



ENERGY ASSURANCE DAILY

Monday Evening, July 23, 2012

Electricity

EPA to Review Technical Information on Mercury and Air Toxics Standards for New Power Plants

The U.S. Environmental Protection Agency (EPA) announced Friday that it is reviewing technical information that is focused on pollution limits for new power plants under the Mercury and Air Toxics Standards, based on new information provided by industry stakeholders after the rule was finalized. This review, which is not an uncommon step for major standards, will have no impact on the standards already set for existing power plants. By reviewing the new information, this action will provide greater certainty for five planned future facilities, in Georgia, Kansas, Texas, and Utah, that would be covered by the standards. EPA will review monitoring issues related to the mercury standards for new power plants and will address other technical issues on the acid gas and particle pollution standards for these plants. The agency will complete the rulemaking by March 2013 and will also use its Clean Air Act authority to stay the final standards for new power plants for three months during this review.

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/a75e868b52c23f5d85257a41006c50b6!OpenDocument>

U.S. Appeals Court Upholds EPA's Air-Quality Standards Limiting Sulfur Dioxide Emissions from Power Plants

A U.S. Court of Appeals for the D.C. Circuit on Friday upheld the U.S. Environmental Protection Agency's (EPA) 2010 Primary National Ambient Air Quality Standard for Sulfur Dioxide rule, which limits emissions of sulfur dioxide by power plants. The court maintained that the agency has discretion to set standards if it can show that certain levels of emissions have a statistically significant association with negative health effects. The National Environmental Development Association's Clean Air Project, a trade group representing ConocoPhillips, ExxonMobil, General Electric, and several other major companies, had challenged the rule in court, arguing that the EPA acted arbitrarily in setting the standard.

<http://www.hydrocarbonprocessing.com/Article/3064572/Latest-News/US-appeals-court-upholds-EPA-sulfur-dioxide-rules.html>

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/ElectricPower/6487991>

Midwest, Southwest Power System Operators Issue Hot Weather Alerts due to Extreme Heat Forecast This Week

The Midwest Independent Transmission System Operator (MISO) on Friday issued a hot weather alert for Monday, telling the region's generators and transmission owners to prepare plants and power lines for another heat wave this week. MISO forecast electric demand this week would be high, reaching about 93,400 MW on Monday, 94,600 MW on Tuesday, and 93,300 MW on Wednesday, but it was not expected to break any usage records. The system's peak demand record of 98,526 MW was set in July 2011. The Southwest Power Pool, which oversees the grid in all or parts of Nebraska, Kansas, Oklahoma, Texas, New Mexico, Missouri, Arkansas, Louisiana, and Mississippi, said peak demand last Thursday reached 52,800 MW, the highest so far this summer. The system's all-time usage record of 54,949 MW was set in August 2011. The Nebraska Public Power District has asked everyone in the state to try to conserve electricity during the extreme heat forecast for the next several days. The utility said it was concerned about the added stress on the electrical transmission system, especially in the north-central region.

<http://www.reuters.com/article/2012/07/20/utilities-midwest-heatwave-idUSL2E8IK9II20120720?feedType=RSS&feedName=marketsNews&rpc=43>

<http://www.kgwn.tv/story/19083757/major-neb-utility-asks-users-to-conserve-power>

Constellation Shuts 825 MW Calvert Cliffs Nuclear Unit 1 in Maryland July 21 Due to Instrument Line Leakage

Constellation shut the Calvert Cliffs nuclear Unit 1 from full power Saturday afternoon after discovering a RCS Pressure Boundary Leakage from the instrument line to a reactor coolant pump differential pressure transmitter, according to a filing with the U.S. Nuclear Regulatory Commission. The leak is from an instrument line that is used only to monitor reactor coolant pump differential pressure. The leak is believed to be coming from the same instrument line that was reported to be leaking on July 17, 2012. At that time, power was reduced to approximately 10 percent and a containment entry was made. At that time it was believed that the leak had been isolated and full power operations were resumed. Based on containment sump pump run times and another containment entry, it was determined that the leak apparently had not been isolated.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120723en.html>

Loss of Offsite Power Causes Automatic Scram, Shuts Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey July 23

Exelon Nuclear declared an unusual event at its Oyster Creek nuclear plant early Monday morning after the loss of offsite power caused the reactor to automatically scram from 100 percent power, according to a filing with the U.S. Nuclear Regulatory Commission (NRC). Jersey Central Power & Light was investigating the cause of the loss of offsite power at the time of the filing. The NRC later reported that the loss of offsite power "appears to have resulted from a ground on a 230-kV line that provides power to the plant." Operators restored offsite power in less than two hours, but Exelon still planned to take the plant down to cold shutdown, according to the NRC.

Reuters, 10:53 July 23, 2012

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120723en.html>

http://www.exeloncorp.com/Newsroom/pr_20120723_generation_oystercreek_temporary_outage.aspx

Update: Constellation's 565 MW Nine Mile Point Nuclear Unit 1 in New York Restarts July 20, Ramps Up to 85 Percent by July 22

Unit 1 is returning from an outage that began July 17, when high neutron flux caused an automatic reactor scram. A spokeswoman from Constellation Nuclear Energy Ground said last week that plant personnel were working to identify the cause of the shutdown and to determine what, if any, repairs or actions would be required.

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

Dominion's 871 MW Millstone Nuclear Unit 2 in Connecticut at Full Power by July 22

Dominion Resources Inc. had reduced the unit to 85 percent by early Monday, July 16, to fix vibrations in a circulating water pump, according to a spokesman from the U.S. Nuclear Regulatory Commission.

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

<http://in.reuters.com/article/2012/07/16/utilities-dominion-millstone-idINL2E8IG5FS20120716>

Progress Energy's 872 MW Brunswick Nuclear Unit 1 in North Carolina Reduced to 63 Percent by July 23

On the morning of July 22 the unit was operating at full power.

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

Update: Duke Energy's 846 MW Oconee Nuclear Unit 1 in South Carolina at Full Power by July 22

Duke Energy's Oconee nuclear Unit 1 shut by July 18 and restarted by July 19, ramping up to full power by July 22. Details about the shutdown were not available.

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

Update: Indiana-Michigan Power's 1,000 MW D.C. Cook Nuclear Unit 1 in Michigan at Full Power by July 21

On the morning of July 20 the unit was operating at 88 percent.

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

Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Reduced to 85 Percent by July 22

On the morning of July 21 the unit was operating at full power.

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

AEP Restarts 721 MW Pirkey Coal-Fired Unit 1 in Texas July 21 after Main Bus Failure July 20

American Electric Power (AEP) reported it was restarting Pirkey Unit 1 on Saturday after the unit tripped Friday due to the failure of A-138 kV Main Bus, according to a filing with the Texas Commission on Environmental Quality. Emissions associated with unit startup procedures were possible through July 25, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=171325>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=171327>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=171333>

GenOn's 215 MW Mandalay Gas-Fired Unit 2 in California Shut by July 22

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201207221515.html>

NRC Approves 15 Percent Increased Power Output for Grand Gulf Nuclear Unit 1

The U.S. Nuclear Regulatory Commission (NRC) has approved a request by Entergy Operations Inc. to increase the power generating capacity of Grand Gulf Nuclear Station Unit 1 by 15 percent. The power uprate for the boiling-water reactor will increase the plant's power generating capacity from approximately 1,300 to 1,500 MWe. The NRC determined that Entergy could safely increase the reactor's power output primarily by replacing significant portions of several plant systems and components, including the turbine rotors for the reactor feed pumps, power range neutron monitoring system, steam dryer, and the high-pressure turbine. Entergy intends to implement the uprate following the spring 2012 refueling outage.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-085.pdf>

Petroleum

Enbridge Reports Valve Failure in Michigan during Hydrostatic Test on Its 491,000 b/d Crude Oil Pipeline No. 5 July 22

Enbridge Inc. reported a valve fitting on its Line 5 failed near Bay City, Michigan during a hydrostatic test late on Sunday, according to a spokesman. The 491,000 b/d pipeline transports crude oil between Superior, Wisconsin and Sarnia, Ontario. Enbridge shut the pipeline Thursday to carry out the test in advance of a planned expansion of the line's capacity by 50,000 b/d. Operators repaired the valve fitting Monday morning and resumed the hydrostatic test, but it had not determined when it would restart the pipeline, the spokesman said. A source familiar with Enbridge pipeline operations said Line 5 should be up and running normally soon, without providing further detail.

Reuters, 11:41 July 23, 2012

Valero Shuts All Units at Its 120,000 b/d Meraux, Louisiana Refinery July 22 after Crude Unit Fire

Valero Energy Corp. shut all units at its Meraux refinery following a fire at the crude unit early Sunday, according to a spokesman. A full damage assessment was still under way Monday, and the units will remain down while repairs are made to the crude unit and related utilities, the spokesman said.

Reuters, 10:14 July 23, 2012

Equipment Malfunction Leads to Flaring at ExxonMobil's 238,600 b/d Joliet, Illinois Refinery July 21

ExxonMobil Corp. reported an equipment malfunction at its Joliet refinery caused nitrogen oxide to release from a flare stack Saturday, according to a filing with the Illinois Emergency Management Agency.

Reuters, 21:20 July 22, 2012

Sunoco Restarts Low Sulfur Gasoline Unit at Point Breeze Section of Its 335,000 b/d Philadelphia, Pennsylvania Refinery July 20 – State Regulators

Reuters, 09:35 July 23, 2012

Sunoco Logistics Announces Binding Open Season for 110,000 b/d Allegheny Access Pipeline to Deliver Midwest Refined Products to Eastern Ohio and Western Pennsylvania

Sunoco Logistics Partners L.P. on Thursday announced that Sunoco Pipeline L.P. and Inland Corporation will commence a binding open season for the Allegheny Access Pipeline project, which will transport refined products from the Midwest to eastern Ohio and western Pennsylvania markets. Allegheny Access Pipeline is expected to have an initial capacity of 85,000 b/d and could be expanded to transport 110,000 b/d. The Allegheny Access Pipeline is scheduled to be operational in the first half of 2014.

<http://www.sunocologistics.com>

BP Considers Plan to Receive Bakken Crude Oil by Rail at Its 225,000 b/d Cherry Point, Washington Refinery

BP Plc said it is considering a plan at its Cherry Point refinery to receive crude oil supply deliveries by railroad from the Bakken Shale in Montana and North Dakota, according to a spokesman. BP officials have visited Whatcom County planning officials to discuss the possible construction of rail improvements at the refinery site to accommodate unit trains of crude oil tanker cars. The company is looking for a possible new source of low-sulphur crude oil. It currently receives crude oil supply from Alaska and other sources by tanker and by pipeline from Canada. BP will make a decision on whether to proceed with the project within 60 days, the spokesman said, at which time it would file permit applications with the county.

<http://www.thenewstribune.com/2012/07/18/2219436/bp-cherry-point-refinery-could.html>

Update: U.S. Lawmaker Calls Upon FERC to Ensure ‘Discriminatory Practices’ Don’t Block Construction of New Pipelines to Transport Oil from North Dakota

Minnesota Representative Collin Peterson has called upon the U.S. Federal Energy Regulatory Commission to ensure “discriminatory practices” are not blocking construction of new pipelines to transport oil from North Dakota. “Currently, only one pipeline runs eastward across North Dakota to Minnesota, and there is a critical need for additional pipeline capacity to support oil production in this region,” the Representative wrote in a letter to FERC. “We need to ensure that new market participants have open access to the common carrier pipelines located across the country and are given the same treatment as more established companies.” Although Representative Peterson did not mention any companies by name, High Prairie Pipeline, a subsidiary of Saddle Butte Pipeline LLC, in May said its proposed 450-mile, 16-inch crude oil pipeline project could be scrapped because Enbridge Energy Partners LP has allegedly refused to allow a connection to its terminal at Clearbrook, Minnesota. High Prairie in May filed a complaint on the matter with FERC. FERC is considering the complaint from High Prairie, a spokesperson said.

<http://www.reuters.com/article/2012/07/20/usa-pipeline-enbridge-idUSL2E8IKECS20120720?feedType=RSS&feedName=utilitiesSector>

Natural Gas

Two Field Units Shut for Unspecified Reasons, Leads to Flaring at Southern Union’s 140 MMcf/d Keystone Gas Plant in Texas July 21

Southern Union Gas Services reported two field units went down Saturday afternoon, causing the plant to flare low-pressure gas, according to a filing with the Texas Commission on Environmental Quality. The filing does not say what caused the units to shut down. Operators restarted the units late that night, which ended the flaring event.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=171335>

Generator Malfunction Shuts Acid Gas Compressor at Targa’s 150 MMcf/d Sand Hills Gas Plant in Texas July 21

Targa reported a generator shut down early Saturday morning, causing the Acid Gas Compressor (C-14) to shut down on high temperature and resulting in flaring from the Acid Gas Flare F-4, according to a filing with the Texas Commission on Environmental Quality. The filing does not say what caused the generator to shut down. Operators restarted the compressor later that morning.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=171332>

Power Loss Shuts Blower Motor, Leads to Emissions at Enbridge's 65 MMcf/d Henderson Gas Plant in Texas July 21

Enbridge reported a power loss due to inclement weather Saturday night resulted in the loss of the air assist blower motor for the process flare, which caused emissions, according to a filing with the Texas Commission on Environmental Quality. Operators shut-in inlet gas until power was restored to the plant and the air assist blower motor power resumed operation.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168211>

Other News

DOI Announces 20 Million Acre Oil and Gas Lease Sale Offshore Texas in the Western Gulf of Mexico

The U.S. Department of the Interior (DOI) and the U.S. Bureau of Ocean Energy Management (BOEM) today announced that BOEM will offer more than 20 million acres offshore Texas for oil and gas exploration and development in a lease sale that will include all available unleased areas in the Western Gulf of Mexico Planning Area. The proposed Western Gulf of Mexico Lease Sale 229, scheduled to take place in New Orleans on November 28, 2012, will be the first offshore sale under the Administration's new Outer Continental Shelf Oil and Gas Leasing Program for 2012-2017 (Five Year Program). BOEM estimates the proposed lease sale could result in the production of 116 to 200 million barrels of oil and 538 to 938 billion cubic feet of natural gas.

<http://www.doi.gov/news/pressreleases/Obama-Administration-Announces-20-Million-Acre-Oil-and-Gas-Lease-Sale-Offshore-Texas.cfm>

International News

Iraq Resumes Crude Oil Exports from Kirkuk-Ceyhan Pipeline at Reduced Rate after Attack July 20 Briefly Suspended Flows

Iraq has resumed crude-oil exports from Kirkuk oil fields at a lower rate, shipping agents said Monday, after an explosion on Friday in southeast Turkey blew up part of the pipeline that carries crude to Turkey's Ceyhan port in the Mediterranean Sea. Flow was suspended for few hours Friday as officials worked to extinguish a subsequent fire at the site of the explosion. Shipping agents at the Ceyhan port on Monday said the pipeline was pumping at a rate of 300,000 b/d after operators shifted the flow to a parallel pipeline. The Kirkuk-Ceyhan export pipeline typically ships 400,000–450,000 b/d. Turkish officials blamed separatist Kurdistan Workers Party, or PKK, for the blast because the group has claimed responsibility for similar attacks in the past.

http://www.downstreamtoday.com/news/article.aspx?a_id=36775

<http://www.reuters.com/article/2012/07/21/us-turkey-iraq-pipeline-idUSBRE86K04020120721>

FARC Blows Up Section of Ecopetrol's 220,000 b/d Cano Limon-Covenas Crude Oil Pipeline in Colombia July 21

The Revolutionary Armed Forces of Colombia, known as the FARC, on Saturday blew up a section of the 220,000 b/d Cano Limon-Covenas oil pipeline in the north of Boyaca province, Ecopetrol and the army said on Sunday. On Friday, in Orito municipality of the southern Putumayo province, rebels destroyed lines connecting an Ecopetrol oil field to a pipeline in the region. The attacks mark the latest in a series of attacks on oil infrastructure, especially against the 480-mile Cano Limon-Covenas line, which usually pumps around 80,000 b/d—about a third of its capacity. The Defense Ministry reported 67 attacks on pipelines during the first six months of this year, more than three times the number in the same period last year.

<http://www.reuters.com/article/2012/07/22/colombia-pipeline-idUSL2E8IM4WW20120722>

Energy Prices

U.S. Oil and Gas Prices			
July 23, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	88.63	87.43	99.19
NATURAL GAS Henry Hub \$/Million Btu	3.03	2.88	4.58

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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