



ENERGY ASSURANCE DAILY

Wednesday Evening, December 05, 2012

Electricity

ISO New England Says Region Will Rely More Heavily on Oil- and Coal-Fired Generators to Ensure System Reliability during Winter Season

ISO New England, Inc. on Monday announced New England should have sufficient resources to meet consumer demand for electricity during the 2012–2013 winter season, but the region’s reliance on natural gas as a fuel to produce electricity could create operational challenges if natural gas supplies become tight this winter. If this occurs, ISO New England will rely on oil- and coal-fired generation to lessen any operational risks to the region’s power system. New England’s reliance on natural gas to produce electricity has increased significantly in the past several years, in part because natural gas has become far less expensive than other fossil fuels. Today, more than 13,000 MW—almost 45 percent of the region’s generating capacity—is natural-gas-fired generation, and these generators produce more than half of the region’s power.

http://www.iso-ne.com/nwsiss/pr/2012/2012_winter_outlook_final.pdf

Southern Company Begins Commercial Operations at 720 MW Plant Cleveland Natural Gas-Fired Power Plant in North Carolina

Southern Power, the subsidiary of Southern Company, on Tuesday began commercial operation of Plant Cleveland, a 720 MW natural gas-fired power plant located in Cleveland County, North Carolina. Plant Cleveland will, in part, provide electric power through long-term contracts with North Carolina Electric Membership Corporation and North Carolina Municipal Power Agency Number 1.

http://www.southerncompany.com/news/iframe_pressroom.aspx

Update: NRC Says Concrete Degradation at NextEra’s 1,155 MW Seabrook Nuclear Power Plant in New Hampshire Poses No Immediate Threat

The U.S. Nuclear Regulatory Commission (NRC) on Monday issued its latest report on the results of inspections to assess the adequacy of actions taken by NextEra to address concrete degradation at its Seabrook nuclear power plant. NextEra identified the degradation in concrete structures at Seabrook in June 2009 and confirmed the problem was from alkali-silica reaction (ASR) in August 2010. The NRC has concluded the concrete degradation at the Seabrook nuclear power plant poses no immediate risk to the public or environment, but it has instructed NextEra to determine the future implications of the degradation and to develop a plan to fix it. The agency plans to conduct another inspection in early 2013.

<http://www.reuters.com/article/2012/12/04/nrc-nextera-seabrook>

<http://pbadupws.nrc.gov/docs/ML1233/ML12339A233.pdf>

Update: Constellation’s 565 MW Nine Mile Point Nuclear Unit 1 in New York Ramped Up to 80 Percent by December 5

Constellation Nuclear Energy Group’s Nine Mile Point Unit 1 is returning from an outage that began December 1, when operators shut the reactor to conduct turbine system repairs. Operators restarted the unit by December 4.

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

Update: PG&E’s 1,087 MW Diablo Canyon Nuclear Unit 1 in California Returns to Service by December 4

Pacific Gas & Electric’s (PG&E) Diablo Canyon Unit 1 returned from an unplanned curtailment of 690 MW that began by December 1. Operators have not publicly announced the reason for the curtailment.

<http://content.caiso.com/unitstatus/data/unitstatus201212041515.html>

Update: CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Returns to Service by December 4

The unit returned from a curtailment of 833 MW that was due to both planned and unplanned causes and began by November 30.

<http://content.aiso.com/unitstatus/data/unitstatus201212041515.html>

Calpine's 593 MW Metcalf Energy Center Natural Gas-Fired Unit in California Returns to Service by December 4

The unit returned from an unplanned curtailment of 318 MW that began by December 3.

<http://content.aiso.com/unitstatus/data/unitstatus201212041515.html>

Elk Hills Power's 552 MW Elk Hills Natural Gas-Fired Unit in California Reduced by December 4

The unit entered a planned curtailment of 312 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201212041515.html>

Inland Empire Energy Center's 366 MW Inland Empire Natural Gas-Fired Unit 2 in California Shut by December 4

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201212041515.html>

LCRA Restarts Its 615 MW Fayette Coal-Fired Unit 1 in Texas after Repairs December 1

The Lower Colorado River Authority (LCRA) reported its Fayette Unit 1 was scheduled to begin restarting December 1 following an outage needed to repair leaks on a water wall boiler tube and a storage tank door, 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=176649>

Fly Ash Pipeline Leak Causes Emissions at Luminant's 793 MW Martin Lake Coal-Fired Unit 3 in Texas December 3

Luminant reported a leak developed unexpectedly at a flange on the Unit 3 fly ash transport pipeline, resulting in emissions at its Martin Lake plant Monday night, according to a filing with the Texas Commission on Environmental Quality. Operators were replacing the fly ash transport line and the leaking flange at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176691>

Petroleum

Update: Houston Section of Colonial Pipeline's Gasoline Line 1 Resumes Normal Operations after Repairs December 4

Colonial Pipeline on Tuesday said it had completed repairs to a leak on the Houston section of Line 1, its main gasoline line, and restored full service to customers as of 11:00 a.m. CST that day. Colonial said the time required for the repair had extended cycle times for some deliveries, and the company was trying to minimize the impact. Reuters, 16:24 December 4, 2012

Update: West Coast Refineries Say They Have Been Unaffected by Port Workers Strike in California

The companies operating six U.S. West Coast refineries reported the week-long strike by workers at the ports of Los Angeles and Long Beach, California has not affected refinery operations, according to representatives from BP Plc, Chevron Corp., ExxonMobil Corp., Phillips 66, Tesoro Corp., and Valero Corp. The refineries operate their own docks for receiving crude oil and sending and receiving refined products shipments. The refineries' docks are not staffed by the striking workers.

Reuters, 16:12 December 4, 2012

Phillips 66 Resumes Normal Operations at Its Linden, New Jersey Refinery after Electrical Malfunction Causes Brief Curtailment of Certain Operations December 4

Phillips 66 said its Bayway refinery in Linden, New Jersey resumed normal operations after an electrical malfunction curtailed some refinery operations on Tuesday, a spokesman said. The incident occurred during post-hurricane repair work and was resolved immediately.

Reuters, 11:17 December 5, 2012

Update: Phillips 66 Restarts CDU and FCCU at Its 146,000 b/d Borger, Texas Refinery by December 4 after Maintenance Takes Longer Than Expected

Phillips 66 restarted a crude distillation unit (CDU) and a fluid catalytic cracking unit (FCCU) at its Borger refinery, a source familiar with refinery operations said on Tuesday. Operators hope to complete the restart of other units, including the coker and alkylation unit, by the weekend. Phillips 66 began a planned overhaul at the refinery on September 24. On November 21 the refinery reported the maintenance was taking longer than expected, but it hoped to begin restart procedures at the facility by November 24 and to restart the FCCU by November 26.

Reuters, 19:15 December 4, 2012

Operational Upset Leads to Flaring at Motiva's 236,400 b/d Norco, Louisiana Refinery

Motiva Enterprises reported an unspecified operational upset at a unit caused flaring at its Norco refinery on Tuesday, according to a filing with local officials.

Reuters, 13:29 December 4, 2012

Total Announces Oil Discovery at Its North Platte Prospect in the U.S. Gulf of Mexico; Estimates Suggest Discovery Could Hold Several Hundred Million Barrels of Oil

Total on Wednesday announced a significant oil discovery at its North Platte prospect on Garden Banks Block 959 in the deepwater Gulf of Mexico. Total estimates this discovery can have a potential of several hundred million barrels of oil. Total holds a 40 percent interest in the North Platte discovery, along with Cobalt International Energy, which owns 60 percent interest and acts as operator.

<http://www.total.com/en/press/press-releases/consultation-200524.html&idActu=2912>

G Seven Generations Proposes Alberta-Alaska Rail Link; Could Transport 1.5 MMb/d of Oil Sands to Trans-Alaska Pipeline System for Export

G Seven Generations Ltd. (G7G) in mid-November announced that local tribal leaders have expressed support for a new railway the group is proposing that would link Alaska, Yukon, northern British Columbia, and northern Alberta to Pacific tidewater for the import and export of commodities, including oil sands products. Leaders of the affected First Nations and Alaskan Tribes have said they will support the 2,400-kilometer Alberta-Alaska railway, which could transport 1.5 million barrels per day northwest from Fort McMurray, Alberta to connect with Alyeska Pipeline's Trans Alaska Pipeline System (TAPS) at Delta Junction, approximately 130 kilometers southeast of Fairbanks. TAPS currently carries oil from the North Slope to the Valdez marine supertanker terminal. G7G said it was moving forward with feasibility studies and community information meetings.

http://unfnrailco.com/ESW/Files/G7G_Release_Nov-14-2012-EN.pdf

http://unfnrailco.com/ESW/Files/UNRailCo_Update_Nov-14-2012.pdf

Natural Gas

Puget Sound Energy Sends Workers to New York to Help Restore Natural Gas Service to Victims of Superstorm Sandy

Puget Sound Energy (PSE) on Tuesday announced it was sending natural gas employees to New York to help restore heat for customers on Long Island, where overnight temperatures this week are expected to dip into the 20s. PSE employees will work with National Grid to replace natural gas meter sets damaged by Superstorm Sandy; they will also inspect and relight equipment and appliances inside homes and businesses. PSE received the mutual aid request from the Northeast Gas Association to help restore natural gas service for the storm-damaged communities on Long Island. PSE's crew will join natural gas crews from other utilities around the country.

<http://pse.com/aboutpse/PseNewsroom/NewsReleases/Pages/PSE-Sends-24-Natural-Gas-Service-Employees.aspx>

Pangea LNG Begins Seeking Regulatory Clearance for South Texas LNG Export Project

Pangea LNG (North America) Holdings, LLC on November 29 announced that it has begun the process of seeking approvals necessary to build a liquefied natural gas (LNG) export facility on Corpus Christi Bay in South Texas. Pangea has filed an application with the U.S. Department of Energy seeking authority to export up to eight million metric tons per year of liquefied natural gas to all current and future countries with which the U.S. has a Free Trade Agreement, and it intends to quickly file a similar application for LNG exports to any country with which the U.S. does not have a Free Trade Agreement in effect. The project is located in the city of Ingleside on the La Quinta Ship Channel which is part of the Port of Corpus Christi. The project will be known as South Texas LNG Export. A project feasibility and preliminary design process is now underway. Upon federal, state, and local regulatory approval, the South Texas LNG terminal could be in operation by 2018.

<http://www.prnewswire.com/news-releases/pangea-lng-begins-seeking-regulatory-clearance-for-south-texas-lng-export-project-181407741.html>

GWI Signs Rail-Services Deal for Utica NGL Liquids Hub in Ohio

Genesee & Wyoming Inc. (GWI) on Monday announced that its wholly owned subsidiary, The Columbus & Ohio River Rail Road Company (CUOH), has signed a long-term agreement to serve the natural gas liquids (NGLs) fractionation hub being constructed in Scio, Ohio by Utica East Ohio Midstream, LLC. First announced in March 2012, the processing/fractionation/storage facility's location was selected based on proximity to the Utica Shale's liquids-rich gas, to key natural gas pipelines, and to the CUOH. The CUOH will construct a one-mile rail siding and rehabilitate a three-mile storage track to serve the facility, which when fully operational is expected to ship 10,000 carloads of NGLs annually. The facility is expected to open in May 2013.

<http://phx.corporate-ir.net/phoenix.zhtml?c=64426&p=irol-newsArticle&ID=1763547>

Motor Failure Shuts AGI Compressor at Regency's 290 MMcf/d Waha Gas Plant in Texas December 4

Regency Energy Partners reported emissions at its Waha plant began very early Tuesday morning after the electric drive motor for an acid gas injector (AGI) compressor experienced a failure, according to a filing with the Texas Commission on Environmental Quality. Operators are replacing the motor, and emissions related to the maintenance may continue until December 11.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=176702>

Southern Union Reports Emissions at Its 140 MMcf/d Keystone Gas Plant in Texas December 3

Southern Union Gas Services reported one field unit was down for repairs and another field unit went down twice during pigging events at its Keystone plant on Monday, 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=176665>

Generator Malfunction Shuts AGI Units at Enbridge's Tilden Gas Plant in Texas December 3

Enbridge reported a generator malfunction shut acid gas injector (AGI) Units 1 and 2 at its Tilden plant on Monday, 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=176686>

Other News

Sasol Commences Design Phase for a 96,000 b/d Gas-to-Liquids and Ethane Cracker Complex in Louisiana

Sasol on Monday announced it will proceed with the front-end engineering and design (FEED) phase for an integrated, 96,000 b/d gas-to-liquids (GTL) facility and an ethane cracker at its Lake Charles site in southwest Louisiana. The GTL facility will consume about 1 Bcf/d of natural gas to produce four million tons per annum, or 96,000 b/d, of transportation fuel, including GTL diesel and other chemical products. The project will be delivered in two phases, with each phase delivering a capacity of 48,000 b/d. The first phase is planned to come into operation in 2018, and the second phase in 2019. The ethane cracker project is planned to come into operation in 2017. Sasol announced that it would embark on feasibility studies to evaluate the viability of GTL and ethylene cracker facilities in September and November 2011, respectively. A final investment decision will follow the FEED process.

<http://www.sasol.com/frontend/navigation.jsp>

http://www.downstreamtoday.com/news/article.aspx?a_id=37893

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
December 5, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	87.07	85.80	101.56
NATURAL GAS Henry Hub \$/Million Btu	3.38	3.77	3.35

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 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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