

<http://www.dec.ny.gov/press/83269.html>

Petroleum

PHMSA Approves Restart of Buckeye's Norco West Pipeline System from Indiana to Illinois June 28

Buckeye Norco Pipe Line Company LLC, a subsidiary of Buckeye Partners LP, on Thursday received approval from the Pipeline Hazardous Materials Safety Administration (PHMSA) to restart its Norco West system from Hartsdale, Indiana to Galesburg, Illinois, including delivery points at Peoria and Chillicothe, Illinois. In a notice to shippers, Buckeye said the operating pressure on the Norco West pipeline had been reduced but did not expect any significant curtailment of service.

Reuters, 19:35 June 28, 2012

Pipe Leak Results in Emissions of Hydrogen Sulfide at ExxonMobil's 572,500 b/d Baytown, Texas Refinery June 28

ExxonMobil reported a pipe leak at its Baytown refinery resulted in emissions of hydrogen sulfide to atmosphere Thursday, according filings with the Texas Commission on Environmental Quality and the U.S. National Response Center. Operators patched the pipe, which ended the emissions. The incident had no impact on production, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170480>

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1016112

Valve Failure Causes Emissions at Valero's 171,000 b/d McKee, Texas Refinery June 28

Valero Energy Corp. said a leak from a faulty internal relief valve discovered Thursday morning at its McKee refinery had no material impact on production, according to a filing with the U.S. National Response Center. Operators had secured the release at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1016015

Alkylation Unit Upset Leads to Flaring at Phillips 66's 139,000 b/d Wilmington, California Refinery June 29

Phillips 66 on Friday reported flaring due to an alkylation unit upset at its Wilmington refinery, according to a filing with the California Emergency Management Agency. Operators had secured the release and flaring had stopped at the time of the filing.

Reuters, 02:08 June 29, 2012

Wet-Gas Compressor Malfunction Causes Sulfur Dioxide Emissions at Shell's 156,400 b/d Martinez, California Refinery June 28

Royal Dutch Shell Plc reported a wet-gas compressor malfunction led to sulfur dioxide emissions at its Martinez refinery Thursday night, according to a filing with the California Emergency Management Agency.

<http://www.bloomberg.com/news/2012-06-28/california-gasoline-rises-after-shell-refinery-reports-upset.html?cmpid=yhoo>

Natural Gas

Pine Ridge Wildfire Threatens Oil & Natural Gas Operations near De Beque, Colorado June 28-29

The Pine Ridge wildfire burning near the De Beque Canyon, within the Piceance Basin in northwestern Colorado, was threatening 35 oil and natural gas wells within a 5-mile radius of the fire Thursday afternoon, according to the Bureau of Land Management (BLM). By that evening, 50 well pads were in the fire's path, officials said. BLM's Colorado office notified oil and natural gas companies of the fire and told them to shut-in their wells near De Beque as a safety precaution. Black Hills Exploration & Production, Maralex Resource, Encana USA, and Chevron all confirmed they had shut-in their operations in the area. Grand Valley Power warned it might have to cut power to customers near De Beque Thursday night and Friday to prevent injury to firefighters in the area. The utility could not estimate when power would be restored if it were to be shut off.

<http://www.postindependent.com/article/20120629/VALLEYNEWS/120629872/1083&ParentProfile=1074>

<http://www.gjsentinel.com/news/articles/companies-closing-gas-wells-near-blaze/>

<http://www.inciweb.org/incident/2951/>

<https://twitter.com/#!/search/%23pineridgefire?q=%23pineridgefire>

http://www.nbc11news.com/home/headlines/NEW_evacuation_orders_for_residents_near_De_Beque_160763095.html

Update: FERC Gives Spectra Energy Notice to Proceed with Construction on 800 MMcf/d New Jersey-New York Expansion Project

The U.S. Federal Energy Regulatory Commission (FERC) today approved Spectra Energy Corp. to proceed with construction on the New Jersey-New York Expansion Project, a 20-mile expansion of the Company's Texas Eastern Transmission and Algonquin Gas Transmission interstate pipeline systems. Once completed, the New Jersey-New York Expansion Project will provide an additional 800 MMcf/d of natural gas capacity into the New Jersey/New York region. FERC issued the Notice to Proceed after a review of the NJ-NY Expansion Project's Implementation Plan. Construction will begin in the coming weeks and be completed during the fourth quarter of 2013.

<http://www.spectraenergy.com/Newsroom/News-Archive/Spectra-Energy-Receives-Notice-to-Proceed-With-Construction-On-New-Jersey-New-York-Expansion-Project/>

Other News

U.S. Energy Department Develops Tool with Industry to Help Utilities Strengthen Their Cybersecurity Capabilities

U.S. Energy Secretary Steven Chu today announced the release of a new Cybersecurity Self-Evaluation Survey Tool for utilities that will strengthen protection of the nation's electric grid from cybersecurity threats. Today's announcement is part of a broader White House initiative to develop a Cybersecurity Capability Maturity Model for the electricity sector, which aims to support the private sector and utilities nationwide in determining their current cybersecurity resources and identifying additional steps to help strengthen their defenses. The Cybersecurity Self-Evaluation Tool helps electric utilities and grid operators identify opportunities to further develop their own cybersecurity capabilities by posing a series of questions that focus on areas including situational awareness and threat and vulnerability management. A report is then generated that can be used to identify potential gaps and score the organization's cybersecurity capabilities.

<http://energy.gov/articles/energy-department-develops-tool-industry-help-utilities-strengthen-their-cybersecurity>

International News

Update: Striking Unions in Norway Decide against Escalating Action June 29; At Least 15 Percent of Norway's Oil Production, 7 Percent of Natural Gas Production Remain Shut-In

The Norwegian Oil Industry Association (OLF) said a labor union strike affecting offshore oil and natural gas production could end this weekend after three striking unions decided Friday to avoid stepping up the industrial action. If the parties reach an agreement, shut-in oil and gas production could resume in 1–2 days, according to Statoil, whose fields have been impacted by the strike. About 700 platform workers belonging to Industry Energy, the Norwegian Union of Energy Workers, and the Norwegian Organization of Managers and Executives went on strike June 24 after negotiations with OLF broke down over a pension issue. The strike has shut down most production from Statoil's offshore Heidrun and Oseberg fields in the North Sea. Estimates as to how much production has been shut-in due to the strike vary. OLF and Statoil estimate approximately 240,000 b/d of oil output and 11.9 million cubic meters of natural gas output have been shut-in. An official from Industry Energy estimated about 290,000 b/d of oil output—nearly 20 percent of Norway's capacity—had been shut-in.

Reuters, 14:47 June 28, 2012

http://www.rigzone.com/news/article.asp?a_id=119000

Energy Prices

U.S. Oil and Gas Prices			
June 29, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	82.25	79.15	95.27
NATURAL GAS Henry Hub \$/Million Btu	2.81	2.48	4.34

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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