



ENERGY ASSURANCE DAILY

Monday Evening, August 27, 2012

Major Developments

OE/ISER Situation Report: Tropical Storm Isaac

Tropical Storm Isaac has impacted Florida and is expected to make landfall along the Gulf Coast by early morning on August 29. For details on the impact of this storm on customer outages, energy infrastructure issues, and restoration efforts see: Tropical Storm Isaac Situation Reports issued by the U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability (OE/ISER), at the following URL:

http://www.oe.netl.doe.gov/named_event.aspx?ID=66

Electricity

Update: Dominion's 871 MW Millstone Nuclear Unit 2 in Connecticut Ramps Up to Full Power by August 25 after 2-Week Shutdown Due to Hot Water Temperatures

Dominion Resources Inc. reported its Millstone Unit 2 restarted Friday and ramped up to full power Saturday following an outage that began August 12, when operators shut the unit because the ultimate heat sink average water temperature exceeded acceptable limits. The ultimate heat sink is supplied by water from Niantic Bay. Technical specifications require the unit to be in hot shutdown within 6 hours when the average temperature limit is exceeded. Shortly before the unit shutdown, the U.S. Nuclear Regulatory Commission issued an emergency license amendment to the Millstone plant allowing it to use an average temperature of several readings in determining when the water exceeded specifications, but high temperatures nevertheless forced operators to shut the unit. As long-term changes in weather may more often lead to excessively warm water, Dominion may conduct engineering analyses to determine a way to operate the plant at higher Long Island Sound temperatures, a utility spokesman said.

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

<http://finance.yahoo.com/news/conn-nuclear-plant-unit-reopens-115820201.html>

SCE Declares Unusual Event at Its San Onofre Nuclear Generating Station in California August 26 after Operators Feel Earthquake Tremors Onsite

Southern California Edison (SCE) on Sunday afternoon declared an Unusual Event at its San Onofre Nuclear Generating Station after a 5.3-magnitude earthquake that occurred near Brawley, California, about 125 miles southeast of the plant, was felt by workers at the plant, according to a filing with the U.S. Nuclear Regulatory Commission. There were no indications of any impact to site operations, the filing said. Operators exited the Unusual Event about an hour after the initial filing, but then workers felt more shaking in the control room. SCE confirmed with the U.S. Geological Survey that an aftershock of approximately the same magnitude (5.4) and location as the original earthquake had occurred. SCE declared another Unusual Event at 14:03 PDT and was re-performing all equipment walkdowns and inspections. SCE exited the second Unusual Event at 20:17 PDT Sunday.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120827en.html>

Electro-Hydraulic Control Fluid Leak Shuts Luminant's 793 MW Monticello Coal-Fired Unit 3 in Texas August 26

Luminant reported its Monticello Unit 3 tripped automatically Sunday morning while at load due to a low level Electro-Hydraulic Control Fluid (EHC) alarm, according to a filing with the Texas Commission on Environmental Quality. Operators restarted the unit later that morning after locating and repairing an EHC fluid leak.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172723>

Update: Exelon's 1,131 MW Byron Nuclear Unit 2 in Illinois at Full Power by August 20; Reduced to 80 Percent by August 27

Byron Unit 2 was operating at reduced power from August 14 until August 20, when operators returned the unit to full power. The unit was then reduced to 90 percent power by August 24 and to 80 percent by August 27. Exelon has not publicized a reason for the reductions.

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

Update: Dominion's 815 MW Surry Nuclear Unit 2 in Virginia at Full Power by August 26

On the morning of August 25 the unit was operating at 70 percent.

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

Sempre's 625 MW Termoelectrica De Mexicali Natural Gas-Fired Unit 1 in California Shut by August 24

The unit entered an outage that was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201208241515.html>

San Diego Gas & Electric's 566 MW Palomar Natural Gas-Fired Unit in California Shut by August 26

The unit entered an outage that was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201208261515.html>

Dynegy's 510 MW Moss Landing Natural Gas-Fired Unit 2 in California Returns to Service by August 26

The unit returned from an unplanned outage that began by August 25

<http://content.caiso.com/unitstatus/data/unitstatus201208261515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201208251515.html>

Update: Sycamore Cogeneration's 360 MW Sycamore Natural Gas-Fired Unit in California Returns to Service by August 24

The unit returned from an unplanned curtailment of 120 MW that began by August 17.

<http://content.caiso.com/unitstatus/data/unitstatus201208241515.html>

La Paloma Generating Company's 260 MW La Paloma Natural Gas-Fired Unit 1 in California Shut by August 26

The unit entered an outage that was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201208261515.html>

Southern California Edison's 200 MW Eastwood Hydro Unit in California Shut by August 24

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201208241515.html>

Petroleum

LyondellBasell Reports Minor Crude Oil Leak at Its 270,600 b/d Houston, Texas Refinery August 25

LyondellBasell on Monday reported a crude oil leak at its Houston refinery over the weekend was minor and did not involve any reportable quantity, according to a spokesman. The company had reported an unknown amount of crude oil leaked from a 2-inch pipeline Saturday afternoon in a filing with the U.S. National Response Center. The leak was due to unknown causes, the filing said.

Reuters, 11:28 August 27, 2012

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1022190

Update: FCCU at ExxonMobil's Beaumont, Texas Refinery May Remain Shut for 6-10 Days for Repairs after Equipment Failure August 23 – Industry Report; Refinery Reports Normal CDU Operations after Snag August 24

Industry reports indicate the equipment failure that occurred on the only fluid catalytic cracking unit (FCCU) at ExxonMobil Corp.'s Beaumont refinery on Thursday would require 6–10 days to repair, according to a report from EnergyNewsToday, which did not cite its source for the information. Last week the refinery reported the equipment failure had resulted in flaring from the unit and would likely cause some impact on production, according to a filing with the Texas Commission on Environmental Quality (TCEQ). The refinery also reported it restored normal operations on a crude distillation unit (CDU) after an unspecified instrumentation failure caused emissions Friday morning, according to another TCEQ filing.

<http://www.bloomberg.com/news/2012-08-24/gulf-coast-gasoline-strengthens-as-exxon-beaumont-shuts-cracker.html?cmpid=yhoo>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172673>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172707>

PBF Energy Reports Normal Operations at Its 190,000 b/d Delaware City, Delaware Refinery after a Coker Unit Snag August 26

PBF Energy Inc. reported a mechanical failure in a compressor of the coker unit led to sulfur dioxide emissions at its Delaware City refinery Sunday night, according to a filing with state pollution regulators. PBF later reported all unit operations were back to normal at the refinery, according to a notice on a community information line.

Reuters, 07:08 August 27, 2012

Unspecified Equipment Failure Causes Benzene Release at Flint Hills' 288,468 b/d Corpus Christi, Texas Refinery August 26

Flint Hills Resources reported a release of benzene from the sulfolane BIH column at its Corpus Christi refinery Sunday night was due to an unspecified equipment failure, according to a filing from the U.S. National Response Center. Operators were isolating the leak and shutting the unit, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1022258

Unspecified Process Upset Causes Emissions from FCCU and ESP Stack at Petrobras' 100,000 b/d Pasadena, Texas Refinery August 23–24

Petrobras reported an unspecified process upset caused emissions at its Pasadena refinery Thursday night, according to a filing with the Texas Commission on Environmental Quality. The filing lists the electrostatic precipitator (ESP) stack and the fluid catalytic cracking unit (FCCU) as sources of emissions and said emissions were expected to continue into Friday.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172693>

Natural Gas

Control Valve Failure Causes Emissions at Hilcorp's 175 MMcf/d Old Ocean Gas Plant in Texas August 26

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172726>

Southern Union Reports Flaring Due to Multiple Causes at Its 140 MMcf/d Keystone Gas Plant in Texas August 24–25

Southern Union Gas Services reported it was flaring low-pressure gas at its Keystone plant Friday morning after the Emperor GMV shut down due to unspecified causes, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Operators reported flaring again on Saturday after a scrubber drain line plugged up, causing WTG field compressors to shut on high pressure, according to another TCEQ filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172715>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172718>

USDA Awards Loan Guarantee to Chemtex to Construct 20 MMGal/Yr. Ethanol Plant in North Carolina

The U.S. Department of Agriculture (USDA) on August 22 announced a loan guarantee to Chemtex International, Inc., to construct a cellulosic ethanol refinery in Sampson County in eastern North Carolina. Once operational, the facility is expected to convert 600,000 tons of energy grasses per year into an estimated 20 million gallons of cellulosic ethanol (advanced biofuel) using a proprietary enzymatic hydrolysis process. The plant will produce biofuel for eastern transportation markets using non-food biomass feedstocks. The loan guarantee award, which was offered under USDA's Biorefinery Assistance Program, is subject to conditions that Chemtex must meet prior to closing of the loan. Chemtex and its partners hope to begin construction later this year and open the plant in 2014. <http://www.agprofessional.com/news/Cellulosic-ethanol-plant-for-North-Carolina-167533065.html?view=all>
<http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/08/0280.xml&contentidonly=true>
http://www.chemtex.com/templates/news_20120822.html

International News

Explosion Shuts PDVSA's 645,000 b/d Amuay Refinery in Venezuela and Kills at Least 39 People August 25; Fire Continues to Burn August 27

Petroleos de Venezuela SA (PDVSA) shut down its 645,000 b/d Amuay refinery Saturday morning after an explosion damaged nine storage tanks holding crude oil and petroleum products and killed at least 39 people. The explosion occurred at 1:10 AM local time after a gas cloud formed near the tanks and ignited. Two storage tanks continued to burn Monday afternoon. Authorities hoped to completely extinguish the fire by the end of the day, according to Oil Minister Rafael Ramirez, although strong winds were complicating the efforts. There has been no structural damage to the facility's processing units, and output from the refinery is expected to resume within two days after the flames are extinguished, Ramirez said. Amuay is part of the Paraguana refinery complex, which also includes the 297,000 b/d Cardon refinery. The refineries provide petroleum products to markets in the Caribbean and the United States, but the incident was not expected to impact exports. PDVSA reported it had 10 days of inventory to meet its supply obligations both internally and externally, and the company's other refineries were operating at full capacity to help it continue to meet its supply obligations, according to Ramirez. PDVSA may set up floating storage facilities offshore to compensate for the storage tanks damaged by the fire, Ramirez said. <http://www.businessweek.com/news/2012-08-27/venezuela-battles-flames-at-largest-refinery-after-deadly-blast#p2>
<http://www.reuters.com/article/2012/08/26/us-venezuela-refinery-startup-idUSBRE87P07220120826>
http://www.washingtonpost.com/business/refinery-explosion-in-venezuela-leaves-at-least-7-dead-dozens-injured-state-governor-says/2012/08/25/1c54ca7c-ee99-11e1-b624-99dee49d8d67_story_1.html

Fire Shuts Kirkuk-Ceyhan Crude Oil Pipeline, Halts Tanker Loadings at Ceyhan Port in Turkey August 27 – Sources

A fire on the Kirkuk-Ceyhan oil pipeline from Iraq to Turkey has halted the loading of crude oil tankers at the Turkish Mediterranean port of Ceyhan, according to shipping sources. Between 5 and 10 tankers were waiting to load at Ceyhan, the shippers said. Security sources confirmed a fire in the southeastern province of Sirnak, near the Iraqi border, broke out Monday and shut the line. The cause of the fire was not immediately known, but authorities suspect sabotage, the sources said. Exports along the Kirkuk-Ceyhan pipeline have been running at around 300,000 b/d, according to reports earlier this month.

<http://www.reuters.com/article/2012/08/27/turkey-iraq-shippers-idUSL5E8JR61R20120827>
<http://uk.reuters.com/article/2012/08/27/turkey-iraq-pipeline-urgent-idUKL5E8JR3D320120827>

Energy Prices

U.S. Oil and Gas Prices			
August 27, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	94.90	95.82	82.55
NATURAL GAS Henry Hub \$/Million Btu	2.79	2.70	3.98

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 PM Eastern Time. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

Please direct comments and questions to: ead@oe.netl.doe.gov