



# ENERGY ASSURANCE DAILY

Friday Evening, November 15, 2013

## Electricity

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### **NERC Completes Second Grid Security Exercise to Improve Industry's Cybersecurity Practices November 14**

The North American Electric Reliability Corporation (NERC) hosted a two-day cyber and physical security exercise—GridEx II—November 13 and 14, to enhance and improve cyber and physical security resources and practices within the industry. More than 200 industry and government organizations took part in a simulated cyberattack that left hundreds of transmission lines and transformers damaged or destroyed. According to the simulation, attackers used guns and bombs against Southwestern Electric Power Company's power plant and transformer, and 108,000 of the company's 520,000 customers lost power. GridEx II built on lessons learned from the original GridEx in 2011, a much smaller drill that found participants were good at communicating with their neighbors but not with national organizations like NERC. "Protecting the bulk-power system from security threats and ensuring its resilience are vital to our national security and economic well-being," said Gerry Cauley, president and chief executive officer at NERC. "Training on physical and cyberattacks on the grid helps the industry make the system more secure."

<http://www.nerc.com/news/Pages/NERC-Completes-Second-Grid-Security-Exercise.aspx>

### **Duke Energy's 1,100 MW McGuire Nuclear Unit 1 in North Carolina Shut Due to Manual Reactor Trip November 14**

Duke Energy reported that its McGuire unit 1 manually tripped due to indications of four dropped control rods. The cause is unknown, but may be related to maintenance in a rod control power cabinet at the time. On the morning of November 14, 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/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20131115en.html>

### **FPL's 839 MW Saint Lucie Nuclear Unit 2 in Florida Shut Due to Manual Reactor Trip November 14**

Florida Power & Light (FPL) reported that its Saint Lucie unit 1 manually tripped due to a lowering 2B steam generator level caused by the spurious closer of a 2B main feedwater isolation valve. On the morning of November 14 the unit was operating at full power, 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/2013/20131115en.html>

### **TVA Set to Retire 3,300 MW of Coal Capacity in Alabama and Kentucky**

The Tennessee Valley Authority (TVA) said Thursday it will retire eight coal-fired power units at three sites in Alabama and Kentucky, which total 3,300 MW of generating capacity, and build a new natural gas-fired plant at its Paradise plant site in Kentucky. The company gave no time table for the closures or construction. In 2011, TVA came to an agreement with the U.S. Environmental Protection Agency to retire 18 of its 59 coal units representing about 2,700 MW by 2018. The additional units increase the total number of closures to 26 and approximately 6,000 MW of capacity. The eight units are: all five units at the Colbert plant in Tuscumbia, Alabama; one unit at the Windows Creek plant in Stevenson, Alabama; and units 1 and 2 at the Paradise plant in Central City, Kentucky. TVA said it would continue to operate Unit 3 at Paradise, which is one of its largest coal units.

[http://www.washingtonpost.com/business/economy/tennessee-valley-authority-to-close-8-coal-fired-power-plants/2013/11/14/be1e4f1e-4d60-11e3-9890-a1e0997fb0c0\\_story.html](http://www.washingtonpost.com/business/economy/tennessee-valley-authority-to-close-8-coal-fired-power-plants/2013/11/14/be1e4f1e-4d60-11e3-9890-a1e0997fb0c0_story.html)

### **Update: SCE&G Closes Two Coal-Fired Units at Canadys Station in South Carolina**

South Carolina Electric & Gas (SCE&G) said Thursday that the coal-fired plant at its Canadys Station near Walterboro, South Carolina, stopped generating electricity last week. The units were originally supposed to be retired completely in 2017, then at the end of this year. However, based on costs, SCE&G decided to close the plant earlier. In 2012, in response to the U.S. Environmental Protection Agency's Mercury Air Toxic Standards, SCE&G identified six coal-fired units, including the three at Canadys Station, which would be taken offline or switched from using coal to using natural gas as a part of the integrated resource plan filed with the South Carolina Public Service Commission. The six units comprise 730 MW of generating capacity. SCE&G retired its 136 MW coal-fired Canadys unit 1 in late 2012.

<http://www.thestate.com/2013/11/13/3095596/sceg-closes-lowcountry-power-plant.html>

### **Exelon Proposes 30 MW Wind Farm in Garrett County, Maryland**

The Maryland Public Service Commission heard public comments Thursday on Exelon Corp.'s 30 MW Fair Wind project, consisting of 12 to 15 wind turbines in Garrett County, Maryland. The company said construction could begin in early 2014, with commercial operation starting by the end of 2014.

<http://finance.yahoo.com/news/hearing-set-western-md-wind-160658489.html>

### **Update: Potomac Edison Reconstructs 138 kV Transmission Line as Part of Plan to Enhance Electric System and Reliability in Maryland and West Virginia**

Potomac Edison, a subsidiary of FirstEnergy Corp., said Thursday, it has reconstructed a 138 kV transmission line as a part of its \$55 million project to further enhance the electrical system and reliability in its western Maryland and eastern West Virginia service areas. As part of the reconstruction, crews installed a higher capacity conductor on a 13-mile section of the transmission line in Maryland connecting a substation in Thurmont with one in Union Bridge. Other major projects scheduled for this year include transmission improvements, building new distribution circuits, replacing underground cables, inspecting and replacing utility poles, and ongoing vegetation management programs.

<http://finance.yahoo.com/news/potomac-edison-reconstructs-line-enhance-173000063.html>

### **NERC Claims California Will Almost Double Wind and Solar Energy Output by 2020**

The North American Electric Reliability Corporation (NERC) released an assessment Wednesday, indicating that California is set to nearly double its wind and solar power capacity by 2020. According to the report, the state is expected to add 8,000 MW of renewable energy by 2020. Currently, there are 10,700 MW of wind and solar power connected to the California Independent System Operator, which is expected to rise to 18,700 MW in 2020.

<http://finance.yahoo.com/news/california-nearly-double-wind-solar-183033282.html>

## ***Petroleum***

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### **Fire at Chevron's 330,000 b/d Refinery in Pascagoula, Mississippi Kills One**

A fire broke out early Friday morning at a processing unit of Chevron Corp's 330,000 b/d refinery in Pascagoula, Mississippi, killing one, according to a Jackson County emergency official. Chevron said the fire broke out at a furnace in a gasoline-making unit known as the Cracking II area. Operators contained and extinguished the fire. Energy information provider Genscape said it appeared that the refinery was undergoing maintenance work on the 55,000 b/d catalytic reformer at the time the fire started.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=41414](http://www.downstreamtoday.com/news/article.aspx?a_id=41414)

<http://www.chicagotribune.com/news/sns-rt-us-refinery-operations-chevron-pascagoula-20131115.0.6597321.story>

### **Update: BP Starts New Coker at Its 413,000 b/d Whiting, Indiana Refinery**

BP Plc. started up a new 102,000 b/d coking unit at its Whiting, Indiana refinery, this week, which is the last step in its \$4 billion modernization project. A sulfur recovery unit, a hydrotreater, and 250,000 b/d crude distillation unit have already started. The project will allow the refinery to run cheaper crude oil from Canada's oil sands fields—about 85 percent heavy crude, up from just 20 percent prior to the revamp.

<http://www.reuters.com/article/2013/11/14/us-refinery-operations-bp-whiting-idUSBRE9AD1DN20131114>

## **Natural Gas**

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### **Update: Chevron Depressurizes Natural Gas Pipeline in Texas as Fire Continues to Burn November 15**

Chevron Corp. continues to depressurize the 10-inch natural gas pipeline that ruptured and caught fire Thursday in Milford, Texas, after being punctured by drill crews. It is also monitoring a nearby 14-inch LPG pipeline and mobilizing resources to remove product from it and depressurize that line. The fire continues to decrease in size as residual product is flared and burned-off.

<http://finance.yahoo.com/news/pipeline-explodes-north-texas-town-025525842.html>

<http://finance.yahoo.com/news/chevron-west-texas-lpg-pipeline-004300983.html>

## **Other News**

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### **EPA Announces Renewable Fuel Standards as a Range November 15**

The Environment Protection Agency (EPA) proposed for public comment the levels of renewable fuels to be blended into gasoline and diesel as required by Congress under the Energy Independence and Security Act of 2007. Developed with input from the U.S. Department of Energy and U.S. Department of Agriculture, the proposal seeks public input on annual volume requirements for renewable fuels in all motor vehicle gasoline and diesel produced or imported by the United States in 2014. The proposal seeks comment on a range of total renewable fuel volumes for 2014 and proposes a level within that range of 15.21 billion gallons.

<http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceac8525735900400c27/81c99e6d27c730c485257c24005ee cb0!OpenDocument>

## **International News**

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### **Kurdistan Government to Halt Oil Exports in December Due to Fire at Taq Taq Oilfield**

The Kurdistan Regional Government in Iraq said it would halt December independent oil exports via Turkey following a fire at a loading station at Genel's Taq Taq oilfield last week. The government will take the time to allocate the crude to test a new pipeline to Turkey, which is in the commissioning phase and expected to start up at the end of the year with an initial capacity of 150,000 b/d.

<http://www.reuters.com/article/2013/11/14/kurdistan-oil-idUSL5N0IZ4IC20131114>

### **Update: TEPCO to Begin Removing Spent Fuel at Fukushima Dai'ichi Nuclear Plant**

Tokyo Electric Power Co. (TEPCO) said it will begin decommissioning its Fukushima Dai'ichi nuclear plant and removing all spent fuel assemblies from Reactor No. 4. The plant experienced a triple meltdown following an earthquake and tsunami in March 2011. However, a report in the Fukushima regional newspaper on November 13 said that three of the assemblies were damaged even before the earthquake and tsunami. According to TEPCO, one assembly was likely damaged in 1982, when it was mishandled during a transfer. Two other damaged assemblies were discovered in 2010 with what appeared to be wire trapped in them. The damaged assemblies cannot be removed using the process normally used to remove fuel, and the company is reviewing how to transport them to the common spent fuel pool.

<http://www.reuters.com/article/2013/11/14/japan-fukushima-removal-idUSL4N0IZ0TR20131114>

### **Update: Libya Losing \$6 Billion Due to Protests at Oilfields**

Libyan officials said Thursday that the country is losing more than \$6 billion in oil sales due to protests at oil ports. Output is down to a fraction of the capacity of 1.25 million b/d. On Wednesday, the National Oil Corp. (NOC) cut output at its El Feel oilfield to 18,000 b/d, down from its 130,000 b/d capacity, as storage tanks at Mellitah terminal approach capacity due to reduced exports. Two weeks ago, Amazigh, or Berber protesters seized the port, owned in part by Italy's Eni, demanding more political rights and halting oil and gas exports.

## Energy Prices

<b>U.S. Oil and Gas Prices</b> November 15, 2013			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	93.86	94.43	86.53
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.62	3.46	3.63

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](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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