



ENERGY ASSURANCE DAILY

Monday Evening, July 16, 2012

Electricity

Power Grids Forecast Near-Record Usage as Temperatures Rise

With temperatures set to rise into the 100s again this week, power grid operators in two regions said the power usage will get closest to past demand records. The Midwest Independent Transmission System Operator, which operates the power grid in all or parts of 11 Midwest states and the province of Manitoba in Canada, estimated that demand will reach 96,600 MW. This is very close to the system's all-time peak of 98,526 MW in July 2011. The New York ISO, which operates the grid in New York State, forecasted demand would approach 31,900 MW, slightly below the state's all-time high of 33,939 MW in August 2006.

Reuters, 10:30 July 16, 2012

Update: Con Ed Set to Resume Talks with Union July 16

Consolidated Edison Inc. and the Utilities Workers Union were set to resume negotiations July 16. Con Edison locked out 8,500 members of its largest union July 1 after failing to reach an agreement on wages, pensions, and health benefits. Approximately 5,000 managers are keeping electricity going for 3.2 million customers in New York City and Westchester County.

<http://finance.yahoo.com/news/con-ed-union-resume-talks-132311083.html>

Agua Caliente 290MW Solar Plant is Almost Completed in Arizona

NRG Energy, Inc. (NRG), MidAmerican Solar, and First Solar, Inc. said July 16 that the 290MW AC Agua Caliente solar project, currently under construction in Yuma County, Ariz. and the world's largest operating photovoltaic power plant, is more than two-thirds complete. It is expected to be completed in 2014. The plant is currently delivering more than 200MW to the electric grid. First Solar will maintain the facility for NRG and MidAmerican, and Pacific Gas and Electric Co. has a power purchase agreement for the energy generated, which is projected to offset approximately 5.5 million metric tons of carbon dioxide over 25 years.

<http://finance.yahoo.com/news/agua-caliente-reaches-200-megawatt-120000082.html>

Tennessee Valley Authority Didn't Report January Fire at Its Browns Ferry Nuclear Plant in Alabama

The Nuclear Regulatory Commission made public July 14 a report by the Tennessee Valley Authority indicated that its Browns Ferry nuclear plant in north Alabama had a fire in one of its control rooms January 26. According to the report, TVA filed it on March 26, but there was no explanation as to why the report wasn't publicized immediately. The report indicates that the fire, lasting 10 minutes, was caused by an electrical component that was older than recommended. TVA determined the fire didn't affect safety systems and didn't last long enough to warrant immediate reporting to the NRC.

<http://www.waff.com/story/19025362/browns-ferry-nuclear-plant-had-fire-in-january>

Petroleum

Exxon Mobil Reports Emissions at Its 238,600 b/d Refinery in Channahon, Illinois July 15

Exxon Mobil filed a report with the Illinois Emergency Management Agency July 16, indicated a release of sulfur dioxide, nitrogen oxide, and nitrogen dioxide from a flare stack due to equipment overpressure at its 238,600 b/d Channahon, Illinois refinery.

Reuters, 4:16 July 16, 2012

Phillips 66 Reports Flange Leak from Its Westlake, Louisiana Refinery July 14

The National Response Center reported that there was a spill of Naphtha from Phillips 66's Westlake, Louisiana refinery due to a flange leak.

Reuters, 8:45 July 16, 2012

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1017783

Sunoco Restarted Vacuum Unit at Its 330,000 b/d Philadelphia, Pennsylvania Refinery July 11

According to a July 14 filing with the City of Philadelphia Air Management Service, Sunoco Inc. restarted the T-5 vacuum tower at the 137 crude unit in the Girard Point section of its 330,000 b/d Philadelphia refinery on July 11.

Reuters, 12:35 July 14, 2012

Update: Motiva Looks to Rebuild the 325,000 b/d CDU at Its 600,000 b/d Port Arthur, Texas Refinery

Motiva's new 325,000 crude distillation unit (CDU) has cooled down after a month, but the unit is still estimated to be offline for up to a year. Operators shut the CDU for repairs after a fire on June 9. While the fire damage was negligible, operators then discovered extensive corrosion in the CDU's vessels and piping. Investigators now believe that when the CDU was idled for repairs after the fire, a few gallons per day of caustic was inadvertently seeping into the unit. Several days later, when operators began heating up the unit in an attempt to resume operations, the undiluted caustic vaporized into a highly corrosive agent. Motiva says it will rebuild much of the unit, including the atmospheric section.

Reuters, 8:45 July 16, 2012

Natural Gas

Pacific Gas & Electric to Focus on Safety and Compliance

In a filing with the California Public Utilities Commission, Pacific Gas & Electric Co. said July 14 that it was working towards becoming one of the nation's safest gas utilities. By adding approximately 1,400 employees by the end of 2014 and building an advanced training facility to be completed in 2015, PG&E said it will develop a culture of safety among its employees and establish a system-wide safety strategy, promote more visible consistent safety messages, improve data-gathering systems, and increase its emphasis on learning from safety incidents. Training courses will include hydrostatic testing training, inline inspections, and construction work procedures.

http://www.downstreamtoday.com/news/article.aspx?a_id=36709

Oregon LNG Proposes LNG Export Project for FERC Review

Oregon LNG, together with Oregon Pipeline Co., filed papers with the Federal Energy Regulatory Commission (FERC) recently to convert its import terminal and pipeline, authorized by DOE in May, into a bidirectional LNG terminal and pipeline. The liquefaction and export facilities would be at the proposed terminal site in Warrenton, Oregon, near the Skipanon and Columbia rivers. Oregon LNG would build approximately 39 miles of new pipeline that would start at milepost 47.5 of the proposed Oregon Pipeline, cross Columbia County, Oregon, and end in Cowlitz County, Washington, at a new interconnect with the interstate transmission system of Williams Northwest Pipeline GP. Liquefaction trains and regasification facilities are estimated to start in second quarter of 2017. By first quarter of 2019, the facilities could have a total export capacity of 1.3 Bcf/d and a total import capacity of 0.5 Bcf/d.

http://www.downstreamtoday.com/news/article.aspx?a_id=36702

Due to Plant Problem, DCP Midstream Unable to Handle Produced Gas from CAG 446 and 120 Satellite Batteries in Texas July 13

DCP reported to the Texas Environmental Quality Commission leaks in the lines at CAG 446 and CAG 120 Satellite Batteries, hindering its capacity to handle gas at its plant. The plant is using flaring to minimize emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170996>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170966>

Other News

Nothing to report.

International News

Oil Spill at Osprey Field in Norway

Fairfield Energy reported an oil spill of an estimated 8.7 tons of oil in the North Sea's Osprey field on July 13 that was discovered earlier in the week when hydrocarbon sheen was seen near the Osprey subsea manifold which feeds back to the Dublin Alpha installation. Fairfield said that two on-line wells at the Osprey have been closed in response to the spill, and it is working to identify the source of the oil.

http://www.rigzone.com/news/oil_gas/a/119340/Oil_Spill_at_Osprey_Field

Update: Statoil Resumes Production at Oseberg Field Center July 13

Norway's Statoil said July 13 that it had resumed operations at its Oseberg field center. On July 9, the government ended the 16-day strike, which had cut oil production by 13 percent. The Oseberg field center is the latest installation to resume production, following Oseberg C, Brage, and Heidrum, which together produce 121,000 b/d of oil. Oseberg South, Oseberg East, Huldra, and Veslefrikk produce a total of 55,000 b/d.

Reuters, 5:27 July 16, 2012

Energy Prices

U.S. Oil and Gas Prices			
July 16, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	87.43	85.52	94.99
NATURAL GAS Henry Hub \$/Million Btu	2.88	2.94	4.19

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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