



# ENERGY ASSURANCE DAILY

Thursday Evening, December 15, 2011

## Electricity

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### **Senators Call on Senate Energy and Natural Resources Committee to Launch Oversight Hearing to Review U.S. Grid Reliability Standards after Recent Outages Affect Millions**

A bipartisan group of U.S. senators from New England sent a letter Tuesday asking the Senate Energy and Natural Resources Committee to launch an oversight hearing to review the nation's electric grid reliability standards after a series of major power outages affected millions of New England customers in recent years. In August, Hurricane Irene cut power to millions of customers on the U.S. East Coast and an October snowstorm in New England cut power to more than two million utility customers. In both cases, outages lasted as long as week for some customers. The senators' letter calls particular attention to the inadequacy of utility mutual assistance groups (MAGs), which exist to support utilities in contracting for additional line and repair crews as needed to restore power after a major outage. The senators claim that the inadequacy of the MAG system contributed to the slow pace of restoration in the hardest-hit states during recent outage events and raised concerns that the system may prove deficient in the face of future disasters.

[http://www.renewgridmag.com/e107\\_plugins/content/content.php?content.7723](http://www.renewgridmag.com/e107_plugins/content/content.php?content.7723)

<http://blumenthal.senate.gov/newsroom/press/release/shaheen-blumenthal-lead-call-for-review-of-electric-grid-reliability->

### **Entergy Manually Trips 730 MW Palisades Nuclear Unit in Michigan December 14 Due to Loss of Both Main Feedpumps**

Entergy reported that the reactor was manually tripped yesterday afternoon due to the loss of both main feedpumps, which tripped on low suction pressure due to an apparent unplanned opening of the A main feedpump recirculation valve. In a filing with the U.S. Nuclear Regulatory Commission (NRC), the company reported that operators were trying to determine the cause of the opened feedpump. Operators made adjustments to maintain the reactor coolant system temperature and stabilize the plant while repairs are made.

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/2011/20111215en.html>

### **Update: Rotor Damage Indefinitely Shuts STP's 1,251 MW South Texas Nuclear Unit 2 in Texas**

South Texas Project (STP) reported that its 1,280 MW Unit 2 has a damaged rotor, which will continue that unit's current outage for an undetermined amount of time. Unit 2 automatically shut early on November 29 when the main generator locked out due to a ground fault, a STP spokesman said. Workers removed the rotor and are shipping it by rail this week to North Carolina for refurbishing. The spokesman declined to say how long the repairs would take or when the unit might come back on line. The facility's 1,280 MW Unit 1 continues to operate at full power.

Reuters, 16:00 December 14, 2011

### **Wisconsin Energy's 615 MW Oak Creek Coal-Fired Unit 1 in Wisconsin to Remain Shut until Spring 2012 Due to Chloride Deposits Found in Turbines**

Wisconsin Energy reported Wednesday that the unit may return to service by the spring after a long maintenance outage. Operators shut the unit, which was nearing the end of its warranty period, in September for routine inspections, a company spokesman said. During inspections, workers found deposits containing chlorides in the steam turbines. Workers are still investigating the cause of the chloride deposits.

Reuters, 14:48 December 14, 2011

### **Southern's 870 MW Hatch Nuclear Unit 2 in Georgia Shut by December 15**

The Nuclear Regulatory Commission reported that on the morning of December 14 the unit was operating at 92 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **Update: TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama at Full Power by December 15**

The Nuclear Regulatory Commission reported that on the morning of December 14 the unit was operating at 21 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **FPL's 1,155 MW Seabrook Nuclear Unit 1 in New Hampshire Reduced to 70 Percent by December 15**

The Nuclear Regulatory Commission reported that on the morning of December 14 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

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

### **Power Problems Shut AEP's 720 MW Oklaunion Coal-Fired Unit in Texas December 14**

Operators were working to keep the electrostatic precipitator energized as long as practicable, 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=162792>

### **Tube Leak Shuts San Miguel's 410 MW San Miguel Coal-Fired Unit in Texas December 14**

The San Miguel Electrical Cooperative reported that the unit tripped due to a tube leak on the rear wall overfire air port bent tube, and the precipitator had a partial trip where two transformer/rectifier sets on the second row tripped. Operators were working to restore the precipitator to normal operation as soon as possible.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162790>

### **Luminant to Restart 590 MW Sandow Coal-Fired Unit 4 in Texas December 15 after Trip**

Luminant reported the unit startup following a trip to the Texas Commission on Environmental Quality on Thursday. Operators shut the unit November 28 for scheduled maintenance, according to news reports of a separate filing, which also indicated that the Unit 4 boiler was the source of emissions.

Reuters, 01:24 December 15, 2011

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162800>

### **Southwestern Restarts 360 MW Harrington Coal-Fired Unit 2 in Texas December 15 after Emergency Outage**

Southwestern Public Service Co. is restarting Unit 2 after an outage due to an emergency. Operators made repairs during the outage. The company reported the restart to state regulators because emissions exceeding state limits are possible during the startup.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162633>

### **Update: AES's 227 MW Huntington Beach Gas-Fired Unit 4 in California Returns to Service by December 14**

The unit returned from an unplanned outage by December 14.

<http://content.caiso.com/unitstatus/data/unitstatus201112141515.html>

### **Update: LS Power Delays 665 MW Plum Point II Coal-Fired Power Project in Arkansas, Confirms Startup Problems at Its 900 MW Coal-Fired Sandy Creek Power Plant in Texas**

Reports earlier in the week suggested LS Power would cancel its proposed Plum Point II plant in Arkansas to settle a lawsuit brought by the Sierra Club. An LS Power spokeswoman said on Wednesday, however, that the utility plans only to delay a proposed expansion of the plant for at least five years as part of the legal agreement with the environmental group. The agreement affects LS Power's Sandy Creek plant in Texas, as well, requiring it to limit air pollution. LS Power also confirmed reports earlier in the month that it has delayed startup of its Sandy Creek plant for a year after startup tests caused significant damage to the plant's main boiler in October.

Reuters, 20:38 December 14, 2011

### **Update: Toshiba's Westinghouse Electric's AP1000 Nuclear Reactor Wins Majority Backing from NRC; Brings Two Nuclear Plant Expansion Projects Closer to Fruition**

A five-member panel at the U.S. Nuclear Regulatory Commission (NRC) voted Wednesday to certify the design of Toshiba Corp.'s Westinghouse Electric AP1000 reactor, completing another step in the process to approve two U.S. nuclear power plant expansion projects. Southern Company is planning to expand its Vogtle nuclear plant in Georgia to include two new AP1000 reactors, which it hopes will begin commercial operation in 2016 and 2017. Scana Corp. plans to build two AP1000 reactors for its Virgil C. Summer nuclear plant in South Carolina for operation in 2016 and 2018. Next, the full commission must schedule a vote on the final certification rule before issuing construction and operating licenses to the companies.

<http://www.bloomberg.com/news/2011-12-15/toshiba-reactor-unites-u-s-nuclear-panel.html?cmpid=yhoo>

## ***Petroleum***

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### **Western Refining Resumes Normal Operations after Diesel Hydrotreater Unexpectedly Shuts at Its 122,000 b/d El Paso, Texas Refinery December 13**

Western Refining reported Thursday that the diesel hydrotreater (DHT) at its El Paso refinery was back in operation within a couple of hours after shutting unexpectedly on Tuesday. The shutdown caused excess gases to route to flare, according to a filing with the Texas Commission on Environmental Quality. Operators cut the feed to the unit and followed procedures to safely bring the unit down before repairing and restarting it, according to the filing.

Reuters, 11:00 December 15, 2011

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=162780>

### **TransCanada to Expand Keystone XL Capacity to 830,000 b/d, Proceed with Keystone Houston Lateral following Successful Open Season**

TransCanada Corporation today announced it has received additional binding commitments in support of the Keystone XL pipeline following the successful conclusion of the Keystone Houston Lateral Open Season. Subject to regulatory approvals, TransCanada will proceed with an approximate 80-km (48-m) pipeline extension from the proposed Keystone XL system to facilitate deliveries into the Houston refining market (the Houston Lateral) and increase the capacity of Keystone XL to 830,000 barrels per day. The proposed oil sands-derived crude pipeline extending from northern Alberta to Texas Gulf Coast refineries was previously planned to have a capacity of 700,000 b/d.

<http://www.transcanada.com/5907.html>

### **Apache to Develop Lucius Project to Produce 80,000 b/d Oil, 450 MMcf/d Natural Gas in Deepwater Gulf of Mexico**

Apache Corporation today announced a joint venture to develop the Lucius project in the Keathley Canyon area of the deepwater Gulf of Mexico. Lucius, located approximately 200 miles southeast of Houston in waters about 7,000 feet deep, will be developed using a truss spar floating production facility with production capacity of 80,000 b/d of oil and 450 MMcf/d of natural gas. The spar is currently under construction at Technip's facility in Pori, Finland. First production is planned for 2014 from six initial producing wells.

<http://investor.apachecorp.com/releasedetail.cfm?ReleaseID=633630>

### **Update: Iraq to Open New 900,000 b/d Offshore Oil Export Terminal within ‘Days’**

An Iraqi Oil Ministry official told reporters yesterday that the first of four new offshore terminals for tankers would start operations within “days” as it sets its next energy licensing round for March 7–8 in Baghdad. Each single-point mooring will have a capacity of 900,000 b/d and will connect to the shore near Basra by twin 60-km seabed pipelines. Three more offshore export terminals with similar capacity are due to start operating within months. Iraq will also seek bids to build two crude oil export pipelines running from Basra in southern Iraq to the Syrian port of Banias, the Ministry official said.

<http://www.reuters.com/article/2011/09/29/iraq-oil-terminals-idUSL5E7KT1EK20110929>

<http://www.bloomberg.com/news/2011-12-14/iraq-to-open-new-offshore-oil-terminal-plans-bids-march-7-2-.html?cmpid=yhoo>

### **OPEC Members Agree to 30 MMb/d Crude Output Ceiling; All Members to Reduce Supply to Make Space for Increases in Libyan Output**

Ministers from the Organization of the Petroleum Exporting Countries (OPEC) reported Wednesday that the organization has agreed upon a new crude production ceiling of 30 MMb/d that covers all 12 members, including Libya and Iraq, but does not include individual quotas. All OPEC members will reduce supply to make space for Libya, whose production levels are recovering after falling to almost nothing during the uprising against the regime of Moammar Qadhafi this year.

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Oil/8697743>

## **Natural Gas**

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### **Update: Williams Seeks FERC Approval to Provide 250 MMcf/d Additional Natural Gas Service to U.S. Northeast through Northeast Supply Link Project**

Williams Partners L.P. announced yesterday that its Transco pipeline has filed an application with the Federal Energy Regulatory Commission (FERC) to provide 250 MMcf/d of incremental, year-round firm natural gas transportation capacity to serve growing markets in the U.S. Northeast region by November 2013. The Northeast Supply Link project is designed to expand certain segments of the existing Transco pipeline in Pennsylvania and New Jersey to transport robust domestic supplies of natural gas to growing markets in the Northeast. The proposed expansion will primarily consist of approximately 12 miles of new pipe at various locations in Pennsylvania and New Jersey, in addition to a new 25,000 horsepower compressor facility in Essex County, New Jersey, along with other facility modifications. If approved, compressor station construction would begin in November 2012 with pipeline construction following in the spring of 2013. The Transco pipeline is a 10,000-mile pipeline system transporting natural gas to markets throughout the northeastern and southeastern United States. The current system capacity is approximately 9.6 Bcf/d.

<http://www.williamspl.com/profiles/investor/ResLibraryView.asp?ResLibraryID=49644&f=1&g=345&BzID=1296&Nav=0&LangID=1&s=0>

### **Canadian Energy Regulator Orders 691 Gas Wells to Shut in Alberta Due to the Risk Gas Production Poses to Oilsands Operations in the Area**

Alberta’s Energy Resources Conservation Board said late Tuesday that it has ordered nearly 700 natural gas wells in the province’s north to shut because gas production from the wells may pose a “significant” risk to bitumen recovery. The order comes as a response to an application by three oilsands companies to request that the Canadian regulator to shut the wells and reflects a gas-over-bitumen debate affecting a number of oilsands bitumen and natural gas producers in Alberta.

<http://thechronicleherald.ca/business/42538-691-gas-wells-ordered-shut-down-due-risk-oilsands-operations>

### **Loose Wire in Temperature Probe Shuts AGI Unit at Enbridge’s Tilden Gas Plant in Texas December 14**

Enbridge reported Wednesday that its acid gas injector (AGI) Unit 1 went down on high first-stage suction temperature when one of the wires came loose in the temperature probe. Operators responded immediately, correcting the problems, resetting the units, and placing them back into service.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=162781>

## High Turbo Water Shuts Unit at Exterran's 50 MMcf/d Reinecke Gas Plant in Texas December 13

Exterran reported that Unit 77081 went down on high turbo water Tuesday. Operators added coolant and mechanics check out the bad wiring.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162776>

## Unit 20, Field Units Go Down at Keystone Gas Plant in Texas December 13

Operators reported Tuesday that hot valves caused Unit 20 to shut, flaring low pressure gas. Field units were also down, 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=162794>

## Other News

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Nothing to report

## Energy Prices

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U.S. Oil and Gas Prices			
December 15, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	94.34	98.88	88.67
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.08	3.45	4.35

Source: Reuters

## Energy Notes

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### Car Crashes into Transmission Pole, Causes Explosions and Cuts Power to 10,000 Georgia Power Customers in Atlanta December 12

<http://www.therepublic.com/view/story/c90e52f0f5264562bf531e267aa7ad56/GA--Power-Outage-Crash/>

### Superior Pipeline Company to Build New 30 MMcf/d Cryogenic Gas Processing Plant in the Mississippi Trend for Operation in Second Quarter of 2012

[http://www.unitcorp.com/news/2011/pdf/UnitDec14\\_11presrel.pdf](http://www.unitcorp.com/news/2011/pdf/UnitDec14_11presrel.pdf)

### Update: Brazilian Federal Prosecutor Requests Chevron Corp. and Transocean Ltd. to Suspend All Operations in Brazil after Oil Spill in Offshore Frade Field Last Month

<http://www.bloomberg.com/news/2011-12-14/chevron-asked-to-suspend-activity-in-brazil.html?cmpid=yahoo>

### Double Tanker Truck Explodes, Erupts into Flames in Los Angeles December 14; Officials Still Investigating Cause

<http://www.dailymail.co.uk/news/article-2074467/Traffic-nightmare-oil-tanker-explodes-LA-freeway.html?ito=feeds-newsxml>

## 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 & 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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