



ENERGY ASSURANCE DAILY

Tuesday Evening, October 11, 2011

Electricity

Heavy Rainfall and Wind Leave 32,500 FPL, Progress Energy, and Orlando Utilities Commission Customers without Power across Central Florida October 9–10

Heavy rainfall and wind gusts as high as 60 miles an hour battered Central Florida over the weekend, leading to widespread flooding and power outages. Florida Power and Light (FPL) reported peak outages of just over 28,000 customers Sunday night, a number reduced to 500 by Monday night. The utility company brought in crews from other parts of the state to help restore power. Progress Energy reported over 4,000 customers were without power Monday, and Orlando Utilities Commission reported about 500 customers without power throughout Central Florida. By Monday evening, power was restored to most customers throughout the region.

<http://www.cfnews13.com/article/news/2011/october/326836/Central-Florida-cleans-up-storm-damage>

<http://www.wesh.com/news/29436935/detail.html>

<http://www.cfnews13.com/article/news/2011/october/326595/Wind-gusts-pound-Brevard-County,-damage,-power-outages-reported>

<http://www.news-journalonline.com/news/local/east-volusia/2011/10/11/volusia-flagler-residents-recovering-from-wild-weekend-weather.html>

Several Challenges Could Dramatically Change New England Power Grid over Next 7 Years, Threaten Electricity Reliability if Unaddressed - ISO New England Report

In a report released on October 6, the ISO New England concludes that the low price of natural gas and the region's aging fleet of power plants are among several factors that could dramatically change New England's power grid, and those changes could threaten reliable electricity delivery if not addressed. As the region becomes increasingly reliant on natural gas to supply heat and electrical power, it will require additional infrastructure to build capacity to handle spikes in demand. One solution is to build more gas pipelines; another solution is to rely on other, existing gas-fired generators, which take a long time to ramp up, are unreliable, and are subject to clean air restrictions.

<http://www.boston.com/Boston/businessupdates/2011/10/new-england-power-grid-facing-challenges/6quUHxzmTtB5GwJy2Mm7VP/index.html>

Maryland Utilities Seek Proposals for Construction of 1,500 MW Natural Gas-Fired Generation

The Maryland Public Service Commission wants utility companies in Maryland to request proposals for the construction of up to 1,500 MW of new natural gas-fired generation in the central part of the state to boost local electricity production and reduce costs, among other things. The commission has also asked utilities to seek power purchase agreements for a maximum of 20 years starting June 1, 2015, and no later than June 1, 2017. Companies interested in building the new power plants should respond by November 11, 2011, and the commission expects to make award decisions by February 23, 2012.

<http://www.reuters.com/article/2011/10/10/utilities-maryland-generation-idUSN1E7990UL20111010>

States Urge EPA to Delay the Maximum Achievable Control Technology Rule for Utilities for One Year

In federal court on Monday, 25 states urged the U.S. Environmental Protection Agency (EPA) to delay for at least a year a rule requiring coal and oil-fired power plants to reduce emissions of mercury and acid gases, claiming the measure is too costly. The rule would force the retirement of an estimated 30,000–70,000 MW of coal-fired generation. The EPA is under court order to finalize the maximum achievable control technology rule for utilities by November 16, 2011.

Reuters, 22:52 October 10, 2011

Dominion's 1,130 MW Millstone Nuclear Unit 3 in Connecticut Shut by October 9

The Nuclear Regulatory Commission reported that on the morning of October 8 the unit was operating at 96 percent. Information derived from the NRC Power Reactor Status Reports:

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

PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey at Full Power by October 10

The Nuclear Regulatory Commission reported that on the morning of October 9 the unit was operating at 90 percent. Information derived from the NRC Power Reactor Status Reports:

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

Exelon's 855 MW Quad Cities Nuclear Unit 1 in Illinois at Full Power by October 10

The Nuclear Regulatory Commission reported that on the morning of October 9 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/>

Update: NRG's 831 MW Limestone Coal-Fired Unit 1 in Texas Returns to Service October 8

Unit 1 was shut on October 1 to repair a boiler water wall tube leak.

Reuters, 03:52 October 10, 2011

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=160266>

Update: Luminant to Restart 750 MW Martin Lake Coal-Fired Unit 1 in Texas October 10–11

The unit was shut for boiler tube repairs on Saturday, and startup will span through October 10–11. Operators will minimize startup time by placing control equipment into service as soon as minimum operating temperatures are reached.

Reuters, 02:32 October 10, 2011

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=160231>

Luminant Shuts 765 MW Monticello Coal-Fired Unit 3 in Texas October 7–8

The unit was shut to repair a boiler tube leak, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 02:59 October 10, 2011

PG&E's 1,087 MW Diablo Canyon Nuclear Unit 1 in California Reduced to 67 Percent by October 11

The Nuclear Regulatory Commission reported that on the morning of October 10 the unit was operating at 95 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Calpine's 751 MW Pastoria Gas-Fired Unit in California Returns to Service by October 7

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 271 MW on October 6.

<http://content.caiso.com/unitstatus/data/unitstatus201110061515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201110071515.html>

Cabrillo Power's 300 MW Encina Unit 4 Gas-Fired Unit in California Returns to Service by October 7

According to the California Independent System Operator, the unit reported a return from an unplanned outage October 6.

<http://content.caiso.com/unitstatus/data/unitstatus201110061515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201110071515.html>

Delta Power's 240 MW Crockett Cogen Gas-Fired Unit in California Shut by October 9

According to the California Independent System Operator, the unit reported an unplanned outage on October 9.

<http://content.caiso.com/unitstatus/data/unitstatus201110091515.html>

Calpine's 135 MW Gilroy Cogen Gas-Fired Unit in California Shut by October 10

According to the California Independent System Operator, the unit reported an unplanned outage on October 10.

<http://content.caiso.com/unitstatus/data/unitstatus201110101515.html>

PPL Electric Utilities Chooses Route for New 230 kV Power Line in Pennsylvania

The company chose a route for the new 230 kV power line in northeast Pennsylvania and the Poconos. It will also build three new substations and rebuild about 20 miles of an existing 69 kV power line running from Lackawanna County to Wayne County in Pennsylvania. In choosing the location for the power lines, PPL Electric Utilities (PPL) conducted an extensive public input process and a months-long study of the region, the company said Tuesday.

DJN, 12:09 October 11, 2011

Petroleum

Centurion Pipeline Restarts 350,000 b/d New Mexico-to-Oklahoma Crude Pipeline at Slightly Reduced Rate October 8 after Brief Leak October 7

Centurion Pipeline L.P., which is a subsidiary of Occidental Petroleum, shut the 16-inch, sweet crude oil pipeline on Friday after a third party hit it while cutting a ditch in Edmond, Oklahoma. Centurion restarted the pipeline Saturday at about 5,000 barrels below its normal 350,000 b/d capacity, according to a report from Genscape Monday.

Reuters, 13:46 October 10, 2011

ConocoPhillips Shuts Diesel Fuel and Gas Pipeline in Northern Idaho Due to Pressure Drop October 1

ConocoPhillips immediately shut down a 10-inch, underground diesel fuel and gas pipeline across Northern Idaho when the pressure dropped October 1. A company spokesman said Sunday that the reason for the pressure drop was still unknown, as workers inspecting a section of pipe between the Idaho towns of Enaville and Cataldo have found no leaks and detected no fuel outside the pipe. As a precaution, the company has placed floating booms across the Coeur d'Alene River in two places. The pipeline carries fuel from its 58,000 b/d refinery in Billings, Montana. ConocoPhillips is using trucks to carry fuel to its distribution center in Spokane, Washington, and does not expect any supply disruptions.

Reuters, 21:30 October 9, 2011

<http://www.krem.com/news/N-Idaho-fuel-pipe-shut-down-after-pressure-drops-131422558.html>

Update: Nebraska Governor asks Secretary Clinton to Reroute TransCanada's Proposed Keystone XL Pipeline to Avoid Ogallala Aquifer

Nebraska Governor Dave Heineman asked U.S. Secretary of State Hillary Clinton on Friday to reroute TransCanada's proposed Keystone XL pipeline to avoid crossing the Ogallala Aquifer, a major underground reservoir that touches eight states but is mostly under Nebraska. Critics of the pipeline are concerned that an oil leak could pollute the water supply of the Plains states. TransCanada has proposed a 1,600-mile pipeline to carry crude oil from Canada's rich oil sands deposits from Alberta to Texas Gulf Coast refineries, passing through Saskatchewan, Montana, South Dakota, Nebraska, Kansas, and Oklahoma.

Reuters, 21:01 October 7, 2011

Sunoco Shuts FCC Unit for Unplanned Maintenance at Its 178,000 b/d Marcus Hook, Pennsylvania Refinery October 11

Sunoco Inc. shut a fluid catalytic cracker (FCC) unit at its Marcus Hook refinery for unplanned maintenance on Tuesday, according to trade sources. An atmospheric crude distillation unit, a reformer, and other units were already shut and under maintenance when the FCC unit was taken down.

Reuters, 12:07 October 11, 2011

PBF Considers Plan to Add New Units at Its 182,000 b/d Delaware City, Delaware Refinery

PBF directors are considering whether to invest as much as \$1 billion on new units and upgrades at its Delaware City refinery, to increase the refinery's ability to process cheap heavy crude and make more diesel fuel as gasoline as market demand changes. The directors will approve or reject the plan sometime during the first half of 2012.

<http://www.reuters.com/article/2011/10/07/pbf-delawarecity-refinery-idUSN1E79611B20111007>

Small Fire Shuts Process Unit at ConocoPhillips's 139,000 b/d Wilmington, California Refinery October 9

City officials say a leak in a hydrogen tank at the ConocoPhillips refinery led to a small fire on Sunday. The fire, which broke out around a storage tank, was quickly extinguished and no injuries or evacuations have been reported. ConocoPhillips said Monday that a process unit of its refinery was shut following the fire.

DJN, 09:38 October 11, 2011

Reuters, 03:29 October 11, 2011

<http://www.590ktie.com/article.aspx?id=15aa94c7-e39f-41e1-8dd0-d8db944f595b&catid=-999>

Update: Petrobras's Sole CDU to Remain Shut for 2–4 Weeks at Its 100,000 b/d Pasadena, Texas Refinery Following Fire on September 30

Petrobras expects its sole crude distillation unit (CDU) to remain shut for repairs for at least two to four weeks, sources familiar with the refinery's operations said on Friday. The refinery is attempting to operate other units using feedstock from other suppliers, the source said.

Reuters, 16:10 October 7, 2011

Disruption to Hydrogen Supplies Forces Suncor Energy to Reduce Rates at Its 135,000 b/d Edmonton, Alberta Refinery for Two Weeks

Suncor Energy said on Tuesday that the refinery will operate at reduced rates for the next two weeks.

Reuters, 11:25 October 11, 2011

Update: Production Rates Return to Normal at ExxonMobil's 60,000 b/d Billings, Montana Refinery after Restarting Silvertip Crude Pipeline

ExxonMobil reported Monday that operations are back to normal at its Billings, Montana refinery after the 40,000 b/d Silvertip crude oil pipeline that supplies it returned to full rates. The pipeline was shut July 1 after leaking 1,000 barrels of crude into the Yellowstone River. ExxonMobil restarted the pipeline September 24.

<http://www.reuters.com/article/2011/10/10/refinery-operations-exxon-billings-idUSN1E7990GZ20111010>

ExxonMobil Says Oil Sheen on Yellowstone River in Montana Not from Billings Refinery

An ExxonMobil spokeswoman said on Monday that the company has no reason to believe the small oil sheen spotted in a side channel of the Yellowstone River came from its 60,000 b/d Billings refinery, but workers laid a containment boom at the point of origin and were cleaning up the sheen. The source of the sheen remains under investigation.

<http://www.reuters.com/article/2011/10/10/oil-sheen-montana-yellowstone-idUSN1E7990G020111010>

<http://finance.yahoo.com/news/Oil-sheen-found-on-apf-2551621225.html?x=0&.v=1>

Lack of Oxygen Supply Trips Sulfur Unit at Chalmette Refining's 192,500 b/d Chalmette, Louisiana Refinery

Reuters, 07:33 October 11, 2011

Oversupply of Flare Gas Recovery System Briefly Shuts Compressor at Total's 232,000 b/d Port Arthur, Texas Refinery October 7

Reuters, 18:14 October 7, 2011

Valero Resumes Normal Operations after Brief Equipment Malfunction at Its 144,000 b/d Benicia, California Refinery October 7

Reuters, 16:48 October 7, 2011

Citgo Returns Flare Gas Recovery Compressor to Service without Impacting Operations at Its 167,000 b/d Lemont, Illinois Refinery October 7

Reuters, 13:24 October 7, 2011

Update: Shell Partially Restarts 210,000 b/d CDU at Singapore Refinery after Fire

Shell is partially restarting one of three crude distillation units (CDUs) at its 500,000 b/d refinery, industry sources said Monday, after a massive fire two weeks ago caused extensive damage and forced Shell to shut the entire plant. It will take two to three days to bring its largest CDU up to stable operating levels, and the company plans to initially run it at only 50 percent capacity while it continues to investigate the cause of the fire and performs repairs. It will take a while for the plant to return to normal operating levels, the source said.

<http://www.reuters.com/article/2011/10/10/shell-fire-restart-buyback-idUSL3E7LA0IJ20111010>

Tribesmen Blow Up Yemen's Main Crude Export Pipeline October 6, Cuts Flow of 125,000 b/d to Ras Issa Terminal

The pipeline was blown up late Thursday in the Wadi Obeida region of Yemen, east of Sanaa, making this the sixth act of sabotage on the pipeline this year. The pipeline carries 125,000 b/d of Marib crude to the Ras Issa terminal on the Red Sea, accounting for the bulk of Yemen's oil exports. The Yemeni Defense Ministry blamed the attack on "opposition-led armed tribesmen."

http://zeenews.india.com/news/world/blast-hits-yemen-s-main-oil-pipeline-tribals_735359.html

<http://english.cri.cn/6966/2011/10/07/2021s661557.htm>

Labor Unrest Freezes Shipping Traffic at Ports and Oil Terminals in Kuwait October 10, Exports Moving Normally October 11

Labor unrest impacting many industries in Kuwait hit the oil sector Monday when 3,000 customs officials joined a strike, freezing shipping traffic in and out of ports and oil terminals. The extent of the disruption is unclear, but an official at the state-run Kuwait Petroleum Corp. said Tuesday that exports of crude oil and other petroleum products were moving normally and did not report any supply disturbances.

<http://www.sanluisobispo.com/2011/10/11/1791588/kuwait-warns-strikers-as-oil-exports.html>

OPEC Production Declines by 130,000 b/d in September, Due Mainly to Low Volumes from Saudi Arabia and Nigeria

The Organization of the Petroleum Exporting Countries (OPEC) oil production declined by 130,000 b/d to 30 million b/d in September, according to a Platts survey of OPEC and oil industry officials and analysts. The survey shows the reduction in output is due mainly to lower volumes from Saudi Arabia and Nigeria, and to a lesser extent small dips in output from the United Arab Emirates, Kuwait, and Iran. This drop in production offset increases totaling 150,000 b/d from Angola, Libya, and Iraq.

http://www.rigzone.com/news/article.asp?a_id=111662

Libyan Output May Reach over 600,000 b/d by Year-End

The chairman of Libya's National Oil Company said Monday that Libyan oil output may rise above 600,000 b/d by the end of the year. The country is currently producing 400,000 b/d, which is 25 percent of its pre-war level, but it is boosting output faster than expected.

http://www.rigzone.com/news/article.asp?a_id=111665

Statoil Announces October 7 an Unspecified Production Reduction for 3–6 Weeks at 135,000 b/d Grane Field in the North Sea Due to Injection Compression Malfunction

http://www.rigzone.com/news/article.asp?all=HG2&a_id=111613

<http://af.reuters.com/article/energyOilNews/idAFL5E7L70OD20111007>

Natural Gas

California Governor Signs 5 Bills to Boost Natural Gas Pipeline Safety, Strengthen Oversight October 7

On Friday California Governor Jerry Brown signed a package of bills meant to strengthen oversight of natural gas pipelines and improve emergency responses to prevent deadly pipeline explosions. Setting new standards for emergency preparedness, lawmakers drafted the bills in response to a September 9, 2010 blast in a suburb outside San Francisco that killed eight, injured dozens, and destroyed 28 homes. The bills authorize the California Public Utilities Commission to mandate the placement of automatic shut-off valves in vulnerable areas and to ensure that utilities perform tests on high-pressure transmission lines.

http://www.mercurynews.com/breaking-news/ci_19064541

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2011/10/07/state/n131935D19.DTL>

Update: ExxonMobil Continues to Shut-In 280 MMcf/d of Natural Gas Production Offshore Alabama

ExxonMobil said on Monday that its natural gas production in Mobile Bay offshore Alabama remains shut three weeks after a salt water pipe rupture. The company has shut-in 280 MMcf/d since detecting a sheen September 20 in the water about one mile south of Dauphin Island at the mouth of Mobile Bay, which led the company to shut-in all production and depressurize the pipelines. ExxonMobil fixed the pipe, which transports water produced during natural gas production, but is continuing to check the rest of the line. An estimated 5.6 billion cubic feet of gas has been shut-in since the leak was detected. The company has not reported when it expects operations to resume. Reuters, 15:40 October 10, 2011

SRU Problem Causes Gas Treatment Disruption, Flaring at Eustace Gas Plant in Texas October 8

According to a filing with the Texas Commission on Environmental Quality, the plant experienced a disruption of gas treating capability related to the sulfur recovery unit (SRU). Operators think that liquid levels in the high pressure flash tank stacked up, sending an erroneous signal to one of the systems level control valves. As a result, treated gas had to be routed to the process flare. All systems are now operating normally.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=160304>

Sudden Changes in Temperature during a Storm Shuts Compressor Station 5 at Cedar Lake Booster Station in Texas October 8

Vibrations during a storm shut the #5 compressor, routing its inlet gas to flare during nighttime operations October 8. Upon investigation, operators determined that a sudden change in ambient temperature caused liquids to form in the gas stream, which resulted in a vibration and shut the unit. To compensate for the lower temperatures, operators adjusted the discharge cooling fan and the unit was placed back online.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=160300>

Power Outage Shuts Compressor Engines at Crane Booster Station in Texas October 8

According to a filing with the Texas Commission on Environmental Quality, lightning in the area cut power to the booster, causing the engines to fall offline Saturday. Once power was restored, operators put the booster back online.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=160302>

Boardwalk and Southwestern Energy to Construct 275 MMcf/d Natural Gas Gathering System in Pennsylvania to Support Marcellus Shale Development

Boardwalk Pipeline Partners, LP and Southwestern Energy Company announced on Monday that their subsidiaries, Boardwalk Field Services, LLC and Southwestern Energy Production Company have executed a 15-year definitive gas gathering agreement that requires the construction of a natural gas gathering system in Susquehanna and Lackawanna Counties, Pennsylvania, to support Southwestern's development of Marcellus Shale gas wells in those counties. The project comprises approximately 26 miles of 12-inch, high-pressure gas pipeline, a low-pressure, in-field gathering pipeline, compression, and dehydration and will interconnect with Tennessee Gas Pipeline Company in Susquehanna County, Pennsylvania. The companies plan to build out over the next several years and expect a delivery capacity of 275 MMcf/d when fully constructed.

<http://phx.corporate-ir.net/phoenix.zhtml?c=193443&p=irol-newsArticle&ID=1615218>

Other News

Update: Magellan Midstream Partners Cites Funding Problems in Stalling Project to Build 1,800-Mile Ethanol Pipeline from U.S. Midwest to Northeast

Magellan Midstream Partners LP's plan to construct a 1,800-mile ethanol pipeline has put the project on hold because the company and its partners were unable to secure funding from the U.S. Department of Energy. The pipeline would have run through South Dakota, Minnesota, Iowa, Illinois, Indiana, Ohio, Pennsylvania, and New Jersey.

<http://www.einnews.com/pr-news/563308-magellan-midstream-backs-off-1-800-mile-midwest-to-northeast-ethanol-pipeline-an-industrial-info-news-alert->

Energy Prices

U.S. Oil and Gas Prices October 11, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	85.96	76.90	82.72
NATURAL GAS Henry Hub \$/Million Btu	3.41	3.57	3.62

Source: Reuters

Energy Notes

Bureau of Land Management Approves Plans for Construction of Up to 7 Geothermal Plants in Nevada

<http://finance.yahoo.com/news/Plans-for-up-to-7-geothermal-apf-3935401654.html?x=0&.v=1>

New Mexico Inaugurates New, 20 MW Solar Photovoltaic Facility in Santa Teresa October 7

<http://www.bizjournals.com/albuquerque/news/2011/10/07/solar-facility-inaugurated-in-santa.html?ana=yfcpc>

China's Sinopec Group Buys Canada's Daylight Energy to Gain Shale-Gas Assets

<http://www.bloomberg.com/news/2011-10-09/sinopec-agrees-to-buy-daylight-energy-for-2-1-billion-to-meet-fuel-demand.html>

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

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 p.m. EDT. 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