



ENERGY ASSURANCE DAILY

Thursday Evening, August 16, 2012

Electricity

Update: NRC Begins Special Inspection at Entergy's 730 MW Palisades Nuclear Unit in Michigan after Containment Building Leak; Unit to Remain Shut Until Repairs Are Made

The U.S. Nuclear Regulatory Commission (NRC) on Wednesday reported it has started a special inspection at Entergy Nuclear's Palisades nuclear plant to review a leak from a control rod drive mechanism inside the containment building. Operators discovered the leak August 12 following a planned shutdown to investigate the source of elevated Primary Coolant System Unidentified Leakage. The plant will remain shut until the leak has been fixed, the NRC said.

<http://pbadupws.nrc.gov/docs/ML1222/ML12228A480.pdf>

EPA Approves Continued Operation with Pollution Controls at NV Energy's 554 MW Reid Gardner Coal-Fired Power Plant in Nevada

The U.S. Environmental Protection Agency (EPA) on Monday approved NV Energy to continue operations at its coal-fired Reid Gardner Generating Station (RGGS) in Nevada on the condition that the utility installs controls to reduce air pollution. The EPA had been reviewing Nevada's Regional Haze Plan to ensure it meets the requirements of the Clean Air Act. This included a review of Nevada's Best Available Retrofit Technology (BART) determination for nitrogen oxides (NOx) emissions at RGGS. Monday's decision approves plans to reduce emissions at RGGS using BART and promulgates a final federal implementation plan.

<http://www.lasvegassun.com/news/2012/aug/15/despite-harry-reids-objections-epa-clears-coal-fir/>

<http://www.epa.gov/region9/air/actions/pdf/nv/rgss-nv-rh-nfrm-prepublication-2012-08-13.pdf>

<http://www.epa.gov/region9/air/actions/pdf/nv/rgss-final-fact-sheet-2012-08-13.pdf>

Inland Empire Energy Center's 366 MW Inland Empire Natural Gas-Fired Unit 2 in California Returns to Service by August 15

The unit returned from an unplanned outage that began by August 14. Prior to the outage the unit had entered into an unplanned curtailment of 32 MW by August 13.

<http://content.caiso.com/unitstatus/data/unitstatus201208151515.html>

AES's 332 MW Alamitos Natural Gas-Fired Unit 3 in California Shut by August 15

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201208151515.html>

Copper Theft at an NYSEG Substation Cuts Power to 1,400 NYSEG Customers in Western New York August 15

Thieves broke into an NYSEG substation in Alden, New York early Wednesday morning and stole copper wire, causing a small fire on a transformer, according to local reports. NYSEG operators had to cut power to about 1,400 customers from 6:30–10:30 AM local time in order to repair the transformer.

<http://www.wkbw.com/news/local/Copper-theft-causes-power-outage-166333546.html>

Storm Knocks Out Power to 27,000 FortisAlberta Customers in Airdrie, Alberta August 14

A brief, fierce storm packing rain, hail, and strong winds tore through Airdrie, Alberta—just north of Calgary—and surrounding areas at about 3:00 PM local time on Tuesday, knocking out power to approximately 27,000

FortisAlberta customers for roughly an hour, according to a spokeswoman. Reports said the outages were caused when an AltaLink transmission line tripped due to the storm.

<http://www.airdriecityview.com/article/20120815/ACV0801/308159955/fierce-storm-knocks-out-power-to-airdrie-surrounding-areas>

Update: Safety Concerns May Further Delay Efforts to Repair, Restart Fire-Damaged CDU at Chevron's 245,271 b/d Richmond, California Refinery

Federal and state investigators are working with Chevron to determine how to safely enter the area of its Richmond refinery where the fire on August 3 started, to examine a failed pipe blamed for the fire. Officials from the U.S. Chemical Safety Board (CSB) have said the crude distillation unit (CDU) is too hazardous to enter because of damage to structural beams and ongoing hydrocarbon leaks. The CSB has said it will likely take 3–4 weeks to remove the damaged pipe for forensic testing. The delays are worsening prospects for Chevron's ability to repair the crude unit and restore its operation.

<http://finance.yahoo.com/news/video-shows-vapor-cloud-refinery-235923185.html>

Power Failure Causes Multiple Unit Upsets, Emissions at ExxonMobil's 344,500 b/d Beaumont, Texas Refinery August 15

ExxonMobil reported a power failure early Wednesday morning resulted in multiple unit upsets and emissions at its Beaumont refinery, according to a filing with the Texas Commission on Environmental Quality. Operators were working to restore normal operations and anticipated some impact to production, the filing said. The refinery expected to meet all contractual commitments.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=172349>

Faulty Gauge Reading Leads to Flaring at Valero's 142,000 b/d Corpus Christi, Texas Refinery August 15

Valero Energy Corp. reported it was flaring rich amine gas to a sour gas flare at its Corpus Christi refinery Wednesday night due to a faulty gauge reading on a water boot drain, 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=1021183

Permian Basin Oil Production in Texas and New Mexico Projected to Grow Almost 60 Percent by the End of 2016 – BENTEK Report

BENTEK Energy on Wednesday said it projects crude oil production in the Permian Basin will reach at least 1.8 MMb/d by 2016, an increase of almost 60 percent or 532,000 b/d from current levels, according to a press release announcing a new report from the energy research firm. The Permian has shown consistent crude oil production growth since May 2011, and production will continue increasing over the next five years due to high levels of drilling activity. Overall crude oil production in the Southeast/Gulf is expected to increase more than 45 percent by the end of 2016, with the Permian significantly driving this growth. BENTEK reports that at current production rates, pipeline takeaway capacity out of the Permian will be constrained by early 2013. To relieve transportation constraints, as much as 1 MMb/d of pipeline takeaway capacity in the Permian is being proposed to come online by the end of 2014. This includes the BridgeTex and Permian Express projects, which have the potential to add as much 628,000 b/d of takeaway capacity by the end of 2014.

<http://in.reuters.com/article/2012/08/15/permian-oil-bentek-idINL2E8JFCS120120815>

<http://www.bentekenergy.com/InTheNews.aspx#Article7653>

Natural Gas

Enterprise Restarts Fractionation Unit at Its 380,000 b/d Mont Belvieu NGL Fractionation Facility in Texas by August 14 after Power Loss August 13

Enterprise Product Partners reported a loss of electrical power Monday afternoon caused cooling water systems and various column reflex pumps and air compressors to shut down at its Mont Belvieu natural gas liquids (NGL) fractionation facility, according to a filing with the Texas Commission on Environmental Quality. This resulted in process relief valves and process vents relieving to the flare. Operators shut the fractionation unit. Plant restart emissions continued at the time of the filing on Tuesday afternoon. Operators were investigating the loss of power.

<http://www.enterpriseproducts.com/operations/nglfrac.shtm>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=172281>

Regency Shuts AGI Compressor to Repair Leaking Gasket at Its 290 MMcf/d Waha Gas Plant in Texas August 15

Regency Energy Partners shut an acid gas injector (AGI) compressor Wednesday morning to repair a leaking gasket on the fifth-stage relief valve, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=172342>

Contractor Unearths Live Pipe Bomb on Natural Gas Pipeline in Western Pennsylvania August 13

A contractor working on a right-of-way where a natural gas pipeline is being constructed in Washington County, Pennsylvania on Monday afternoon unearthed a live pipe bomb, according to officials.

<http://shale.sites.post-gazette.com/index.php/news/archives/24744>

Encana Reports High-Pressure Natural Gas Burst at a Well in Colorado August 15

A high-pressure burst of natural gas at a well operated in Colorado by Encana Corporation on Wednesday killed one man and injured three other workers, the company and local authorities said. The well is located in Platteville, Colorado, about 30 miles northeast of Denver in the Denver-Julesburg Basin. The burst of natural gas was apparently caused by equipment failure, but the precise cause of the incident was under investigation, an Encana spokeswoman said. At the time of the burst, workers had just completed drilling a horizontal gas well and were in the process of putting the well into production, the spokeswoman said.

Reuters, 23:47 August 15, 2012

Other News

Nothing to report

International News

Saudi Arabian Oil Co. Says Virus Attacked Its Computer Network, Oil Output Unaffected

Saudi Arabian Oil Co. was continuing with its oil-production operations as usual after its computer network was attacked by a virus, reports said. The parts of the network linked to oil production weren't affected, and systems will resume full operations soon, the state oil company said in a statement, without being more specific. The virus entered the network through personal computers, the statement said. The al-Hayat newspaper reported yesterday that Schlumberger Ltd. and Chevron Corp. may face similar cyber attacks because their networks are linked to the Aramco system; the newspaper cited unidentified employees at Aramco.

<http://www.bloomberg.com/news/2012-08-15/aramco-says-virus-attacks-network-oil-output-unaffected.html?cmpid=yahoo>

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| August 16, 2012 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 95.15 | 93.58 | 87.30 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.82 | 2.97 | 4.05 |

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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