



ENERGY ASSURANCE DAILY

Friday Evening, August 10, 2012

Electricity

CAISO Issues 'Flex Alert' Urging Power Conservation after Electrical Fire Shuts GenOn's 775 MW Ormond Beach Natural Gas-Fired Unit 2 in California August 8

The California Independent System Operator (CAISO) on Thursday issued a so-called "flex alert" for August 10–12 after GenOn's Ormond Beach Unit 2 tripped offline Wednesday night and in response to forecasts of high temperatures continue through the weekend. A GenOn Energy spokesman said the Ormond Beach outage was caused by an electrical fire Wednesday night. He could not give an immediate estimate of when the unit would return to service. Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and the Los Angeles Department of Water and Power (LADWP) all issued statements urging customers to conserve electricity, particularly between 11:00 AM and 6:00 PM, when demand is highest. The Southern California grid is already compensating for the continued outage of the SCE's 2,150 MW San Onofre Nuclear Generating Station. SCE said Friday it was postponing a number of planned outages but would continue to conduct some critical planned outages in its service territory. CAISO forecast peak electricity demand on Thursday would reach 47,125 MW and fall slightly each day over the weekend to 43,000 MW on Sunday as temperatures abated. The grid operator has access to 58,600 MW of generation, according to CAISO. The all-time peak electric demand record of 50,270 MW was set on July 24, 2006.

<http://content.caiso.com/unitstatus/data/unitstatus201208091515.html>

<http://www.caiso.com/Documents/CaliforniaISO-DeclaresFlex-AlertStatewide.pdf>

http://www.pge.com/about/newsroom/newsreleases/20120809/pge_encourages_customers_to_conserve_electricity_as_california_declares_flex_alert.shtml

<http://www.sce.com/Safety/everyone/heat.htm?from=homepage>

<http://www.ladwpnews.com/external/content/document/1475/1512187/1/LADWP%20Power%20Load%20&%20Conservation%20080912%20FINAL.pdf>

<http://latimesblogs.latimes.com/lanow/2012/08/flex-alert-outage-ormond-beach.html>

Update: Con Edison Ends Voltage Reduction in Manhattan August 9

Consolidated Edison said it ended a 5-percent voltage reduction in parts of Manhattan around 7:03 PM EDT Thursday, according to a spokesman. The company reported early Thursday morning that it had reduced voltage by 5 percent to several neighborhoods in Manhattan due to problems on electrical equipment.

<http://www.reuters.com/article/2012/08/10/utilities-conedison-idUSL4E8JA53Y20120810?feedType=RSS&feedName=marketsNews&rpc=43>

Strong Storms Cut Power to More Than 20,000 Entergy Customers in Southeast Louisiana August 9

<http://www.wdsu.com/news/local-news/new-orleans/Thousands-without-power-as-storms-roll-through-southeast-La/-/9853400/16041566/-/yn42u9/-/index.html>

IPL Reports Explosion at Its 1,102 MW Harding Street Coal-Fired Power Plant in Indiana August 7; Says No Customers Lost Service as Result

Indianapolis Power and Light Co. (IPL) on Tuesday confirmed an explosion had occurred at its Harding Street coal-fired power plant, according to a spokeswoman, who added that no customers lost service as a result of the explosion and that its cause was under investigation. Local media reported the explosion occurred around 1:30 AM local time Tuesday morning in the area of the plant's coal pulverizers.

<http://www.eia.gov/electricity/state/indiana/>

<http://www.14news.com/story/19212477/2-men-hurt-in-blast-at-indianapolis-power-plant>

Update: Entergy's 858 MW Arkansas Nuclear Unit 2 in Arkansas Restarts, Ramps Up to 31 Percent by August 10

Arkansas Nuclear One Unit 2 is returning from an outage that began August 8, when the reactor automatically tripped from full power due to High Reactor Coolant System Pressurizer Pressure, which was caused by a Main Turbine trip due to high condenser back pressure from a degraded vacuum condition.

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

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio at Full Power by August 10

On the morning of August 9 the unit was operating at 73 percent.

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

California Energy Commission Begins Review of AES' Proposed 939 MW Huntington Beach Energy Project

The California Energy Commission on Thursday announced it has started reviewing an application from AES Corp. to replace three aging natural gas-fired units at its Huntington Beach Generating Station with two new natural gas-fired, combined-cycle units. If the Energy Commission approves the 939 MW project by the first quarter of 2014, construction on the new Block 1 could begin the first quarter of 2015, with completion in the second quarter of 2018. Construction on the new Block 2 would run from the first quarter of 2018, with completion in the second quarter of 2020. Units 1, 2, and 5 of the existing plant would be demolished for the new project. The 133 MW Unit 5 would be removed between the fourth quarter of 2014 and the end of 2015, and Units 1 and 2, which each have a capacity of 218 MW, would be demolished between the fourth quarter of 2020 through the third quarter of 2022.

[http://www.reuters.com/article/2012/08/10/utilities-aes-huntington-](http://www.reuters.com/article/2012/08/10/utilities-aes-huntington-idUSL2E8JA2PF20120810?feedType=RSS&feedName=financialsSector&rpc=43)

[idUSL2E8JA2PF20120810?feedType=RSS&feedName=financialsSector&rpc=43](http://www.reuters.com/article/2012/08/10/utilities-aes-huntington-idUSL2E8JA2PF20120810?feedType=RSS&feedName=financialsSector&rpc=43)

http://www.energy.ca.gov/releases/2012_releases/2012-08-09_huntington_beach_nr.html

Update: Arizona Public Service Announces Project to Build 32 MW Solar Power Plant in Gila Bend, Arizona

Arizona Public Service Co. (APS) on Wednesday issued a request for proposals (RFP) from solar developers and installers to construct a 32 MW solar photovoltaic facility in Gila Bend, Arizona. APS will own and operate the new solar facility after its scheduled completion date in 2014.

http://www.aps.com/main/news/releases/release_707.html

Minnesota PUC Delays Decision to Order Shut Minnesota Power's 116 MW Laskin Coal-Fired Power Plant and One of Three 84 MW Taconite Coal-Fired Units in Minnesota

The Minnesota Public Utilities Commission (PUC) on Thursday voted unanimously to require Minnesota Power to submit more information by next March about the impact of closing three aging, coal-fired units after the State Commerce Department sought an order to shut both 58 MW units at the Laskin Energy Center in Hoyt Lakes and one of three 84 MW units at Taconite Harbor Energy Center in Schroeder the units by 2017. The Commerce Department has argued it will be cheaper to replace the coal-fired units with power generated from natural gas or wind.

<http://www.startribune.com/local/165619136.html?refer=y>

Petroleum

Repairs Could Keep Fire-Damaged CDU Shut for 3 Months at Chevron's 245,271 b/d Richmond, California Refinery – Refinery Sources

Repairs to the fire-damaged crude distillation unit (CDU) at Chevron Corp.'s Richmond refinery may keep the unit shut for up to three months, refinery sources said on Thursday, as regional wholesale gasoline prices rose to their highest since May. Chevron said it had no estimate for when the CDU would resume production, but that all other units at the refinery continued to operate, producing gasoline, diesel, and jet fuel at reduced levels, according to a spokesman. Traders said the refinery's fuel production was at least 50 percent of capacity. The spokesman declined to comment on the refinery's output, saying only that the refinery was meeting 100 percent of its clients' demand for gasoline.

Reuters, 23:45 August 9, 2012

Valero Shuts FCCU to Conduct Unplanned Maintenance at Its 270,000 b/d Norco, Louisiana Refinery August 10; Plans to Resume Production by August 31

Valero Energy Corp. reported it shut the fluid catalytic cracking unit (FCCU) at its Norco refinery on Friday to conduct unplanned maintenance, according to a spokesman. Valero plans to have the unit back in production before the end of the month, the spokesman said.

Reuters, 11:29 August 10, 2012

Valero Reports Flaring Due to Unspecified Startup at Its 142,000 b/d Corpus Christi, Texas Refinery August 8

Valero Energy Corp. reported an outside gas supplier vented materials to the flare due to a startup at its Corpus Christi refinery late Wednesday night, according to a filing with the U.S. National Response Center. Vented gases were routing to the flare at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1020433

Natural Gas

Update: Cheniere to Begin Construction on First Two Liquefaction Trains at the Sabine Pass LNG Export Project in Louisiana; Exports to Commence as Early as 2015

Cheniere Energy Partners, L.P. yesterday announced that it has issued a full notice to proceed to Bechtel Oil, Gas and Chemicals, Inc. to construct the first two liquefaction trains of the Sabine Pass liquefied natural gas (LNG) terminal located in Cameron Parish, Louisiana. Cheniere owns the 4 Bcf/d Sabine Pass LNG receiving terminal located on the Sabine Pass Channel and is developing a project to add liquefaction and export capabilities to the existing infrastructure. Cheniere has finalized commercial export arrangements with four global LNG buyers for over 2 Bcf/d for 20 years. The first liquefaction train is expected to start operations as early as 2015, with the second liquefaction train expected to commence operations 6–9 months thereafter.

<http://phx.corporate-ir.net/phoenix.zhtml?c=101667&p=irol-newsArticle&ID=1724555>

AGI Compressor Shuts after Field Compression Units Go Down at Regency's 290 MMcf/d Waha Gas Plant in Texas August 9

Regency Energy Partners reported irregular inlet gas volumes at its Waha gas plant Thursday morning after an unspecified number of field compression units went down, which then caused the acid gas injector (AGI) compressor to shut down. Operators reset and restarted the AGI compressor later that morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172104>

Other News

Update: Oshawa Port Authority Approves FarmTech's Proposed 55MMGal/Yr. Ethanol Project in Ottawa

The Oshawa Port Authority on Friday approved FarmTech Energy Corporation's proposed project to build an ethanol plant at the Port of Oshawa in Ottawa, just weeks after the project was indefinitely stalled due to funding problems. The company now says funding will be "privately financed" and construction is planned to begin this summer for completion in 2014.

<http://www.oshawaexpress.ca/viewposting.php?view=3354>

Thieves Accused of Stealing Copper from Exelon's Limerick Nuclear Generating Station, Several PECO Substations in Southeastern Pennsylvania during 2010–2011

http://www.montgomerynews.com/articles/2012/08/08/springford_reporter_valley_item/news/doc5022828819472074065183.txt?viewmode=fullstory

International News

OPEC Reports Cuts in Production, Warns of Risks to Oil Demand Growth due to Slowing Economic Growth in Asia

The Organization of Petroleum Exporting Countries (OPEC) on Thursday said a difficult economic environment could significantly reduce its expectations for oil demand growth next year, as its monthly oil-market report showed the group's output fell in July to its lowest since February. OPEC said that the slowed growth of emerging economies in Asia could force the group to revise its current demand-growth forecast for 2013 down by as much as 20 percent. Economic growth in the region, particularly in China, has been the main driver of oil-demand growth in recent years, OPEC said.

http://www.rigzone.com/news/oil_gas/a/119919/OPEC_Cuts_Production_Warns_of_Risks_to_Oil_Demand_Growth

Energy Prices

U.S. Oil and Gas Prices			
August 10, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	92.90	91.23	80.51
NATURAL GAS Henry Hub \$/Million Btu	2.89	3.16	4.06

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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