



# ENERGY ASSURANCE DAILY

Tuesday Evening, November 27, 2012

## Major Developments

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### **Update: Phillips 66 Resumes Normal Operations at Its 238,000 b/d Linden, New Jersey Refinery by November 27**

Phillips 66 on Tuesday reported its Bayway refinery in Linden, New Jersey has resumed normal operations and the company is continuing to supply its wholesale customers in the region through its Linden fuel terminal, according to a press release. The facility was undergoing repairs and maintenance following Hurricane Sandy, which left the refinery partially flooded and without power. The company has nearly completed efforts to clean up an oil spill that occurred as result of storm surge flooding. Approximately 185 barrels, or 7,700 gallons, of oil was spilled as a result of the storm surge. Phillips 66 will continue working with the U.S. Coast Guard and the New Jersey Department of Environmental Protection to complete the cleanup.

Reuters, 14:28 November 26, 2012

<http://www.bloomberg.com/news/2012-11-26/fuel-declines-in-new-york-on-phillips-66-bayway-startup.html>

<http://www.phillips66.com/EN/newsroom/stormcenter/Pages/index.aspx>

## Electricity

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### **Constellation Shuts 825 MW Calvert Cliffs Nuclear Unit 1 in Maryland for Unplanned Work on Control Element Assemblies November 27**

Constellation Energy Group Inc. shut Calvert Cliffs Unit 1 for unplanned work on control element assemblies after monitors detected “traces of electrical noise” from one of the coils on the No. 37 assembly, a plant spokesman said. Crews are replacing the coils and conducting more tests on all assembly equipment. Constellation has been monitoring electrical coils at Unit 1 since the summer, when the equipment failed and caused a reduction in output. Calvert Cliffs Unit 2 continues to operate at full power.

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

### **Update: Exelon to Repair Nozzle after Discovering Surface Indications at Its 619 MW Oyster Creek Nuclear Power Plant in New Jersey**

Exelon Corp. reported it was fixing a nozzle on the reactor at its Oyster Creek nuclear power plant in New Jersey that must be repaired before the unit can exit an ongoing refueling outage, without estimating a timeline for the repairs. The company on November 7 reported to the U.S. Nuclear Regulatory Commission (NRC) that it had detected surface indications in the adjacent base material area of the System Pressure Boundary weld. The U.S. Nuclear Regulatory Commission (NRC) said it was at the site to monitor work on the nozzle, which is used for the control rod drive mechanism.

<http://www.reuters.com/article/2012/11/27/utilities-operations-exelon-oyster-idUSL1E8MR36420121127>

### **Update: Entergy’s 813 MW FitzPatrick Nuclear Unit in New York Ramped Up to 93 Percent by November 27**

Entergy’s FitzPatrick nuclear unit is returning from an outage that began November 11, when the reactor automatically scrammed on a main turbine trip and a transformer was damaged in a subsequent fire. An investigation into the cause of the equipment failure is underway. Preliminary results suggest the fire was caused by an internal fault, Entergy said. Operators installed a spare transformer to replace the one damaged in the fire, and restarted the unit on November 25.

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

<http://www.bloomberg.com/news/2012-11-26/entergy-replaces-transformer-after-fire-at-fitzpatrick-reactor.html?cmpid=yahoo>

### **Update: PSEG's 1,092 MW Salem Nuclear Unit 2 in New Jersey Restarts, Ramps Up to 47 Percent by November 27**

Salem Unit 2 is returning from an outage that began November 25, when the reactor automatically tripped after a steam generator feedwater regulation valve did not respond to a demand signal. The cause of the failure to respond to demand was under investigation.

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

### **Update: Progress Energy's 811 MW Brunswick Nuclear Unit 2 in North Carolina Ramped Up to 60 Percent by November 27**

On the morning of November 26 the unit was operating at 22 percent.

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

### **Wolf Creek's 1,165 MW Wolf Creek Nuclear Unit 1 in Kansas Reduced to 70 Percent by November 27**

On the morning of November 26 the unit was operating at full power.

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

### **Dynegy's 510 MW Moss Landing Natural Gas-fired Unit in California Reduced by November 26**

The unit entered an unplanned curtailment of 260 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201211261515.html>

### **Dynegy's 335 MW El Segundo Natural Gas-Fired Unit 4 in California Shut by November 26**

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201211261515.html>

### **Update: Massachusetts Approves Cape Wind-NSTAR Power Purchase Agreement for Proposed 420 MW Cape Wind Offshore Wind Farm**

The Massachusetts Department of Public Utilities (DPU) on Monday approved a 15-year power purchase agreement (PPA) with NSTAR to buy U.S. offshore wind farm developer Cape Wind's energy, capacity, and renewable energy credits. Cape Wind plans to build a 420 MW wind farm in federal waters off Cape Cod. The project has been in development since 2001. In December 2011, the Massachusetts Supreme Judicial Court upheld the DPU's approval of Cape Wind's PPA with National Grid for 50 percent of Cape Wind's power. Cape Wind holds to start construction in 2013, with some of the turbines in service in 2015.

[http://www.reuters.com/article/2012/11/26/utilities-capewind-nstar-](http://www.reuters.com/article/2012/11/26/utilities-capewind-nstar-idUSL1E8MQ9GG20121126?feedType=RSS&feedName=marketsNews&rpc=43)

[idUSL1E8MQ9GG20121126?feedType=RSS&feedName=marketsNews&rpc=43](http://www.reuters.com/article/2012/11/26/utilities-capewind-nstar-idUSL1E8MQ9GG20121126?feedType=RSS&feedName=marketsNews&rpc=43)

<http://www.capewind.org/news1299.htm>

## ***Petroleum***

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### **Update: BSEE Cites Black Elk for Regulatory Violations, Accidents; Chemical Safety Board Seeks Details on Company's Safety, Environmental Management Plans**

The U.S. Bureau of Safety and Environmental Enforcement (BSEE) on November 21 notified Black Elk Energy Offshore Operations, LLC that the company must take immediate steps to improve its safety performance on the U.S. Outer Continental Shelf following a number of violations of federal regulations over the last two years. The bureau's action precedes any potential enforcement actions following the conclusion of its investigation into the November 16 explosion and fire aboard the West Delta 32 platform. That incident occurred as workers were cutting into a line on the platform and sparks from a torch hit a storage tank, which then exploded. The U.S. Chemical Safety Board is also investigating the incident and has issued a subpoena to Black Elk seeking details on the company's safety and environmental management plans and audits by the U.S. Department of Interior.

<http://www.bsee.gov/BSEE-Newsroom/Press-Releases/2012/Press11212012.aspx>

[http://www.rigzone.com/news/oil\\_gas/a/122319/Second\\_Death\\_Confirmed\\_from\\_Black\\_Elk\\_Explosion\\_in\\_the\\_GOM](http://www.rigzone.com/news/oil_gas/a/122319/Second_Death_Confirmed_from_Black_Elk_Explosion_in_the_GOM)

### **Update: Shell Cuts Feed to Unit to Reduce Emissions at Its 156,400 b/d Martinez, California Refinery November 24**

Shell Oil Company said Monday that a release of hydrogen sulfide at its Martinez refinery on Saturday necessitated reducing feed to an unspecified unit to diminish emissions, according to a filing with the California Emergency Management Agency. The refinery confirmed its earlier report of the release with regulators and said it was caused by a venting pressure relief valve, but it wouldn't provide details on the operational status of the unit or information on supply.

Reuters, 14:42 November 26, 2012

<http://www.foxbusiness.com/news/2012/11/26/shell-martinez-calif-refinery-unit-rate-cut-to-reduce-emission/>

### **Tesoro Begins Operating New Vacuum Tower at Its 96,980 b/d Wilmington, California Refinery November 26**

Tesoro Corp. on Tuesday reported the new, 26-foot vacuum distillation tower is fully operational at its Wilmington refinery. Tesoro announced in August 2011 it was building the unit, which will help the plant maximize gasoline, diesel, and jet fuel production by increasing the amount of vacuum gas oil produced from crude.

<http://www.bloomberg.com/news/2012-11-26/tesoro-wilmington-refinery-begins-operating-new-vacuum-tower.html>

### **PBF Energy to Lease 2,400 Railcars to Increasingly Supply East Coast Refineries with Crude from Western Canada, U.S. Midcontinent – SEC Filing**

PBF Energy reported it plans to scale back a crude supply deal with Norway's Statoil and instead lease 2,400 railcars to ship crude from Western Canada and the U.S. Midcontinent to its East Coast refineries, according to a recent filing with the U.S. Securities and Exchange Commission (SEC). The company also reported plans to expand its Delaware City, Delaware rail terminal to handle 110,000 b/d of crude, up from 40,000 b/d now, by early 2013. Rail shipments will increasingly supply both its 190,000 b/d Delaware City refinery, and its 180,000 b/d Paulsboro, New Jersey refinery, the filing said.

Reuters, 14:35 November 26, 2012

### **Update: Citgo Says Recent Flaring Had No Impact on Operations Its 167,000 b/d Lemont, Illinois Refinery**

Citgo Petroleum Corp. said flaring at its Lemont on Friday was minor and did not have any impact on operations. The company had reported it was restarting an unspecified unit at the refinery on Friday, according to a filing with state pollution regulators.

Reuters, 15:50 November 26, 2012

### **MCW Enterprises Enters Final Phases of Site Preparation for Its Initial Asphalt Ridge Oil Sands Extraction Plant in Utah**

MCW Enterprises Ltd. announced yesterday that it has entered the final stages of its site preparation in readiness for the scheduled assembly of its initial oil sands extraction plant project in Asphalt Ridge, Utah. The company estimates it could be ready to commence testing in early January and initial production during the first quarter of 2013. MCW in June 2011 announced plans to construct a 250 b/d, closed-loop oil extraction unit for use in the development of Asphalt Ridge, which has a proven/probable resource of more than 50 million barrels of oil. The mobile extraction unit will be used for site preparation at various sites on the lease, based on volumes of near-surface and below-surface hydrocarbon-bearing oil sands materials.

<http://www.mcwenergygroup.com/press.php?id=5>

<http://www.mcwenergygroup.com/press.php?id=33>

### **TEAK Begins Operation of 200 MMcf/d Silver Oak Natural Gas Processing Plant, Gathering System in Eagle Ford Shale Play in Texas**

TEAK Midstream, L.L.C. announced it has begun operation of more than 250 miles of natural gas gathering and residue delivery pipelines and the adjoining 200 MMcf/d Silver Oak cryogenic gas processing plant in South Texas to serve gas producers operating in the Eagle Ford Shale play and surrounding area. TEAK plans to expand the gas processing capacity on its system by 200 MMcf/d by the first quarter of 2014 based on volume commitments to date. TEAK's new facilities include two inlet high-pressure gas gathering systems. One system consists of 178 miles of 24-inch and 16-inch pipeline, with a capacity of approximately 600 MMcf/d. The second system consists of 22 miles of 20-inch pipeline with a capacity of approximately 400 MMcf/d. TEAK's new pipeline system also includes approximately 57 miles of 20-inch residue gas pipeline that will deliver dry gas from the Silver Oak plant to six major downstream intrastate and interstate pipelines—Tennessee Gas Pipeline, Channel, Kinder-Tejas, Transco, Texas Eastern, and NGL. Additionally, TEAK has constructed approximately three miles of 12-inch natural gas liquids (NGL) pipeline that transport liquids recovered at the Silver Oak plant to the DCP Sand Hills NGL pipeline. The Sand Hills pipeline ultimately delivers NGL to the Mont Belvieu fractionation complex and other fractionation facilities along the Gulf Coast.

<http://www.canada.com/life/TEAK+Midstream+Begins+Operation+Major+Natural+Processing+Plant+Gathering+System/7615092/story.html>

### **Regency Reports AGI Compressor Malfunction, Repairs at Its 290 MMcf/d Waha Gas Plant in Texas November 23 and November 27**

Regency Energy Partners reported the acid gas injector (AGI) compressor at its Waha plant shut down Friday morning on first-stage high pressure alarm, according to a filing with the Texas Commission on Environmental Quality. Regency later reported it was shutting the AGI compressor to replace the No. 4 recompressor engine after repairs.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176306>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176348>

### **Field Compressor Shutdowns Cause Flaring at Southern Union's 140 MMcf/d Keystone Gas Plant in Texas November 24**

Southern Union Gas Services reported it was flaring low pressure gas at its Keystone plant on Saturday after field compressors upstream went down, causing the low-pressure system to overload, according to a filing with the Texas Commission on Environmental Quality. The plant reported the same problem occurred again on Sunday afternoon.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176312>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176338>

### **Engine Malfunctions Cause Flaring at Enbridge's 50 MMcf/d Reinecke Gas Plant in Texas November 23**

Enbridge reported that Engine 71050 at its Reinecke plant on Friday went down two times on high scrubber level, according to a filing with the Texas Commission on Environmental Quality. In a separate filing, the plant reported Engine 77082 also went down on Friday, due to compressor vibrations.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176313>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176314>

## **Other News**

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Nothing to report.

## **International News**

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Nothing to report.

## Energy Prices

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U.S. Oil and Gas Prices			
November 28, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	86.86	87.17	95.74
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.75	3.63	3.06

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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