



# ENERGY ASSURANCE DAILY

Thursday Evening, October 11, 2012

## Electricity

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### **Update: DOI Authorizes Site for Proposed 3,000 MW Chokecherry and Sierra Madre Wind Energy Project in Wyoming**

The U.S. Department of the Interior (DOI) on Tuesday announced that it has approved the Chokecherry and Sierra Madre Wind Energy Project site as suitable for wind energy development. The project is a proposed complex that could generate up to 3,000 MW of power in southeastern Wyoming. Tuesday's decision authorizes the Bureau of Land Management to proceed with site-specific environmental analysis for the Sierra Madre Wind Farm, the Chokecherry Wind Farm, the internal haul road, the internal 230-kV transmission line, the rail distribution facility, and substations to connect the generated power to the electric grid.

<http://www.doi.gov/news/pressreleases/Salazar-Authorizes-Landmark-Wyoming-Wind-Project-Site-Reaches-Presidents-Goal-of-Authorizing-10000-Megawatts-of-Renewable-Energy.cfm>

### **Pennsylvania DEP Approves Moxie Liberty's Proposed 700-1,000 MW Natural Gas-Fired Power Plant**

The Pennsylvania Department of Environmental Protection (DEP) on Wednesday approved Moxie Liberty LLC's application to construct a natural gas-fired power plant consisting of two combustion turbine generators that will each produce 225–350 MW of electricity and two steam turbines that will produce a combined additional 250–300 MW of electricity. Construction is expected to start next spring or summer and take 2–3 years to complete.

[http://www.moxieenergy.com/Moxie\\_Liberty\\_Generation\\_Plant.html](http://www.moxieenergy.com/Moxie_Liberty_Generation_Plant.html)

[http://www.timesonline.com/news/local\\_news/dep-approves-state-s-first-natural-gas-power-plant/article\\_acabc006-a434-55db-934e-c18cc9ea3f97.html](http://www.timesonline.com/news/local_news/dep-approves-state-s-first-natural-gas-power-plant/article_acabc006-a434-55db-934e-c18cc9ea3f97.html)

### **NRC Assessment of PPL's 2,289 MW Susquehanna Nuclear Power Plant in Pennsylvania Cites Continued Issues Involving Plant's Programs and Procedures**

The U.S. Nuclear Regulatory Commission (NRC) on Tuesday announced it will meet with representatives of PPL Corp. next week to discuss the company's progress in addressing issues first prompted by assessments conducted in 2011. The NRC on September 4, 2012 issued a mid-year assessment for Susquehanna that said there continues to be substantive cross-cutting issues involving the plant's corrective action program—i.e., the company's method of evaluating identified problems at the plant—and maintenance and testing procedures that lack sufficient technical details. In one case, a lack of proper procedures resulted in an unexpected plant shutdown during turbine testing.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-039.i.pdf>

### **APS Reports 'Unusual Event' Due to August 26 Earthquake at Its 3,872 MW Palo Verde Nuclear Power Plant in Arizona**

The Arizona Public Service (APS) on Tuesday reported that on August 26 some auxiliary operators at the Palo Verde Nuclear Generating Station (PVNGS) notified the control room that they had felt an earthquake. The U.S. Geological Survey (USGS) recorded several small earthquakes in the Salton Sea area of Southern California at that time, but the earthquake was not felt by the PVNGS control room staff and no seismic monitoring system alarms were received. Later that afternoon, auxiliary operators again reported they felt motion in some support buildings, and the USGS reported an aftershock in Southern California. During post-event reviews, it was determined that these events met the classification criteria for declaration of an Unusual Event for a seismic event as specified by the PVNGS Emergency Plan.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20121010en.html>

## **Update: Progress Energy's 811 MW Brunswick Nuclear Unit 2 in North Carolina at Full Power by October 11**

On the morning of October 10 the unit was operating at 69 percent.

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

## **Constellation's 118 MW Ace Cogeneration Coal-Fired Unit in California Shut by October 10**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201210101515.html>

## **Alabama Power, TradeWind Energy Announce Power Purchase Agreement for TradeWind's 405 MW Buffalo Dunes Wind Farm in Kansas**

Alabama Power Company and TradeWind Energy LLC on Wednesday announced they have entered into a 20-year power purchase agreement for 202 MW from the Buffalo Dunes wind farm in Kansas, which is expected to start operation by 2014. The wind farm is expected to produce 200–405 MW of electricity upon completion.

<http://www.reuters.com/article/2012/10/10/utilities-alabamapower-wind-idUSL1E8LA6FD20121010?type=marketsNews&feedType=RSS&feedName=marketsNews&rpc=43>  
[http://www.tradewindenergy.com/Project.aspx?id=2034&ekmense1=15074e5e\\_28\\_0\\_2034\\_20](http://www.tradewindenergy.com/Project.aspx?id=2034&ekmense1=15074e5e_28_0_2034_20)

## ***Petroleum***

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### **Update: ExxonMobil Expects No Impact to Production from Flaring, Planned Work at Its 149,500 b/d Torrance, California Refinery**

ExxonMobil Corp. on Tuesday said that production at its Torrance refinery will not be impacted by planned work expected to trigger flaring between October 10 and October 31, according to a statement. Wholesale prices in Los Angeles on Tuesday jumped by 26 cents a gallon after ExxonMobil submitted a filing to state pollution regulators warning that the planned work could lead to flaring.

Reuters, 18:28 October 9, 2012

### **California CARBOB Stocks Down 8 Percent, Gasoline Blending Components Down 18 Percent on Year after ExxonMobil Refinery Outage Last Week**

The California Energy Commission (CEC) on Wednesday reported stocks of California-grade gasoline fell 8.1 percent year on year in the survey week that ended October 5. California's CARBOB stocks totaled 5.131 million barrels, down from the year-ago volume of 5.581 million barrels. Stocks of gasoline blending components fell 18.4 percent to 5.590 million barrels, down from the year-ago 6.148 million barrels. Stocks plunged as refiners pulled down on inventories or sold gasoline to ExxonMobil, whose 149,500 b/d Torrance, California refinery shut for 5 days last week due to a plant-wide power outage October 1.

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Oil/6687296>

### **Third-Party Power Outage Causes Minor Problems, Flaring at Valero's 199,500 b/d Texas City, Texas Refinery October 9**

Valero Energy Corp. reported its Texas City refinery experienced minor problems and flaring after a power outage Tuesday night. Texas-New Mexico Power reported 3,083 of its customers lost power for about an hour and 15 minutes after an equipment failure at the utility's Tejas substation, which is located across the street from BP Plc's refinery. BP and Marathon Petroleum Corp. said their Texas City refineries were not affected by Tuesday's power outage. Utility crews rerouted power from the downed substation and were investigating the cause of the outage.

Reuters, 08:34 October 10, 2012

Reuters, 23:18 October 9, 2012

<http://galvestondailynews.com/story/353570>

### **Small Fire Forces Platformer Unit Shutdown at Citgo's 163,000 b/d Corpus Christi, Texas Refinery October 9**

Citgo Petroleum Corp. reported a small fire broke out at its Corpus Christi refinery at 9:00 p.m. local time Tuesday, forcing operators to shut down platformer Unit 4. An investigation into the cause of the fire is still ongoing.

<http://www.hydrocarbonprocessing.com/Article/3101040/Latest-News/Citgo-reports-fire-at-Corpus-Christi-refinery-in-Texas.html>

## **DOI Approves Fort Berthold Land Trust Application for Proposed 13,000 b/d MHA National Clean Fuels Refinery in North Dakota**

The U.S. Department of the Interior (DOI) on Wednesday announced approval of a 'land-into-trust' application from the Three Affiliated Tribes of the Fort Berthold Reservation—one in a series of necessary approvals that will enable the tribes to build the proposed 13,000 b/d MHA Nation Clean Fuels Refinery, which would refine Bakken crude oil into diesel fuel, propane, and naphtha products for the U.S. market. Pending required approvals, the tribe may begin construction of the refinery next spring. If constructed, the facility would be the first new refinery built in the United States in more than 30 years.

<http://www.doi.gov/news/pressreleases/Interior-Approves-Fort-Berthold-Land-Trust-Application-for-New-Refinery-in-North-Dakota.cfm>

## **Marathon Petroleum Corp. and Harvest Pipeline Sign Letter of Intent for Truck-to-Barge Project on Ohio River to Ship Utica Shale Oil**

Marathon Petroleum Corporation (MPC) and Harvest Pipeline Company on Tuesday announced they have signed a letter of intent agreeing to jointly develop infrastructure that will facilitate transportation of hydrocarbon liquids production from the Utica Shale in eastern Ohio and western Pennsylvania. The project will result in up to 24,000 b/d of truck unloading capacity and a terminal capable of loading up to 50,000 b/d onto barges on the Ohio River at Wellsville, Ohio. The proposed project includes modifications to MPC's existing Wellsville river terminal to accommodate the additional volume for loading onto barges, and a new truck rack to be built on property leased by Harvest Pipeline next to the MPC facility. The joint project is anticipated to be complete by year-end 2013.

[http://www.marathonpetroleum.com/News/News\\_Releases/Press\\_Release/?id=1743315](http://www.marathonpetroleum.com/News/News_Releases/Press_Release/?id=1743315)

## **Oil Sheen Spotted near Deepwater Horizon Site Correlates to Oil Originating from BP's Macondo Well – Coast Guard**

The U.S. Coast Guard on Wednesday reported that an oil sheen spotted on the Gulf of Mexico near the site of the sunken Deepwater Horizon rig matches samples from BP Plc's Macondo well, which ruptured in April 2010 and caused a massive offshore oil spill. BP reported a sheen on September 16 in block 252 of the Mississippi Canyon, about 50 miles off the Louisiana coast. Test samples indicate that the sheen correlates to oil that originated from the Macondo well, but the Coast Guard said the sheen likely comes from wreckage on the seafloor, not the well itself. Reuters, 11:20 October 11, 2012

## **U.S. Domestic Oil Production Reaches Nearly 6.6 MMb/d, a 17-Year High – Energy Information Administration**

<http://www.reuters.com/article/2012/10/11/us-energy-data-eia-idUSBRE89A11A20121011>

## ***Natural Gas***

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### **Destin Declares Force Majeure on Shipments from Offshore Receipt Points through the 1.5 Bcf/d Pascagoula Natural Gas Plant in Mississippi October 10**

Destin Pipeline Company declared force majeure on natural gas transportation services from its offshore receipt points through the Pascagoula Gas Point, effective at 7:00 a.m. CDT, due to high levels of liquid in Destin's offshore segment. Operators anticipated that the process of removing liquids from Destin's slug catcher would take up to 48 hours. Upon completion of the removal process, Destin will lift the force majeure declaration and resume deliveries to the Pascagoula plant. Destin's onshore receipt and delivery points will not be affected.

<http://web1.destinpipeline.com/enotice/CriticalDetail.aspx?codeKey=des2012284.62113>

<http://www.destin-pipeline.com/>

### **AGI Unit Shuts on High Scrubber Levels at Regency's 290 MMcf/d Waha Gas Plant in Texas October 9**

Regency Energy Partners reported an acid gas injector (AGI) unit at its Waha plant shut down on high scrubber levels Tuesday morning, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174586>

## **Atlas Pipeline Reports Emissions after Electrical Short Shuts Control Room Panel at Its 195 MMcf/d Midkiff Gas Plant in Texas October 8**

Atlas Pipeline reported an internal electrical short caused a control room panel power failure at its Midkiff plant on Monday evening, which led to emissions that continued overnight Tuesday, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174564>

## **Upton Gas Reports Flaring at Its 112 MMcf/d Benedum Gas Plant in Texas October 9–10**

Upton Gas GP Inc. reported third party inlet gas entering into the Benedum plant on Tuesday exceeded plant specifications on hydrogen sulfide concentration, causing the facility's residue gas to go sour, according to a filing with the Texas Commission on Environmental Quality. Operators flared inlet gases until Wednesday before reestablishing normal operations.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174584>

## **Turbine Filter Snag Causes Flaring at DCP Midstream's 70 MMcf/d Fullerton Gas Plant in Texas October 8**

DCP Midstream reported it was flaring high-pressure gas at its Fullerton plant overnight Monday after a turbine filter coalesce snag, according to a filing with the Texas Commission on Environmental Quality. Flaring related to the incident continued for 13 hours on Monday, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174539>

## **AGI Units Shut During Plant Restart Procedures at Enbridge's Tilden Gas Plant in Texas October 9**

Enbridge reported acid gas injector (AGI) Units 1 and 2 at the Tilden plant shut down overnight Tuesday as operators were attempting to bring the plant back online, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174585>

## **Energy Information Administration Sees Record U.S. Natural Gas Production in 2012, 2013**

<http://www.reuters.com/article/2012/10/10/eia-outlook-natgas-idUSL1E8LA7QF20121010>

## **Other News**

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### **DOE OE, EIA, and NASEO Hold 2012–13 Winter Fuels Outlook Conference**

The U.S. Department of Energy's (DOE) Office of Electricity Delivery and Energy Reliability (OE), U.S. Energy Information Administration (EIA), and the National Association of State Energy Officials (NASEO) held the 2012–2013 Winter Fuels Outlook Conference in Washington D.C. on October 10. The conference addressed global oil supply uncertainty and the effects of projected winter weather on the demand for heating and key transportation fuels. A range of market factors that may impact the supply, distribution, and prices of petroleum, natural gas, and electricity this winter were discussed in great detail by some of the nation's leading energy data and forecasting experts. The conference included presentations by Michael Halpert from the Climate Prediction Center; Edward Morse from Citi Group Global Markets; the Honorable Adam Sieminski from the U.S. Energy Information Administration; Bruce Henning from ICF International; Tom Reddoch from the Electric Power Research Institute (EPRI); Anne Steckel from the National Biodiesel Board; Tom Van Buren from Ferrell North America; John Kneiss from Hart Energy Consulting; Charles Wesley from New York State Energy Research and Development Authority; and David Binkley from the Michigan Public Service Commission. Presentations can be downloaded here:

<http://www.naseo.org/events/winterfuels/2012/agenda.htm>

<http://www.naseo.org/events/winterfuels/index.html>

### **Man Electrocuted While Trying to Steal Copper from Transformer on a DTE Energy Co. Pole in Michigan**

<http://www.nbc26.com/news/national/173553121.html>

## International News

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### **Iraq Estimates Its Oil Output Will Reach 5–6 MMb/d in 2015 and 9–10 MMb/d in 2020**

Iraq on Wednesday said that it now estimates the country's oil production will reach 5–6 MMb/d in 2015 and rise to a level of 9–10 MMb/d by 2020, a level that could be sustained for 20 years. Iraq is currently pumping about 3.4 MMb/d and had previously been targeting a production capacity of 12 MMb/d by 2017, but officials on Wednesday did not indicate any reasons for the changes in their projections.

<http://finance.yahoo.com/news/iraq-officially-retreats-ambitious-oil-153212421.html>

### **Canada Seeks More Energy Exports to India and Asia, Less Dependence on U.S. Markets – Minister of Natural Resources**

<http://www.hydrocarbonprocessing.com/Article/3100677/Latest-News/Canada-seeks-more-energy-exports-to-India-less-dependence-on-US.html>

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=37423](http://www.downstreamtoday.com/news/article.aspx?a_id=37423)

## Energy Prices

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<b>U.S. Oil and Gas Prices</b>			
October 11, 2012			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	91.82	89.20	85.96
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	3.26	3.26	3.41
\$/Million Btu			

Source: Reuters

## Links

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***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

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

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