



ENERGY ASSURANCE DAILY

Tuesday Evening, November 12, 2013

Electricity

California ISO Approves Mutual Energy Sharing With Other States to Increase Reliability, Reduce Costs

The California Independent System Operator (ISO) approved a new market design that will increase reliability and reduce costs by integrating generation resources from utilities outside the state to help balance the growing use of intermittent renewable resources. The California ISO said the “energy imbalance market”, which its board of governors approved on November 7, will allow power companies, known as balancing authorities, from across the West to participate in its real-time energy markets. The ISO’s first EIM partner, PacifiCorp, has been working with the ISO to prepare for implementing the market expected to go live on October 1, 2014. PacifiCorp controls two balancing authorities primarily covering portions of six states, serving more than 1.8 million customers.

http://www.caiso.com/Documents/ISO_NewsRelease_Western_energy_imbalance_market_design_gets_approval_from_ISO_Board.pdf

<http://finance.yahoo.com/news/california-power-grid-oks-mutual-161833015.html>

ISO New England Sees No Demand Growth Over Next 10 Years

Independent System Operator (ISO) New England said on November 8 that the average electric demand in New England is expected to remain flat over the next 10 years due to increased use of energy efficiency programs. That plan also said distributed generation, mostly from solar power at residential, corporate, and government sites, is growing rapidly in New England and is expected to reach more than 2,000 MW by the end of 2021, up from the current 250 MW.

http://www.iso-ne.com/nwsiss/pr/2013/rsp13_press_release_final.pdf

<http://finance.yahoo.com/news/england-power-grid-sees-no-192800121.html>

Luminant to Suspend Work on License for Two New 1,700 MW Reactors at Comanche Peak Nuclear Power Plant in Texas

Luminant said on November 8 it will suspend work to obtain approval to build two Mitsubishi 1,700 MW U.S. advanced pressurized water reactors at the existing two-unit Comanche Peak nuclear station in North Texas. Citing a decision by Mitsubishi Heavy Industries to shift its focus to the restart of nuclear power plants in Japan rather than U.S. nuclear development, Luminant officials said that it would not make sense to continue to expend Luminant or NRC resources on the license application for Comanche Peak Nuclear Power Plant Units 3 and 4, according to a letter sent to the U.S. Nuclear Regulatory Commission.

Reuters, 18:53 November 8, 2013

Duke Energy’s 846 MW Oconee Nuclear Unit 1 in South Carolina Shut Due to Radioactive Water Leak November 11

A small radioactive water leak prompted Duke Energy Corp. to shut down its Oconee nuclear unit 1 on Monday in South Carolina.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20131112en.html>

FPL’s 839 MW Saint Lucie Nuclear Unit 1 in Florida Shut Due to Manual Reactor Trip November 12

Florida Power & Light (FPL) reported its Saint Lucie unit 1 manually tripped due to an unisolable leak in the digital electro-hydraulic system. On the morning of November 11 the unit was operating at 54 percent after restarting November 7 from a refueling outage, according to the U.S. Nuclear Regulatory Commission.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20131112en.html>

Dominion's 871 MW Millstone Nuclear Unit 2 in Connecticut Shut November 9; Restarts, Ramps Up to 47 Percent by November 12

Dominion Resources Inc.'s Millstone nuclear unit 2 restarted by today after being shut Saturday afternoon when it automatically tripped following a turbine trip due to a loss of condenser vacuum, according to the U.S. Nuclear Regulatory Commission. The unit was operating at 93 percent power earlier on Saturday.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20131112en.html>

PPL's 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania Reduced to 59 Percent by November 11, Ramps Up to 96 Percent by November 12

PPL Corp. reduced its Susquehanna nuclear unit to 59 percent from full power by Monday to make repairs on a system that cools areas in the turbine building, according to the U.S. Nuclear Regulatory Commission. The unit ramped up to 96 percent by this morning.

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

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 56 Percent by November 11, Ramps Up to Full Power by November 12

Entergy Corp. reduced its FitzPatrick nuclear unit to 56 percent from full power by Monday to work on the condenser. A spokesperson said workers will plug a tube in the condenser to stop a small intrusion of lake water. The unit ramped up to full power by this morning.

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

Reuters, 10:21 November 11, 2013

APS's 1,243 MW Palo Verde Nuclear Unit 1 in Arizona Reduced to 60 Percent by November 7, Ramps Up to Full Power by November 10

Arizona Public Service (APS) reported engineers reduced power to 60 percent at its Palo Verde unit 1 by November 7 to fix a steam valve problem. The unit ramped up to 75 percent by November 9 and was up to full power by November 10, according to the U.S. Nuclear Regulatory Commission.

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

<http://www.therepublic.com/view/story/679a32de23664adbb9415617c6696ec1/AZ--Palo-Verde-Power-Cut>

Update: Dynegy's 510 MW Moss Landing Gas-fired Unit in California Returns to Service by November 11

The unit returned from an unplanned curtailment of 260 MW that began by November 4.

<http://content.caiso.com/unitstatus/data/unitstatus201311111515.html>

Update: RRI Energy's 215 MW Mandalay Gas-fired Unit in California Returns to Service by November 8

The unit returned from an unplanned outage that began by November 7.

<http://content.caiso.com/unitstatus/data/unitstatus201311081515.html>

Update: Harbor Cogen's 109 MW Combined Cycle Gas-fired Unit in California Returns to Service by November 9

The unit returned from a planned and unplanned outage that began by November 7.

<http://content.caiso.com/unitstatus/data/unitstatus201311091515.html>

Alliant Energy Receives Iowa Utilities Board Approval for Its 600 MW Natural Gas-fired Marshalltown Generating Station Project in Iowa

Alliant Energy's Iowa utility company received a proposed decision and order on November 8 from Iowa Utilities Board (IUB) approving a siting certificate and establishing ratemaking principles for the proposed Marshalltown Generating Station (MGS). The proposed MGS is an approximate 600 MW, combined-cycle natural gas facility planned for construction in Marshalltown, Iowa. The company is in the process of attaining other state and federal permitting approvals necessary to construct and operate the MGS. The IUB's approval is conditional on receiving these permits. Pending all regulatory approvals, the company expects to begin construction in 2014 and begin operations in 2017.

<http://www.alliantenergy.com/AboutAlliantEnergy/Newsroom/NewsReleases/019297>

We Energies' 50 MW Biomass-fired Power Plant in Wisconsin Begins Commercial Operation November 8

We Energies announced on November 8 its biomass-fueled power plant in Rothschild, Wisconsin, was placed into commercial operation, after testing and commissioning activities were successfully completed. Wood, waste wood, and sawdust are being used to produce up to 50 MW of electricity.

http://wecnews.wisconsinenergy.com/news/newsrel/pages/newsrelease_3012

Petroleum

Update: Genesis Energy Says Walnut Hill, Florida Crude Facility Can Still Receive Oil via Rail After Train Derailment

Genesis Energy said its facility in Walnut Hill, Florida, was still able to receive crude oil shipments via rail after a Genesee & Wyoming train carrying crude to its facility derailed and exploded on Friday in western Alabama. Rail cars were rerouted around areas where the accident occurred.

http://www.downstreamtoday.com/news/article.aspx?a_id=41339

Alon Says Its 70,000 b/d California Refining System Could be Shut Through Early 2015 Due to Rail Facility Permit Delays

Alon USA Energy Inc's said on November 8 its California refining system could be shut down through early 2015 or longer, depending on when and if the company gets needed permits to build a facility to offload U.S. crude via rail. Alon had expected to receive permits for the offloading facility by the fourth quarter of this year so the company could build the facility and begin railing in cheaper U.S. crude in 2014 but delays pushed back the project. Alon shut the 70,000 b/d system down a year ago because its dependence on imported crude rendered it unprofitable. The California system includes plants in Bakersfield, Long Beach, and Paramount that operate as one.

<http://phx.corporate-ir.net/phoenix.zhtml?c=190387&p=RssLanding&cat=news&id=1874109>

http://www.downstreamtoday.com/news/article.aspx?a_id=41337

HollyFrontier Corporation Reducing Crude Rates at Its 105,000 b/d Navajo Refinery in New Mexico Due to Waste Water Constraints

Holly Energy Partners, L.P. (HEP) announced on November 11 that it was notified by a subsidiary of HollyFrontier Corporation (HFC) that the subsidiary is reducing crude throughput at its Navajo Refinery due to waste water constraints. As a result, HFC will transport lower volumes on HEP's product pipelines and crude mainlines that serve the Navajo Refinery during this time.

<http://investor.hollyenergy.com/releasedetail.cfm?ReleaseID=806099>

Update: Citgo Agrees to Corrective Action After October 23 Fire at Its 174,500 b/d Lemont, Illinois Refinery

Citgo Petroleum Corp. said it entered into an agreed interim order with the Will County State's Attorney, the Illinois Environmental Protection Agency, and the Illinois Attorney General's Office to take corrective action after the October 23 fire at its Lemont, Illinois, refinery. The Illinois Environmental Protection Agency had asked that state's Attorney General to seek a court order compelling the company to investigate the fire at the refinery.

Reuters, 19:16 November 8, 2013

Valero to Expand Rail Project to Receive Up to 30,000 b/d at Its 205,000 b/d Norco, Louisiana Refinery

Valero Energy is seeking approval to double the amount of crude handled by a planned rail project and to add a unit to a proposed plant expansion at its Norco, Louisiana, refinery. A permit application filed with the state on October 24 shows plans for a rail car unloading station that could receive as much as 30,000 b/d, up from 15,000 b/d. Valero was authorized to build the project in January. Valero said it expected to transport 20,000 b/d of Canadian heavy crude to the plant by the first quarter of 2014 using company-owned rail cars.

<http://www.hydrocarbonprocessing.com/Article/3277238/Latest-News/Valero-to-expand-scope-of-US-refinery-rail-project.html>

Chevron Reports Flaring, Breakdown at Its 279,000 b/d El Segundo, California Refinery November 8

Chevron Corp. reported unplanned flaring due to a breakdown at its refinery in El Segundo, California, according to a filing with the South Coast Air Quality Management District.

Reuters, 14:48 November 8, 2013

Saltwater Tank Explodes at Mesa Oil's Disposal Well Site in North Dakota Causing Fire, 2,700 Barrel Spill November 7

A saltwater tank exploded at a Mesa Oil Services-owned disposal well site near Alexander, North Dakota, causing 13 tanks to catch fire and spill about 2,700 barrels of saltwater and oil. The cause of the explosion is under investigation.

<http://www.inforum.com/event/article/id/417687/>

NuStar Approves 65,000 b/d Phase Two of South Texas Crude Pipeline Project

Nustar Energy LP will move forward with the second phase of its South Texas Crude Oil Pipeline System project, according to the company's chief executive. The system transports Eagle Ford shale crude from several locations in South Texas to NuStar's Corpus Christi North Beach facility. Both phase one and phase two involve pipeline capacity upgrades to segments of the system between NuStar's Gardendale, Texas, terminal and the Corpus Christi terminal. Phase one, which had been approved, will add 35,000 b/d of capacity, and phase two will add 65,000 b/d. Phase one is slated to be available for service in the third quarter 2014 and phase two in the first quarter 2015.

Reuters, 10:30 November 12, 2013

U.S. to Become World's Top Oil Producer in 2015 – IEA

The International Energy Agency (IEA) said on Tuesday, the U.S. will pass Saudi Arabia and Russia to become the world's top oil producer in 2015 but by 2020, the oilfields of Texas and North Dakota will be sufficiently depleted.

The Middle East will then regain its dominance, especially as a supplier to Asia, the IEA said.

Reuters, 8:40 November 12, 2013

Natural Gas

Spectra Energy Secures Long-Term Contracts for 650 MMcf/d Gulf Market Expansion Project

Spectra Energy Corp. and Spectra Energy Partners announced on November 11 they had executed new long-term contracts for 650 MMcf /d of natural gas shipments on the Texas Eastern pipeline system to support the growing manufacturing sector and liquefied natural gas export industry along the Texas and Louisiana coast. Phase one of the project will transport 250 MMcf /d as early as November 2016. Phase two will bring an additional 400 MMcf /d to these markets beginning in September 2017 and ramping up through December 2018.

<http://www.spectraenergy.com/Newsroom/News-Archive/Spectra-Energy-Secures-LongTerm-Contracts-for-Gulf-Market-Expansion-Project/>

Kinder Morgan, MarkWest Utica EMG Announce Binding Open Season for 150,000 b/d NGL Pipeline to Mont Belvieu, Texas November 11

Kinder Morgan Energy Partners, L.P. and MarkWest Utica EMG, L.L.C. announced on November 11 the launch of a binding open season to solicit commitments for a proposed Y-grade pipeline project to transport natural gas liquids (NGLs) produced from the Utica and Marcellus shales to Mont Belvieu, Texas. The pipeline will involve converting over 1,000 miles of Kinder Morgan's 24- and 26-inch Tennessee Gas Pipeline system, currently in natural gas service, from Mercer, Pennsylvania, to Natchitoches, Louisiana, and building approximately 200 miles of new pipeline of similar diameter from Natchitoches to a proposed Kinder Morgan/MarkWest Utica EMG joint venture fractionation facility with a third party that has existing facilities at Mont Belvieu, Texas. The pipeline is targeted to be in service during the second quarter of 2016 and will have an initial design capacity of 150,000 b/d and would be expandable to 400,000 b/d with the addition of pump stations.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1874761&highlight=>

Regency Reports AGC Shut at Its 290 MMcf/d Waha Gas Plant in Texas November 8

Regency reported the acid gas compressor (AGC) shut down on a high-pressure alarm related to the injection pressure at the injection wellhead tubing. The injection system was converted to manual mode to allow the employees to control injection pressures as well as diminish pressures over time. Several start/stops were involved to reestablish injection.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=190604>

Enbridge Reports Trip, AGIs Shut at Its Tilden Gas Plant in Texas November 9

Enbridge reported its Tilden gas plant tripped on V5 high level shut down, causing the big foot compression no. 1, 2, and 3 to trip on high discharge pressure. This resulted in acid gas injectors (AGIs) no. 1 and 2 shutting down on low suction pressure. Plant personnel corrected the outlet valve to reflux accumulator on the plant and restarted big foot compression no. 2 and 3. The plant was returned to service as acid gas was available and AGIs no. 1 and 2 were restarted and stabilized.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=190602>

Other News

Nothing to report.

International News

Update: Libyan Protestors Shut Greenstream Gas Pipeline to Italy

Protesters have shut Libya's Greenstream gas export pipeline to Italy demanding more rights for the Amazigh, or Berber, minority and depriving the weak government of a major source of income. The closure worsens turmoil in Libya where the Prime Minister warned on Sunday that the government might face budget problems next month after protesters cut oil production to a fraction of its capacity. Amazigh protesters last month seized the port at the Mellitah complex and have already shut down oil exports from there. The oil and gas complex is operated by Libya's National Oil Corp and Italian energy company Eni.

<http://in.reuters.com/article/2013/11/11/libya-gas-idINL5N0IW2Y120131111>

Kazakhstan's Kashagan Oil Flows Likely Delayed Until Spring – Industry Sources

Oil is unlikely to flow from Kazakhstan's Kashagan oilfield until spring due to challenges including leaky pipes, industry sources said on Monday. Production at the oilfield, which has a projected life of 50–60 years, started on September 11 but came to a halt two weeks later when a gas leak was found. Another leak was discovered in October after a brief restart. One industry source said Kashagan oil exports will be restarted in March, in a best-case scenario.

http://www.rigzone.com/news/oil_gas/a/130044/Industry_Sources_Kashagan_Oil_Flows_Seen_Delayed_Until_Spring

Baker Hughes Stops Work in Iraq After Security Incident

U.S. oilfield services company Baker Hughes Inc. said on Monday it has suspended operations in Iraq following a weekend protest at a facility near the southern town of Basra. Baker Hughes said it had issued force majeure notices to its customers due to the significant disruption of business, although there were no injuries from the incident on Saturday. Shi'ite Muslim workers and tribesmen early on Monday wrecked offices at a Schlumberger Ltd drilling site in Rumaila North, also in the Basra region, accusing a foreign security adviser of insulting their religion. Oil officials said Schlumberger had suspended its operations in response. It was not clear if the conflict at the Schlumberger site was related to Baker Hughes' suspension of operations and a Baker Hughes spokesperson said on Monday that it is too early to tell if there is any connection.

Reuters, 22:46 November 11, 2013

Brazil Set to Become Major Global Oil Supplier – IEA

Brazil is set to become a net oil exporter and top 10 producer from 2015 if it overcomes hurdles to developing its giant offshore discoveries, the International Energy Agency (IEA) said on Tuesday. In its 2013 World Energy Outlook, the IEA said Brazil could play a major role in supplying the world's energy needs in coming decades, though its rise would hinge on its ability to develop its resources. The IEA said Brazil's success would hinge on maintaining high levels of energy investment at around \$90 million a year, two thirds of which must go to the oil sector.

Reuters, 8:57 November 12, 2013

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| November 12, 2013 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 94.52 | 93.16 | 86.04 |
| NATURAL GAS Henry Hub \$/Million Btu | 3.62 | 3.38 | 3.50 |

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

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. ET. 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