



ENERGY ASSURANCE DAILY

Monday Evening, October 03, 2011

Electricity

Update: NRC Confirms Post-Earthquake Requirements for Restart of Dominion's 1,806 MW North Anna Nuclear Power Plant in Virginia

The Nuclear Regulatory Commission (NRC) has informed Dominion Generation, operator of the two-reactor North Anna nuclear power plant near Louisa, Virginia, of actions that must be completed before the agency will authorize the restart of the plant. The plant shut down safely following the August 23 earthquake near Louisa. The NRC has issued Dominion a Confirmatory Action Letter, which reiterates that since the August 23 earthquake exceeded design parameters for North Anna, the plant will remain shut down until Dominion demonstrates "to the Commission that no functional damage occurred to those features necessary for continued operation without undue risk to the health and safety of the public." The letter then lays out the next steps in the restart process, starting with Dominion submitting documentation responding to all NRC questions regarding restart safety. NRC inspectors will conduct additional onsite inspections to verify that adequate actions have been taken in response to the Confirmatory Action Letter. The NRC will also complete a safety evaluation regarding restart. The NRC will also complete a safety evaluation regarding restart. The NRC's directive will remain in effect until the NRC is satisfied Dominion has demonstrated the plant is safe to operate; at that point the agency would issue written permission for Dominion to restart the plant. North Anna Unit 2 is currently in a refueling outage and is shut down for refueling and associated maintenance.

<http://pbadupws.nrc.gov/docs/ML1127/ML11273A079.pdf>

PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey Reduced to 64 Percent by October 2

The Nuclear Regulatory Commission reported that on the morning of October 1 the unit was operating at 84 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Reduced Over Weekend, Ramps Up to 95 Percent by October 3

The unit ramped down to 26 percent of capacity by October 1 before ramping up to 72 percent October 2 and 95 percent of capacity by October 3.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Entergy's 730 MW Palisades Nuclear Unit in Michigan Restarts, Ramps Up to 80 Percent by October 3

The Nuclear Regulatory Commission reported that on the morning of October 2 the unit was operating at 1 percent. According to news sources, the unit shut down automatically on September 25 when two small pieces of metal inside the breaker panel touched, causing a short circuit. An investigation into what caused the accident continues.

<http://www.9and10news.com/Category/Story/?id=304776&cID=2>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Shut by October 3

The Nuclear Regulatory Commission reported that on the morning of October 2 the unit was operating at 54 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama Ramped Up to 86 Percent by October 2

The Nuclear Regulatory Commission reported that on the morning of October 1 the unit was operating at 23 percent, up from 12 percent on September 30.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Update: Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina at Full Power by October 2

The Nuclear Regulatory Commission reported that on the morning of October 1 the unit was operating at 18 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Luminant's 1,150 MW Comanche Peak Nuclear Unit 1 in Texas Shut by October 2

The Nuclear Regulatory Commission reported that on the morning of October 1 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

NRG's 831 MW Limestone Coal-Fired Unit 1 in Texas Shut October 1-7

According to a filing with the Texas Commission on Environmental Quality, Unit 1 was brought off line to repair a boiler water wall tube leak. All pollution control equipment (FGD and Precipitator) will be in service as operating conditions allow.

Reuters, 01:38 October 3, 2011

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=159919>

Luminant to Restart 750 MW Martin Lake Coal-Fired Unit 2 in Texas October 2-3

According to a filing with the Texas Commission on Environmental Quality, operators will restart the unit following low pressure turbine repairs.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=159896>

Update: APS's 1,243 MW Palo Verde Nuclear Unit 1 in Arizona Ramped Up to 80 Percent by October 3

The Nuclear Regulatory Commission reported that on the morning of October 2 the unit was operating at 40 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Update: Energy Northwest's 1,107 MW Columbia Nuclear Unit in Washington at Full Power by October 3

The Nuclear Regulatory Commission reported that on the morning of October 2 the unit was operating at 88 percent, up from 55 percent on October 2 and 25 percent on October 1. The process to exit the plant's longest refueling outage began September 20, but took longer than expected because operators had to test reactor systems before reconnecting to the grid September 28.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Update: RRI's 215 MW Mandalay Gas-Fired Unit 1 in California Returns to Service by September 30

According to the California Independent System Operator, the unit reported a return from an unplanned outage on September 29.

<http://content.caiso.com/unitstatus/data/unitstatus201109291515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201109301515.html>

ENMAX Breaks Ground on 800 MW Natural Gas-Fired Shepard Energy Centre in Calgary October 4

ENMAX Corporation invited media to the ground-breaking ceremony on October 4 to officially kick-off major construction of the Shepard Energy Centre, which is to be Alberta's largest natural gas power plant. The project is comprised of two 240 MW natural gas-fired turbine generators and one 320 MW steam turbine generator. Located in southeast Calgary, the facility will provide enough electricity to cover over half of Calgary's current power requirements. Commercial operation is scheduled August 2015.

<http://www.enmax.com/Corporation/Media+Room/Current+News+Releases/26Shepard.htm>

<http://www.enmax.com/Corporation/Clean+Power/OtherProjects/Shepard+Energy+Centre/default.htm>

<http://www.enmax.com/Corporation/Media+Room/Current+News+Releases/15Shepard.htm>

Update: DOE Finalizes Loan Guarantee to Support 550 MW Desert Sunlight Solar Generation Project in California

U.S. Energy Secretary Steven Chu announced September 30 that the Department of Energy (DOE) finalized partial loan guarantees to Desert Sunlight 250, LLC and Desert Sunlight 300, LLC to support the 550 MW Desert Sunlight Project. Phase I will generate 300 MW of power, which will be sold to Pacific Gas & Electric Company, while Phase II will generate 250 MW of power, which will be sold to Southern California Edison.

<http://energy.gov/articles/energy-department-finalizes-loan-guarantee-support-california-solar-generation-project>

Update: DOE Finalizes Loan Guarantee to Support 230 MW Antelope Valley Solar Ranch 1 Project in California

U.S. Energy Secretary Steven Chu announced September 30 that the Department of Energy (DOE) finalized a loan guarantee to AV Solar Ranch 1, LLC to support the Antelope Valley Solar Ranch 1 Project, a 230 MW alternating current cadmium telluride thin film photovoltaic solar generation facility that will be located in Antelope Valley in North Los Angeles County, California. Power generated from the project will be sold to Pacific Gas & Electric Company.

<http://energy.gov/articles/energy-department-finalizes-646-million-loan-guarantee-support-innovative-solar-power-plant>

Update: DOE Finalizes Loan Guarantee to Support 752 MW Rooftop Solar Generation Project Amp in 28 States and the District of Columbia

U.S. Energy Secretary Steven Chu announced September 30 that the Department of Energy (DOE) has finalized a partial guarantee loan to support Project Amp, a solar generation project that includes the installation of approximately 752 MW of photovoltaic (PV) solar panels, which is over 80 percent of the total amount of PV installed in the United States in 2010. Project Amp will support the installation of solar panels across approximately 750 existing rooftops owned and managed by Pologis.

<http://www.energy.gov/news/10391.htm>

<http://energy.gov/articles/energy-department-finalizes-loan-guarantee-transformational-rooftop-solar-project>

DOE Finalizes Loan Guarantee to Support 250 MW California Valley Solar Ranch Project

U.S. Energy Secretary Steven Chu announced September 30 that the Department of Energy (DOE) has finalized a loan guarantee to support the California Valley Solar Ranch Project, sponsored by SunPower Corporation. The project, which is being built in San Luis Obispo County, California, includes the construction of a 250 MW alternating current photovoltaic solar generating facility and associated infrastructure. Power generated by the project will be sold to Pacific Gas & Electric.

<http://energy.gov/articles/energy-department-finalizes-12-billion-loan-guarantee-support-california-solar-generation>

Petroleum

CDU Fire Forces Petrobras to Shut All Operations at Its 100,000 b/d Pasadena, Texas Refinery September 30

According to a filing with the Texas Commission on Environmental Quality, equipment failure caused a fire in the crude distillation unit (CDU) Friday, forcing Petrobras to shut all operations. The unit was isolated and shut down, and the fire was extinguished.

Reuters, 18:10 September 30, 2011

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=159905>

Valero Cuts Feed Rate to SRU at Its 287,000 b/d Port Arthur, Texas Refinery September 29

Valero Energy Corp. cut feed to a sulfur recovery unit (SRU) on Thursday after a faulty transmitter triggered a malfunction. The company said today that the rate cut led to no material impact to production.
Reuters, 09:28 October 3, 2011

Update: ExxonMobil to Increase Production Rates at Its 60,000 b/d Billings, Montana Refinery after Restarting Silvertip Crude Pipeline

ExxonMobil reported Monday that it is increasing production rates at the refinery more than a week after restarting the 40,000 b/d Silvertip crude oil pipeline that supplies it. The pipeline was shut July 1 after leaking 1,000 barrels of crude into the Yellowstone River; it was restarted September 24.
Reuters, 11:34 October 3, 2011

Flange Leak Shuts Process Unit Flint Hills's 280,550 b/d Rosemont, Minnesota Refinery October 2

Flint Hills Resources reported that a process unit shut after a leak in a flange caused the unit to depressurize Sunday.
Reuters, 06:59 October 3, 2011

Boiler on FCCU Shut at PBF Energy's 182,000 b/d Delaware City, Delaware Refinery

According to a filing with regulators, a carbon monoxide (CO) boiler on the fluid catalytic cracking (FCC) unit blew a hole that led to a release of carbon sulfide and hydrogen cyanide. The unit was shut down and will be repaired.

Reuters, 07:35 October 3, 2011

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=991445

Compressor Malfunction Leads to Flaring at Sunoco's 178,000 Marcus Hook, Pennsylvania Refinery

According to a filing with state pollution regulators Monday, a compressor malfunction led to emissions.
Reuters, 06:25 October 3, 2011

Valero Reports Flaring at Its 132,000 b/d Benicia, California Refinery October 3

Valero Energy Corp said that the instrumental problem triggering the flaring did not impact production.
Reuters, 11:38 October 3, 2011

Murphy Oil Corporation Sells 35,000 b/d Superior, Wisconsin Refinery and 120,000 b/d Meraux, Louisiana Refinery

Murphy Oil Corporation announced today that its wholly-owned subsidiary, Murphy Oil USA, Inc. has completed the sale of two U.S. refineries and related assets. Calumet Specialty Products Partners, L.P. acquired the Superior Refinery, and a subsidiary of Valero Energy Corporation acquired the Meraux Refinery.

DJN, 09:00 October 3, 2011

Enbridge Temporarily Idles 231,000 b/d Ozark Crude Oil Pipeline for Precautionary Assessment

Enbridge Energy Partners, L.P. announced that it shut the 435-mile pipeline Friday after an underwater survey indicated an exposed area on the river bottom at its crossing of the Mississippi River near Wood River, Illinois. Operators isolated the exposed area with valves on both sides of the river. The river crossing was inspected last October, but high water conditions this summer led to a re-inspection, where the exposed section of the line was discovered. The pipeline originates at Enbridge's Cushing, Oklahoma terminal and terminates in Wood River, Illinois.

Reuters, 01:07 October 2, 2011

Libya's Interim Government Says Oil Output Will Return to Normal in 12-18 Months

Libya's interim government said Monday that oil output was increasing at a rate faster than expected, but it would still take 12 to 18 months for production to return to normal.

Reuters, 08:18 October 3, 2011

Eni's Obama-Brass Pipeline Damaged in Nigeria, No Force Majeure

Eni's Obama-Brass pipeline in Nigeria's Niger Delta has been damaged, but the company plans to repair the pipeline quickly and does not plan to declare force majeure.

Reuters, 06:25 October 3, 2011

Natural Gas

Enogex to Expand Capacity at Wheeler, Texas Natural Gas Plant to 200 MMcf/d; to Construct New 200 MMcf/d Gas Plants in Oklahoma

Enogex announced Friday that it signed agreements to acquire natural gas midstream pipeline assets with dedicated rights to gather and process production from a large acreage position located in the Granite Wash, Tonkawa and Marmaton plays of northwestern Oklahoma. The company also approved the further expansion of the new Wheeler County, Texas processing plant, which is currently under construction, from 120 MMcf/d to 200 MMcf/d. The initial capacity is expected to be available in the second quarter of 2012, and the expanded capacity of is expected to be available in the third quarter of 2012. Enogex has also approved the construction of a new 200 MMcf/d processing plant in Custer County, Oklahoma and expects the facility to come on-line in 2013. In addition to these announcements, Enogex said it expects to begin production at its new 200 MMcf/d South Canadian processing plant in western Canadian County, Oklahoma later this year.

<http://phx.corporate-ir.net/phoenix.zhtml?c=106374&p=IROL-newsArticle&t=NewsRelease&id=1612176>

Compressor Shut Down Leads to Flaring at 150 MMcf/d Sands Hills Gas Plant in Texas September 30

The acid gas compressor (C-14) shut down resulting in flaring from the acid gas flare F-4. Plant operators immediately put the acid gas compressor back on line to stop the flaring.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=159910>

Power Outage Damages Electrical System, Shuts Enbridge's Teague Gas Plant in Texas September 30–October 1

According to a filing with the Texas Commission on Environmental Quality Friday, a phase out of utility-supplied power damaged the plant's electrical system and led to a total plant shutdown last weekend. Enbridge shut in all inlet sweet and sour gas rates. Enbridge technicians repaired the plant's damaged electrical system.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=159909>

Power Loss Shuts AGI Units 1 and 2 at Tilden Gas Plant in Texas October 3

Operators responded immediately. The units were reset and placed back into service. On October 1, AGI Unit 1 went down due to low oil flow right bank shut-down. Operators responded immediately, resetting the unit and placing it back into service.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=159927>

Transformer Snag Leads to Power Outage, Flaring at Luling Gas Plant in Texas October 1

A third party power outage occurred when the transformer supplying single phase power to the site shut down. Plant operators flared inlet gas until the power supplier replaced the transformer and restored power.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=159913>

Force Fuels to Start O&G Production, Drill 15 New Wells in Southeastern Kansas

http://www.rigzone.com/news/article.asp?a_id=111407

Other News

BSEE and BOEM Officially Replace BOEMRE October 1

The Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management (BOEM) will now carry out the offshore energy management and safety and environmental oversight missions currently under the jurisdiction of the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE). The establishment of BOEM and BSEE will mark the completion of an effort to reorganize the former Minerals Management Service.

<http://www.doi.gov/news/pressreleases/loader.cfm?csModule=security/getfile&pageid=260330>

<http://www.doi.gov/news/pressreleases/Interior-Department-Completes-Reorganization-of-the-Former-MMS.cfm>

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|--------------|-----------------|-----------------|
| October 3, 2011 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 78.23 | 79.80 | 81.13 |
| NATURAL GAS Henry Hub \$/Million Btu | 3.68 | 3.74 | 3.85 |

Source: Reuters

Energy Notes

SOLON Announces Operation of 15 MW Solar Photovoltaic Station October 3, Part of Pacific Gas & Electric's 250 MW Utility Owned Generation Photovoltaic Program

Reuters, 12:33 October 3, 2011

Chevron Launches Project to Test Viability of Using Solar Energy to Increase Oil Production in Coaling Field

http://www.rigzone.com/news/article.asp?a_id=111411

Electrical Short Shuts Additional Gas to West Credo Booster Station in Texas October 2

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=159915>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=159916>

Compressor Shuts Down, Results in Flaring at Waddell Compressor Station in Texas October 2

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=159922>

Problematic Plastic, Aldyl-A, Found in Separate PG&E Gas Pipeline Explosions

http://www.downstreamtoday.com/news/article.aspx?a_id=28077

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 EDT every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM EDT every Thursday.

ENERGY ASSURANCE DAILY

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

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