



ENERGY ASSURANCE DAILY

Tuesday Evening, September 24, 2013

Major Developments

Update: 11 Notable Oil Spills Have Released 822 Barrels Due to Colorado Flooding as of September 24 – COGCC

The Colorado Oil & Gas Conservation Commission (COGCC) had nine teams in the field Monday. Teams continued to be hampered by wet and slow-going conditions. Teams on Monday assessed 157 wells and 71 tank batteries. The agency is tracking 11 notable releases. Three new releases have been confirmed since Monday's update. A Noble Energy location east of Kersey released 121 barrels; a PDC Energy location east of Greeley, released 60 barrels; and a Mineral Resources location north and west of LaSalle released an unknown volume. The 11 notable releases account, in total, for more than 822 barrels, or 34,524 gallons. The amount for two of these 11 releases is unknown.

<http://cogcc.state.co.us/announcements/COGCC2013FloodResponse.pdf>

Update: Colorado Interstate Gas Lifts Force Majeure After Returning 252A Pipeline to Service September 24 Following Shutdown Due to Floods

El Paso Pipeline Partners LP's Colorado Interstate Gas Co. unit lifted the force majeure on its natural gas pipeline system after returning line 252A to service following the recent major flooding in Colorado. The flooding exposed the line and it was taken out of service for safety precautions while inspections were conducted. The line, which serves the Tri-Town delivery point, has a design capacity of 456 MMcf/d. Colorado Interstate operates a 4,300 mile pipeline system that transports Rockies gas to customers in Colorado and Wyoming and to other western states. Reuters, 10:58 September 24, 2013

<http://ebb.cigco.com/ebbmastertpage/Notices/NoticesAutoTable.aspx?code=CIG&status=Notice&name=CriticalNotices&sParam1=0088&sParam3=8944&sParam14=D&details=Y>

Electricity

DOE's NREL Calculates Emissions and Costs of Power Plant Cycling Necessary for Increased Wind and Solar in the West

New research from the Department of Energy's (DOE's) National Renewable Energy Laboratory (NREL) quantifies the potential impacts of increasing wind and solar power generation on the operators of fossil-fueled power plants in the West. To accommodate higher amounts of wind and solar power on the electric grid, utilities must use the practice of cycling. The study finds that the carbon emissions induced by more frequent cycling are negligible (<0.2%) compared with the carbon reductions achieved through the wind and solar power generation evaluated in the study. Sulfur dioxide emissions reductions from wind and solar are 5% less than expected because of cycling of fossil-fueled generators. Emissions of nitrogen oxides are reduced 2% more than expected. The study also finds that high levels of wind and solar power would reduce fossil fuel costs by approximately \$7 billion per year across the West, while incurring cycling costs of \$35 million to \$157 million per year. For the average fossil-fueled plant, this results in an increase in operations and maintenance costs of \$0.47 to \$1.28 per MWh of generation.

<http://www.nrel.gov/news/press/2013/3299.html>

Consumers Energy Delays Planned Shutdown of Three Coal-fired Power Plants in Michigan to 2016

Consumers Energy has delayed the planned shutdown of three coal-fired power plants in Michigan from early 2015 until the first quarter of 2016. The plants involved are B.C. Cobb on Muskegon Lake, J.R. Whiting near Luna Pier in Monroe County, and J.C. Weadcock on the Saginaw Bay.

<http://www.myrtlebeachonline.com/2013/09/23/3727994/consumers-energy-pushes-back-planned.html>

First Wind Secures Long-term Contracts for Two Wind Power Projects Totaling 333 MW in Massachusetts September 23

First Wind announced that two of its planned Maine wind power projects have been selected by Massachusetts utilities to provide clean wind energy to homes and businesses. The contracts, which still must be approved by the Massachusetts Department of Public Utilities, will provide clean energy from the 147 MW Oakfield Wind project in Aroostook County and the 186 MW Bingham Wind project in Somerset County. The Oakfield project will consist of 48 turbines and is scheduled to start construction by the end of this year and should be completed and online in 2015. The planned Bingham Wind project would feature 62 turbines and is in the advanced permitting stages with the Maine Department of Environmental Protection.

http://www.firstwind.com/sites/default/files/First%20Wind%20MA%20PPAs_FINAL_092313.pdf

Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Reduced to 29 Percent by September 24

On the morning of September 23 the unit was operating at full power, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: PPL's 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Ramped Up to 20 Percent by September 24

On the morning of September 23 the unit was operating at 1 percent after restarting by the same day, according to the Nuclear Regulatory Commission. Workers had performed repairs including replacing some turbine blades that may have cracked, the company said in a statement.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Ramped Up to 32 Percent by September 24

On the morning of September 23 the unit was operating at 3 percent after restarting by the same day, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: Southern's 870 MW Hatch Nuclear Unit 2 in Georgia Ramped Up to 95 Percent by September 24

On the morning of September 23 the unit was operating at 67 percent after restarting by September 21, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: AES's 336 MW Alamosa Gas-fired Unit 4 in California Returns to Service by September 23

The unit returned from an unplanned outage that began September 22.

<http://content.caiso.com/unitstatus/data/unitstatus201309231515.html>

Petroleum

CDU to be Out for 3-4 Weeks After Fire at Northern Tier's 92,500 b/d St. Paul Park Refinery in Minnesota September 22

Northern Tier Energy LP reported on Sunday that its St. Paul Park, Minnesota, refinery experienced a fire in its larger crude distillation unit. The fire appears to have originated at an atmospheric tower discharge pump and was put out within three hours. Preliminary estimates indicate that the outage of this crude unit will last approximately three to four weeks and repair costs should be less than \$10 million. The smaller crude distillation unit and the downstream units at the refinery are in the process of being safely restarted. Current estimates indicate that this smaller crude unit and all downstream units, with the exception of the fluid catalytic cracking unit (FCCU), will begin operating within the next day. The planned turnaround on the FCCU was scheduled to begin October 1 although Northern Tier now intends to initiate this turnaround activity immediately due to the reduction in crude throughput. Original third quarter throughput guidance was expected to be between 90,000 and 95,000 b/d. Updated throughput for third quarter is now expected to range between 78,000 and 81,000 b/d.

<http://investors.ntenergy.com/phoenix.zhtml?c=251295&p=irol-newsArticle&ID=1857128&highlight>

Marathon Reports Hydrotreater Unit Fire September 23, Emissions September 24 at Its 451,000 b/d Galveston Bay, Texas Refinery

Marathon Petroleum Corp. reported a fire in the hydrotreater unit at its Galveston Bay, Texas, refinery. The fire broke out on Monday and burned for about a half hour before being extinguished. On Tuesday, Marathon reported emissions from the catalytic feed hydrotreating unit, according to a filing with the Texas Commission on Environmental Quality. A leak was discovered on a line underneath insulation and the company “blocked in the line and deinventoried equipment,” the filing said.

<http://www.hydrocarbonprocessing.com/Article/3258486/Latest-News/Marathon-puts-out-fire-at-Galveston-Bay-refinery.html>

Reuters, 11:15 September 24, 2013

Phillips 66 Reports Units Online After Power Blip at Its 247,000 b/d Sweeny, Texas Refinery September 23

Phillips 66 reported it restored power and brought units back online after a power interruption at its refinery in Sweeny, Texas, according to a filing with state pollution regulators. The refinery reported emissions from sulfur recovery units.

Reuters, 18:29 September 23, 2013

Phillips 66 Reports FCC Precipitator Work at Its 146,000 b/d Borger, Texas Refinery September 24

Phillips 66 reported maintenance at its unit 40 fluidic catalytic cracker (FCC) precipitators at its refinery in Borger, Texas, according to a filing with the Texas Commission on Environmental Quality. The maintenance was expected to last from September 24 to October 3, the filing said.

Reuters, 9:37 September 24, 2013

Tesoro Reports Equipment Failure at Its 94,000 b/d Kapolei, Hawaii Refinery September 23

Tesoro Corp. reported an unspecified equipment failure at its Kapolei, Hawaii, refinery, according to a notice filed with the U.S. National Response Center. The incident led to the release of sulfur dioxide, which has not yet been secured, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1060993

Blueknight’s 150,000 b/d Pecos River Pipeline Begins Service in Texas September 23

Blueknight Energy Partners reported its new Pecos River Pipeline carrying crude oil from fields in West Texas and connecting to the 225,000 b/d Longhorn pipeline began operations on Monday. The 36-mile, 16-inch pipeline originates near Grandfalls, Texas, and ends at Crane, Texas, where it connects to Longhorn, operated by Magellan Midstream Partners. Blueknight is operating the pipeline under a long-term service agreement with Advantage Pipeline LLC. A second stage in the project will extend the line 29 miles west will be completed by the end of the year.

<http://investor.bkep.com/profiles/investor/ResLibraryView.asp?ResLibraryID=65223&BzID=1505&g=386&Nav=0&LangID=1&s=0>

Reuters, 17:12 September 23, 2013

Update: Suncor Restarts Operations at Its 140,000 b/d Edmonton, Alberta Refinery September 23

Suncor Energy Inc. reported it was in the process of restarting operations at its refinery in Edmonton, Alberta, after an unplanned outage over the weekend, according to a message on a community information line.

Reuters, 16:46 September 23, 2013

Natural Gas

Enbridge Reports AGI Shut at Its Tilden Gas Plant in Texas September 23

Enbridge Inc. reported the acid gas injector (AGI) no. 2 shut down on third stage high discharge pressure and, shortly after, AGI no. 1 shut down on compressor motor fault. The north and south instrument air compressor tripped out due to a bad north instrument compressor cooler motor. The north instrument air compressor cooler motor was replaced and the compressors were restarted. The electrical breaker was reset and AGI no. 1 was started and stabilized. Plant personnel inspected valves on AGI no. 2 and it was restarted and stabilized. Later that night, AGI no. 2 shut down on third stage high suction temperature. Plant personnel replaced the temperature probe on AGI no. 2 and it was restarted and stabilized.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=188567>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=188581>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
September 24, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	102.81	105.20	91.13
NATURAL GAS Henry Hub \$/Million Btu	3.66	3.74	2.76

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 & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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

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