



ENERGY ASSURANCE DAILY

Monday Evening, December 05, 2011

Electricity

Update: Over 25,000 SCE Customers Still without Power in California December 5 after Powerful Santa Ana Winds Last Week

Southern California Edison (SCE) reported that as of 8:00 AM PST on Monday, 25,089 of its customers still had no power after a windstorm with gusts up to 100 mph tore through California last week. The utility hopes to restore power to 99.9 percent of its customers by 8:00 PM PST tonight, according to a statement. At peak, the utility reported 226,053 customers were without power. The San Gabriel Valley was hit hardest by the winds, where Pasadena and Sierra Madre both declared states of emergency Thursday. Pasadena Water and Power last reported that it had restored power to 95 percent of its customers by Saturday night, and it hopes to repair remaining outages by Tuesday. The utility had 6,100 customers without power on Thursday. The Los Angeles Department of Water and Power was also hit hard by the wind storm, reporting a peak number of 129,000 customers without power, but it had restored power to nearly all its customers by Sunday morning and was expecting to wrap its restoration efforts by Monday.

<http://www.facebook.com/PasadenaWaterandPower>

<http://www.sce.com/sceandyou/sce-and-you.htm>

<http://www.ladwpnews.com/go/doc/1475/1250747>

Transformer Catches Fire at SDG&E Substation in Palm City, California December 3, Prompts Evacuations

A transformer caught fire at a San Diego Gas and Electric (SDG&E) substation in Palm City Saturday morning, prompting the brief evacuation of several homes and businesses and closing streets in the area, officials said. The fire broke out at the substation around 8:10 AM PST, and fire crews extinguished it nearly two hours later. News reports on December 3 don't indicate what caused the fire.

<http://www.cbs8.com/story/16180324/transformer-fire-at-sdge-substation-forces-evacuations>

Update: Consumers Energy Cancels Coal-Fired Power Plant Project near Bay City, Michigan, Plans to Continue Updating Five Major Coal-Fired Units to Reduce Emissions

Consumers Energy announced Friday the cancellation of a proposed clean coal plant project near Bay City and an update of its air quality control plans, which include the anticipated suspension of operation of seven smaller units in 2015. The utility said it was cancelling the new coal plant project, which was initially deferred in May 2010, due to reduced customer demand for electricity, surplus generating capacity in the Midwest market, and lower natural gas prices linked to expanded shale gas supplies. Lower natural gas prices make new coal-fired power plants less economically attractive. The seven smaller units to be suspended by 2015 are three at the J.R. Whiting Generating Complex near Luna Pier, two at the B.C. Cobb Generating Plant in Muskegon, and two at the Karn/Weadock Generating Complex near Bay City. The utility also plans to continue to make substantial environmental investments to reduce emissions at its five major coal-fired units, including three at Campbell Generating Complex near West Olive and two at Karn-Weadock.

<http://www.consumersenergy.com/News.aspx?id=5167&year=2011>

<http://detroit.cbslocal.com/2011/12/03/consumers-energy-drops-plans-for-coal-fired-plant/>

Update: NRC Allows FirstEnergy to Reopen 882 MW Davis-Besse Nuclear Plant in Ohio after Determining Shield Building Cracks Don't Pose a Safety Concern

The U.S. Nuclear Regulatory Commission (NRC) said Friday that FirstEnergy Corp. has provided reasonable assurance that the plant's shield building is capable of performing its safety functions and that the utility can proceed with restarting the plant outside Toledo, Ohio. Operators shut the plant October 1 to install a new reactor head and later discovered hairline, subsurface cracks on the containment building. The NRC's independent assessment evaluated the size of the cracks, the utility's sampling and testing of the concrete in the building, and its structural analysis. The agency has issued a Confirmatory Action Letter detailing and confirming FirstEnergy's agreement to take certain actions to monitor and ensure the cracks in the shield building continue to not adversely impact safety going forward, including determining the root cause of the cracks and monitoring to see whether the cracks have spread.

<http://finance.yahoo.com/news/Ohio-nuclear-plant-cracked-apf-2151742590.html?x=0>

<http://www.nrc.gov/reading-rm/doc-collections/news/2011/11-036.iii.pdf>

Concrete Deterioration at FPL's 1,245 MW Seabrook Nuclear Generating Station in New Hampshire Prompts NRC to Issue Nation-Wide Information Notice

The U.S. Nuclear Regulatory Commission (NRC) in November issued an information notice (IN) to inform the operators of other nuclear facilities of the occurrence of alkali-silica reaction (ASR)-induced concrete degradation in the control building at the Seabrook Station nuclear power plant in Seabrook, New Hampshire. The NRC issued the notice as guidance to help other facilities avoid similar problems, but the suggestions contained in the IN are not NRC requirements.

<http://pbadupws.nrc.gov/docs/ML1122/ML112241029.pdf>

Update: NRC Investigation Determines Week-Long, September Shutdown at Entergy's 812 MW Palisades Nuclear Plant in Michigan was of 'Substantial Safety Significance'

The U.S. Nuclear Regulatory Commission (NRC) said November 30 that a week-long shutdown of the Palisades Nuclear Power Plant in South Haven, Michigan in September was of "substantial safety significance," according to a local news report last week. The NRC investigation determined that the power outage causing the shutdown occurred because a worker did not follow proper procedures during routine maintenance, and the agency has issued a preliminary "yellow" finding indicating the substantial safety significance. If the preliminary findings are finalized, the plant would be one of only three nuclear plants in the country with a yellow finding this year, but the NRC has assured the public that the findings don't indicate a threat to the community and that the plant can continue to safely operate.

<http://www.michiganradio.org/post/investigation-shows-event-palisades-nuclear-plant-was-substantial-safety-significance>

Update: Indiana-Michigan Power's 1,000 MW D.C. Cook Nuclear Unit 1 in Michigan Ramped Up to 77 Percent by December 5

The plant has operated at approximately 57 percent since November 26, when operators manually tripped the East Main Feedwater Pump due to high vibrations.

Information derived from the NRC Power Reactor Status Reports:

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20111128en.html>

Update: Progress Energy's 811 MW Brunswick Nuclear Unit 2 in North Carolina Restarts December 2, Ramps Up to 61 Percent by December 4

Progress Energy Inc. shut the unit for maintenance on November 4 and then discovered an elevated drywell leakage as it prepared to exit the outage on November 16. Operators investigating the cause of the leakage determined that at least ten reactor pressure vessel head bolts were not fully tensioned, according to a company spokesman last month. Reuters, 16:01 November 18

Information also derived from the NRC Power Reactor Status Reports:

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

FPL's 693 MW Turkey Point Nuclear Unit 4 in Florida Restarts December 3, Ramps Up to Full Power by December 4

The Nuclear Regulatory Commission reported that on the morning of December 3 the unit was operating at 60 percent. The unit shut by November 25.

Information derived from the NRC Power Reactor Status Reports:

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

SCE's 1,126 MW San Onofre Nuclear Unit 3 in California Reduced by December 4

According to the California Independent System Operator, the unit reported an unplanned curtailment of 211 MW on December 4.

<http://content.caiso.com/unitstatus/data/unitstatus201112041515.html>

Sycamore Cogeneration's 360 MW Sycamore Natural Gas-Fired Unit in California Reduced by December 4

According to the California Independent System Operator, the unit reported an unplanned curtailment of 195 MW on December 4.

<http://content.caiso.com/unitstatus/data/unitstatus201112041515.html>

Update: Inland Empire Energy Center's 366 MW Gas-Fired Unit 2 in California Returns to Service by December 3

According to the California Independent System Operator, the unit reported a return from an unplanned outage reported on December 1.

<http://content.caiso.com/unitstatus/data/unitstatus201112031515.html>

Update: NRG Restarts 864 MW Limestone Coal-Fired Unit 2 in Texas after Boiler Tube Repairs December 3

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162403>

Update: AEP Restarts 721 MW Pirkey Coal-Fired Unit 1 in Texas after Turbine Repairs December 3, Reports Unit 1 Trip Due to Boiler Problems December 4, Restarts Unit 1 December 5

AEP reported Sunday night that the Unit 1 boiler tripped due to B-ID Fan problems. Operators minimized opacity until repairs were made, and the unit was restarted December 5.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162184>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162422>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162423>

AEP's 558 MW Welsh Coal-Fired Unit 1 in Texas Restarts December 4-10

AEP reported that the facility is restarting Unit 1 following outage activity. Operators will use control equipment to minimize emissions as much as possible.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161150>

Petroleum

Wet Gas Compressor Trips Offline at Alon's 67,000 b/d Big Spring, Texas Refinery December 5

Alon USA reported today that a wet gas compressor tripped offline due to fault "high level," according to a filing with the Texas Commission on Environmental Quality. Technicians made repairs and restarted the equipment.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162424>

Tesoro Corporation Announces Plans to Expand Crude Oil Throughput by 7 Percent at Its 57,000 b/d Salt Lake City, Utah Refinery

Tesoro Corporation on December 5 announced plans to expand crude oil throughput capacity at its Salt Lake City, Utah refinery by 7 percent. The project will allow Tesoro to increase throughput of transportation-advantaged black wax and yellow wax crude oil to 21,000 b/d, an increase of over 100 percent. The project also includes capital for conversion unit upgrades designed to drive a nearly 3 percent increase in clean product yield at the refinery. Tesoro expects to complete the project in two stages in 2013 and 2014, subject to required permitting.

<http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-newsArticle&ID=1636034>

Update: Some First Nations Chiefs Refute Enbridge's Announcement of Native Support for Its 525,000 b/d Northern Gateway Oil Pipeline to British Columbia Coast

First Nation chiefs from northern British Columbia say they are "in shock" and "embarrassed" following an announcement by Enbridge Inc. on Friday declaring native support for its planned 525,000 b/d Northern Gateway oil pipeline, which is intended to deliver tar sands crude oil to the Pacific port of Kitimat, British Columbia. First Nations on Thursday announced a united front to ban all exports of tar sands crude through its territory, which encompasses the entire coastline of British Columbia, citing environmental concerns. Enbridge made the announcement Friday with Gitksan Hereditary Chief Elmer Derrick in attendance, but two other chiefs told reporters that most of the other 63 First Nation chiefs had no idea the deal was coming.

<http://www.660news.com/news/local/article/306607--first-nations-deny-pipeline-deal>

Update: Devon Obtains Regulatory Approval for 35,000 b/d Jackfish 3 Oil Sands Project in Alberta, Canada

Devon Energy Corporation today announced that it has received regulatory approval from the Alberta Energy Resources Conservation Board and Alberta Environment and Water to move forward with the company's third oil sands project in Canada. Construction of the Jackfish 3 project will begin next month with startup targeted for late 2014. Jackfish 3 is expected to produce an average of 35,000 b/d and represents an estimated 300 million barrels of gross recoverable oil.

<http://www.dvn.com/Newsroom/Pages/NewsRelease.aspx?id=1636164#terms?disclaimer=yes>

Natural Gas

Power Failure Shuts Several Processing Units at Enterprise's Mont Belvieu NGL Complex in Texas December 3

Enterprise reported that a third-party power line failure caused several plant processing units to temporarily shut down late Saturday morning, according to filings with state environmental regulators and the U.S. National Response Center. Affected plant processing units began controlled curtailments as designed, and the plant flares remained operational to burn off excess hydrocarbons. Enterprise is working with the third-party power company to restore power as quickly as possible and return the plant to normal operations.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162415>

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=997103

Numerous Gas Processing Facilities in West Texas Report Shutdowns, Flaring after Severe Thunderstorms Knock Out Offsite Power Supply December 3

Severe thunderstorms overnight on Saturday cut offsite electrical power, causing units at numerous gas processing facilities to shut down and send inlet gas to flare, according to multiple filings with the Texas Commission on Environmental Quality. The facilities reporting power-related shutdowns include:

- DCP Midstream's Riley Booster Station and Andrews Booster Station
- Targa's 150 MMcf/d Sand Hills gas plant
- Oxy's 16 MMcf/d Welch CO2 gas processing facility
- Whiting Oil and Gas Corp.'s Wickett CO2 facility

In each case, technicians restored power and operations resumed without incident by Sunday morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162415>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162409>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162410>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162212>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162406>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162408>

Southern Union Reports Problems with Select Unit Startups at Its 140 MMcf/d Keystone Gas Plant in Texas December 3

Southern Union Gas (SUG) reported problems restarting some units at the facility on December 3, which led to flaring. The units were being restarted after being shut on December 2 in order to install equipment. Keystone's satellite facilities reported shut-ins and flaring while SUG installed the equipment.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162420>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162296>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162298>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162300>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162301>

Enbridge Reports Unexpected Shutdown Due to Pigging Event at Its Tilden Gas Plant in Texas December 3

Operators immediately responded to correct the problem, routing vented gas to flare to mitigate emissions, according to a filing with the Texas Commission on Environmental Quality. The filing does not give details about the pigging event that caused problems.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162419>

Faulty Valve Shuts Compressor at Chevron's Mabee Ranch CO2 Plant December 1

Chevron reported that on Thursday morning, the C002 Compressor went down due to a bad valve on the fourth stage of gas compression. Operators started the C001 Compressor, which will continue to run until repairs are finished and the C002 Compressor is placed back on line. To minimize flaring, operators shut-in ten of the facility's highest CO2 producing wells. Flaring immediately stopped once repairs were complete.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162353>

Exterran Reports Multiple Problems at Its 50 MMcf/d Reinecke Gas Plant in Texas December 1-3

Exterran reported that last Thursday night, Unit 74156 went down when equipment problems caused damage to a recently installed turbo expander. Operators had a spare turbo expander onsite, which allowed them to quickly install it on the unit, reducing downtime. On the evening of December 2, operators reported that UNIT 74156 was running slower than normal, according to a filing with state regulators. The filing states that operators suspect the inlet/outlet meters are incorrect but won't be able to check the meter until December 5. In the meantime, the unit was manually sped up to normal rates. On Saturday Unit 71050 went down because a panel board got wet during a heavy rain storm. Operators dried out the panel and were able to resolve the problem later that evening.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162416>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162417>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162418>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162407>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162370>

Other News

Workers Discover 45 Metric-Ton Radioactive Water Leak near Evaporative Condensation Apparatus at Japan's Fukushima Daiichi Nuclear Facility December 4

Workers at the Fukushima Daiichi nuclear facility in Japan on Sunday morning discovered a leak of 45 metric tons of radioactive water inside a barrier around an evaporative condensation apparatus, which is used to purify the sea water the plant uses to cool reactors. Operator Tokyo Electric Power Company (TEPCO) said Monday that it had contained the leak by stacking sandbags around a crack found in a concrete barrier around the condensation unit. The water contained a slightly higher than usual level of the radioactive substance cesium-137. TEPCO said it is still trying to determine how much contaminated water may have reached the Pacific Ocean.

<http://www.click2houston.com/news/Contaminated-water-at-Japanese-nuclear-plant/-/1735978/4876034/-/i2lh5iz/-/index.html>

A Single Federal Agency Should Address the Threat of Cyberattacks on the U.S. Power Grid, Work with Industry to Enhance Preparedness, Response, and Recovery – MIT Study

The Massachusetts Institute of Technology (MIT) issued a report Monday that calls for a single federal agency to address the threat of cyberattacks on the U.S. power grid, not the numerous groups currently responsible for the electric system's security. The report, which discusses the future of the grid through 2030, says that the federal agency should have appropriate regulatory authority and should work with industry to enhance cybersecurity preparedness, response, and recovery.

<http://web.mit.edu/newsoffice/2011/mitei-grid-report-1205.html>

<http://web.mit.edu/mitei/research/studies/the-electric-grid-2011.shtml>

Energy Prices

U.S. Oil and Gas Prices			
December 5, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	101.56	98.27	88.76
NATURAL GAS Henry Hub \$/Million Btu	3.35	2.84	4.28

Source: Reuters

Energy Notes

Primary Acid Gas Compressor Shuts Due to Low Acid Gas Rates, Low Interstage Pressure at West Texas Gas's 12 MMcf/d Big Lake Gas Plant in Texas December 2

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162399>

Mexican State Oil Company Pemex Plans to Drill More Than 50 Deepwater Oil Wells in the Gulf of Mexico by 2015

Reuters, 17:28 December 2, 2011

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 EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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

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