



# ENERGY ASSURANCE DAILY

Wednesday Evening, August 29, 2012

## Major Developments

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### **OE/ISER Situation Report: Hurricane Isaac**

Hurricane Isaac made landfall in Plaquemines Parish Louisiana on August 29 as a Category 1 hurricane. For details on the impact of this storm on customer outages, energy infrastructure issues, and restoration efforts see: Hurricane 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](http://www.oe.netl.doe.gov/named_event.aspx?ID=66)

## Electricity

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### **Update: Valve Failure Shuts TVA's 1,125 MW Watts Bar Nuclear Unit 1 in Tennessee August 28**

The Tennessee Valley Authority (TVA) reported its Watts Bar nuclear Unit 1 reactor automatically tripped early Tuesday morning due to low level in steam generator (SG) No. 2. The low level resulted when the Main Feedwater Control Valve for SG-2 failed. The unit was stable in Mode 3 at the time of the filing.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120829en.html>

### **Update: Exelon Cancels Nuclear Power Unit Project in Texas Due to Low Natural Gas Prices, Poor Market Conditions**

Exelon on Tuesday announced it is halting efforts to gain initial federal regulatory approvals for new nuclear construction in Victoria County, Texas. The decision was made in response to low natural gas prices and economic and market conditions that have made construction of new merchant nuclear power plants uneconomical. Exelon originally submitted an application for a combined construction and operating license for the Victoria County site in 2008, but it never made a decision to build a nuclear plant there. In 2010 the company applied for an Early Site Permit, a change in licensing strategy that allowed Exelon to continue with some aspects of site evaluation and regulatory approvals while deferring a construction decision for up to 20 years. Today's withdrawal brings an end to all project activity.

[http://www.exeloncorp.com/Newsroom/pr\\_20120828\\_nuclear\\_victoriaends.aspx](http://www.exeloncorp.com/Newsroom/pr_20120828_nuclear_victoriaends.aspx)

### **FPL's 839 MW Saint Lucie Nuclear Unit 1 in Florida Reduced to 83 Percent by August 29**

On the morning of August 28 the unit was operating at full power.

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

### **California Department of Water Resources' 933 MW Hyatt-Thermalito Hydro Unit in California Reduced by August 28**

The unit entered a curtailment of 570 MW that was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201208281515.html>

### **Mirant's 317 MW Pittsburg Natural Gas-Fired Unit 6 in California Shut by August 28**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201208281515.html>

## **Petroleum**

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### **Chevron Reports Flaring Due to Unknown Causes at Its 245,271 b/d Richmond, California Refinery August 28**

Chevron Corp. reported a release of hydrocarbons from a flare stack at its Richmond, California refinery Tuesday morning was due to unknown causes, according to a filing with the U.S. National Response Center. Operators had secured the release, and an investigation was underway, the filing said.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1022439](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1022439)

### **PBF Energy Reports Intermittent Flaring, Sulfur Dioxide Release at Its 190,000 b/d Delaware City, Delaware Refinery August 28**

PBF Energy Inc. reported intermittent flaring that resulted in the release of sulfur dioxide at its Delaware City refinery Tuesday evening, according to a filing with state pollution regulators.

Reuters, 19:12 August 28, 2012

### **Tesoro Restarts Alkylation Unit at Its 166,000 b/d Martinez, California Refinery August 28 after Shutting the Unit to Repair a Leak August 26**

Tesoro Corp. was restarting the alkylation unit at its Martinez refinery on Tuesday, according to a filing with the Contra Costa County Health Department Hazardous Materials Program. Operators shut the unit on Sunday due to a small leak of spent acid and hydrocarbons, the filing said.

Reuters, 15:26 August 28, 2012

### **Phillips 66 Shuts Hydrocracking Unit Due to Unspecified Equipment Failure at Its 120,000 b/d Rodeo, California Refinery August 24**

Phillips 66 reported it shut the hydrocracking unit at its Rodeo refinery on Friday due to an equipment failure, according to a filing with the Contra Costa County Health Department Hazardous Materials Program. The shutdown led to flaring, the filing said. In a different filing, operators had reported an unplanned process-unit shutdown caused flaring of sulfur dioxide at the Rodeo plant on Saturday.

Reuters, 15:24 August 28, 2012

### **Update: Shell Restarts Hydrocracking Unit at Its 156,400 b/d Martinez, California Refinery August 23; Unit Had Been Shut Since August 13 Fire**

Royal Dutch Shell Plc. restarted the hydrocracking unit at its Martinez refinery last Thursday, August 23, according to a filing with the Contra Costa Health Department Hazardous Materials Program that was made public yesterday. Shell shut the unit after a small fire ignited in the light oil processing unit on August 13. The fire was caused by a leak of lubricating oil from a compressor on the hydrocracking unit, previous filings said.

Reuters, 15:21 August 28, 2012

### **Hess Reports Emissions at Its 70,000 b/d Port Reading, New Jersey Refinery August 28**

Amerada Hess Corp. reported emissions at its Port Reading refinery Tuesday afternoon, according to a filing with state pollution regulators. The filing did not identify the cause of emissions or the unit associated with the incident.

Reuters, 13:42 August 28, 2012

## **Natural Gas**

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### **Update: Excess Water from Cleaning Device Floods Inlet Scrubbers, Causing Emissions at Enbridge's Tilden Gas Plant in Texas August 28**

Enbridge reported its Tilden plant continued to experience problems Tuesday after a pipeline cleaning device on Monday brought a significant amount of liquid into the station, causing flooding. Operators reported the inlet scrubber flooded Tuesday afternoon, causing emissions. Operators had previously reported the flooding shut two acid gas injector (AGI) units.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172830>

## Other News

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### **DOT, EPA Finalize 54.5-mpg Fuel Efficiency Standard for Cars and Light Trucks by Model Year 2025**

The U.S. Department of Transportation on Tuesday announced that it has, together with the U.S. Environmental Protection Agency, finalized standards that will increase fuel economy to the equivalent of 54.5 mpg for cars and light-duty trucks by model year 2025. This administration previously set standards for cars and light trucks that are intended to raise fuel efficiency to the equivalent of 35.5 mpg by 2016.

<http://www.dot.gov/affairs/2012/WH1.html>

## International News

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### **Update: Officials Extinguish 4-Day Fire at PDVSA's 645,000 b/d Amuay Refinery in Venezuela August 28; Timeline for Restart Remains Unclear**

Reports indicate officials have extinguished the fire burning at Petroleos de Venezuela SA's (PDVSA) Amuay refinery, four days after an explosion ignited the fire, damaged nine storage tanks holding crude oil and petroleum products, and killed 48 people. Oil Minister Rafael Ramirez told reporters yesterday that PDVSA is "in no hurry" to restart the processing units at the refinery, as the company must first carry out an "exhaustive" inspection. Workers will also allow "at least 24 hours" to pass as a cool-down period before beginning normal operations. PDVSA continues to export the oil and petroleum products it has stored in terminals, and it anticipates no disruption to its internal or external shipping obligations, Ramirez said. Amuay is part of the Paraguana refinery complex, which also includes the 297,000 b/d Cardon refinery. Jesus Luongo, head of the Paraguana complex, said yesterday that production may restart in 2-3 days once the area that caught fire has cooled down. Luongo also said that while PDVSA has a clear plan for resuming production at Amuay, the timeline will change depending on what an inspection of the plant reveals.

<http://www.businessweek.com/news/2012-08-28/venezuela-in-no-hurry-to-restart-refinery-after-four-day-fire#p2>

### **Update: Kurdistan Warns Baghdad It Will Halt Oil Exports Again as Long-Running Dispute over Oil in the Region Continues**

An official of Iraq's Kurdistan Regional Government (KRG) on Tuesday said Kurdish authorities would halt oil exports again at the start of September because the central government in Baghdad has continued to withhold payments to oil companies working in the north. The two sides have had a long-running dispute over control of oil in the region. Baghdad maintains it alone has the right to export Iraqi crude. Kurdistan has nevertheless signed exploration deals with oil majors such as ExxonMobil and Chevron, which the central government rejects as illegal. In April the KRG curtailed exports from its northern oilfields, claiming Baghdad has not paid its producers for the oil. In early August the KRG said it would restart 100,000 b/d of oil exports in an effort to build confidence with the central government in Baghdad. An early agreement with Baghdad, however, required Kurdish authorities to supply 175,000 b/d of oil exports, and Baghdad has stalled in making payments to oil companies for the exports. Crude oil produced in Kurdistan's northern oilfields is fed into Iraq's Kirkuk export stream and sold onto world markets via the Turkish Mediterranean port of Ceyhan.

<http://www.reuters.com/article/2012/08/28/energy-iraq-kurdistan-idUSL6E8JSD2320120828?feedType=RSS&feedName=industrialsSector&rpc=43>

### **Update: Saudi Aramco Restores Main Internal Network Services Impacted by Malicious Virus August 15**

Saudi Aramco reported in a press release Tuesday that it has restored all its main internal network services that were impacted on August 15 by a malicious virus that originated from external sources and affected about 30,000 workstations. The workstations have since been cleaned and restored to service, the release said. As a precaution, remote Internet access to online resources was restricted. The company confirmed that its primary enterprise systems of hydrocarbon exploration and production were unaffected as they operate on isolated network systems. Production plants were also fully operational as these control systems are also isolated. The company continues to meet its customer commitments worldwide. An investigation into the causes of the incident and those responsible for it continues.

<http://www.saudiaramco.com/en/home.html#news%257C%252Fen%252Fhome%252Fnews%252Flatest-news%252F2012%252Fsaudi-aramco-restores-network.baseajax.html>

## Update: Brazil Court Upholds Ban on Chevron, Transocean Operations until Investigations into Two Offshore Oil Spills Are Complete

A Brazilian court has upheld an injunction that bans Chevron Corp. and driller Transocean Ltd. from operating in Brazil, according to a decision posted on the court's website Tuesday. Chevron and Transocean had appealed the ban earlier this month. The court suspended all the companies' petroleum drilling and transportation operations in Brazil until investigations into two oil spills off the coast of Rio de Janeiro are completed. In November an oil spill at the Chevron-operated Frade offshore oil field caused 3,700 barrels of crude to seep from cracks in the seabed. Chevron's developing the Frade and Papa-Terra deepwater fields offshore Brazil. During 2011, total daily production averaged 71,000 barrels of crude oil (33,000 net) and 28 million cubic feet of natural gas (13 million net). Transocean operates about 10 drilling platforms in Brazil for Chevron, Petrobras, and other oil and gas producers.

[http://www.rigzone.com/news/oil\\_gas/a/120308/Brazil\\_Court\\_Upholds\\_Ban\\_on\\_Chevron\\_Transocean\\_Operations](http://www.rigzone.com/news/oil_gas/a/120308/Brazil_Court_Upholds_Ban_on_Chevron_Transocean_Operations)

## Energy Prices

U.S. Oil and Gas Prices			
August 29, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	95.15	96.76	85.37
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.72	2.80	3.96

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](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>

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