



ENERGY ASSURANCE DAILY

Friday Evening, September 07, 2012

Major Developments

OE/ISER Situation Report: Hurricane Isaac

Hurricane Isaac made its first landfall on Tuesday, August 28 at 7:45 p.m. EDT in Plaquemines Parish, LA. Isaac made a second landfall along the coast of southeast Louisiana, just west of Port Fourchon, around 3:15 a.m. EDT on Wednesday, August 29. 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

Electricity

ERCOT Sets September Electric Use Record at 64,862 MW in Texas

Electric demand on the Electric Reliability Council of Texas (ERCOT) grid peaked at 64,862 MW between the hour of 4:00 p.m. and 5:00 p.m. CDT on Wednesday, September 5, setting a new September record. The previous September record of 63,161 MW was set last year. ERCOT's all-time peak demand record occurred on August 3, 2011, when electric use topped out at 68,379 MW. ERCOT anticipated high demand to continue throughout this week, as temperatures were forecast to reach triple digits, but it expected to have adequate generation resources to meet demand. So far this year, Texas has exceeded monthly power-use records in May, June, July, and September.

<http://www.reuters.com/article/2012/09/06/energy-utilities-texas-idUSL2E8K69QH20120906?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Update: Panda Power Funds Breaks Ground on 758 MW Temple Natural Gas-Fired Power Plant in Texas September 6

Panda Power Funds on Thursday broke ground on the company's 758 MW natural gas-fired, combined-cycle power plant in Temple, Texas. The plant has been designed to meet Texas' need for generation that can quickly ramp up to meet power demand, and in particular to supplement wind's share of electric generation in the region as needed during sudden fluctuations. The Temple generating station will be a quick-start power plant, where power generation is expected to commence within 10 minutes of startup, reaching full gas turbine power production within approximately 30 minutes. Commercial operation is slated to begin at the end of 2014.

<http://www.pandafunds.com/Portals/0/Press%20Releases/Press%20Release%20-%20Temple%20Groundbreaking.pdf>

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramped Up to 94 Percent by September 7

On the morning of September 6 the unit was operating at 61 percent.

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

Update: Cabrillo Power's 330 MW Encina Natural Gas-Fired Unit 5 in California Returns to Service by September 6

The unit returned from an outage that began August 31 and was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201209061515.html>

NRC Issues Mid-Cycle Assessments for U.S. Nuclear Power Plants

The U.S. Nuclear Regulatory Commission (NRC) has issued mid-cycle assessment letters to the nation's 104 operating commercial nuclear power plants. As of the end of June, 96 plants were in the two highest performance categories. Thirty-four reactors were assessed as needing to resolve one or two items of low safety significance. This represents an increase from the previous assessment cycle. One reactor, Browns Ferry 1 in Alabama, is in the fourth performance category and requires increased oversight due to a safety finding of high significance, which will include additional inspections to confirm the plant's performance issues are being addressed. Fort Calhoun plant in Nebraska is in an extended shutdown with significant performance issues and is currently under a special NRC oversight program distinct from the normal performance levels.

<http://pbadupws.nrc.gov/docs/ML1225/ML12250A821.pdf>

Update: NRC Directs Staff to Conduct 2-Year Environmental Study and Revision to Waste Confidence Rule on the Temporary Storage of Spent Nuclear Fuel

The U.S. Nuclear Regulatory Commission (NRC) on Thursday directed its staff to develop an environmental impact statement (EIS) and a revised waste confidence decision and rule on the temporary storage of spent nuclear fuel. The EIS and rule, which are in response to a June 8 ruling of the U.S. Court of Appeals for the District of Columbia Circuit, are to be completed within 24 months. The court ruled that NRC should have considered the potential environmental effects in the event a permanent repository for disposing of spent fuel is never built, and found other deficiencies with the agency's consideration of leaks and fires involving spent fuel pools. The commission in August issued an order that the NRC will not issue licenses dependent on the waste confidence rule—such as new reactors and renewal of existing reactor operating licenses—until the court's remand is appropriately addressed. That order remains in effect.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-098.pdf>

Petroleum

Delta to Restart Some Units at Its 185,000 b/d Trainer, Pennsylvania Refinery September 8–9; Plans to Bring In Bakken Crude Oil by Rail from North Dakota

Delta Air Lines subsidiary Monroe Energy LLC plans to restart some units at its Trainer, Pennsylvania refinery this weekend and expects to resume the majority of the facility's operations by the end of the month, the company reported to the Pennsylvania Department of Environmental Protection. Delta purchased Phillips 66's idled 185,000 b/d Trainer refinery in June and has been conducting a plant-wide turnaround in preparation for restarting the facility, which has been idle since September 2011. Delta has reconfigured parts of the refinery to maximize the production of jet fuel. Delta chief executive Edward Bastian confirmed at an industry conference Thursday that the refinery is on track to start producing jet fuel by the end of September. Bastian said also that the refinery plans to replace some imported oil at Trainer with cheaper domestic Bakken crude oil brought in by rail from North Dakota.

http://www.philly.com/philly/business/Delta_Air_Lines.html

http://www.downstreamtoday.com/news/article.aspx?a_id=37164

<http://www.hydrocarbonprocessing.com/Article/Delta-Air-begins-restarting-Trainer.html>

<http://www.reuters.com/article/2012/09/06/refinery-operations-monroe-trainer-idUSL2E8K69FZ20120906>

Bakken Oil's Premium Surges on Tesoro, Irving Refinery Rail Shipments, BNSF Expanded Rail Capacity

Bakken oil's premium to West Texas Intermediate (WTI) crude yesterday afternoon surged to the widest margin since October 4 as refineries on the East and West coasts began receiving or were expected to receive shipments by rail this month. Tesoro Corp. on Tuesday received the first 100-car unit train carrying Bakken crude from North Dakota at a new offloading terminal that will allow the company's Anacortes, Washington refinery to receive as much as 50,000 b/d by rail. Irving Oil Ltd. expects a train terminal for offloading 70,000 b/d of Bakken and Western Canada grades near its Saint John, New Brunswick refinery to be fully operational this month, according to a source with knowledge of the situation. Bakken strengthened \$4 to a premium of \$6 above the U.S. benchmark yesterday afternoon in New York, according to data compiled by Bloomberg. The premium strengthened substantially earlier this week, as well, upon news that BNSF Railway has increased capacity in 2012 to enable the railroad to haul 1 MMb/d of oil out of the Williston Basin in North Dakota and Montana.

<http://www.bloomberg.com/news/2012-09-06/bakken-oil-surges-on-tesoro-irving-refinery-rail-shipments.html>

<http://www.bloomberg.com/news/2012-09-04/bakken-oil-premium-widens-on-expanded-rail-shipping-capacity.html>

BP Restarts Ultracracker at Its 455,790 b/d Texas City, Texas Refinery September 6

BP Plc reported the ultracracker at its Texas City refinery was to resume normal operations Thursday night, according to a filing with the Texas Commission on Environmental Quality. Emissions related to startup procedures were likely to continue through next Monday night, the filing said.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=173206>

White House Consults Oil Market Experts as It Considers Potential Strategic Petroleum Reserve Release

<http://in.reuters.com/article/2012/09/07/usa-whitehouse-oil-idINL2E8K75BK20120907>

Natural Gas

Enbridge to Expand Its Natural Gas Distribution System in Greater Toronto Area

Enbridge Inc. on Thursday announced plans to expand Enbridge Gas Distribution's natural gas distribution system in the Greater Toronto Area (GTA) to meet the demands of growth in the GTA. The proposed GTA Project will consist of two segments of pipeline and related facilities to upgrade the existing distribution system that delivers natural gas to the municipalities of Toronto, Brampton, Mississauga, Vaughan, Richmond Hill, and Markham. The target for construction of the upgrade project is in 2014 and 2015. The project is subject to approval by the Ontario Energy Board, with which Enbridge expects to file an application in the coming months.

www.enbridgegas.com/gtaproject

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2012&id=1657557>

Power Outage Due to Inclement Weather Shuts Regency's 290 MMcf/d Waha Gas Plant in Texas September 6

Regency Energy Partners reported a loss of third-party power supply due to inclement weather overnight Thursday caused the plant to go down, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=173195>

Southern Union Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas September 6

Southern Union Gas Services reported it was flaring acid gas at its Keystone plant overnight Thursday when storms caused air blowers to shut down, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Later that day, the plant reported it was flaring acid gas after shutting a sulfur recovery unit (SRU) to repair a leak on the triethylene glycol valve, according to another TCEQ filing.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=173165>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=173199>

Numerous Units Shut after Lightning Strikes Exterran's 65 MMcf/d Dollarhide Gas Plant in Texas September 5

Exterran reported numerous units went down at its Dollarhide plant late Wednesday night after lightning struck the plant and knocked out power, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=173189>

Other News

Patriot Bioenergy Corp. Working to Build Three Energy Beet-to-Ethanol Plants in Kentucky

Patriot Bioenergy Corp. on Thursday announced plans to build three energy beet and waste sugar ethanol plants in Kentucky, pending the completion of funding and needed infrastructure. The proposed plans include a 4 million gallon per year (Mmgy) plant in Williamsburg, Kentucky; a 4 MMgy plant in Columbia, Kentucky; and a 2 MMgy plant in Pikeville. The company hopes to first move forward with the project in Williamsburg, within the next 24–28 months, according to an executive.

<http://www.ethanolproducer.com/articles/9083/kentucky-company-to-grow-herbicide-resistant-energy-beet-hybrid>

<http://thetimestribune.com/local/x1052787333/Biofuel-company-delivers-letter-of-intent-to-build-energy-plant>

http://www.biofuels-news.com/industry_news.php?item_id=5367

International News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
September 7, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	96.42	96.03	86.02
NATURAL GAS Henry Hub \$/Million Btu	2.85	2.72	3.93

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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