



ENERGY ASSURANCE DAILY

Thursday Evening, December 22, 2011

Electricity

Update: EPA Finalizes Mercury and Air Toxics Standards December 21; New Standards May Force Numerous Coal-Fired Power Plant Retirements

The U.S. Environmental Protection Agency (EPA) has issued the Mercury and Air Toxics Standards (MATS), the first national standards to reduce power plant emissions of mercury and toxic air pollution like arsenic, acid gas, nickel, selenium, and cyanide. An EPA press release yesterday says that the MATS rule will cut emissions by relying on pollution controls that are already in use at more than half of the nation's coal-fired power plants. The release goes on to say that, once final, these standards will ensure the remaining 40 percent of all coal-fired power plants take similar steps to decrease pollutants.

<http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceac8525735900400c27/bd8b3f37edf5716d8525796d005dd086!OpenDocument>

Midwest Generation Completes Installation of Additional Pollution Controls at 6 Coal-Fired Plants in Illinois to Comply with New EPA Rules

Midwest Generation said in a press release today that its six coal-fired power plants in Illinois are well-positioned to comply with two sets of new environmental regulations developed by the U.S. Environmental Protection Agency (EPA)—the Hazardous Air Pollutants rule and the Cross State Air Pollution Rule. Over the past several weeks, it has completed the installation of Selective Non-Catalytic Reduction systems to reduce emissions of nitrogen oxides (NOx). These new controls will enable Midwest Generation to comply with both State of Illinois and EPA limits for Nox, which are scheduled to take effect January 1, 2012.

<http://www.edison.com/pressroom/pr.asp?bu=&year=0&id=7794>

Update: NRC Certifies Westinghouse Electric's AP1000 Nuclear Reactor, Reviews Applications to Build New Reactors in U.S. Southeast

The Nuclear Regulatory Commission (NRC) has voted to approve a rule certifying an amended version of Westinghouse's AP1000 reactor design for use in the United States, according to a media release today. The amended certification, which will be incorporated into the NRC's regulations, will be valid for 15 years. The NRC is reviewing license applications that refer to the AP1000 reactors, including applications from Southern Company, which is planning to expand its Vogtle nuclear plant in Georgia to include two new AP1000 reactors, and Scana Corp., which plans to build two AP1000 reactors at its Virgil C. Summer nuclear plant in South Carolina.

<http://www.bloomberg.com/news/2011-12-15/toshiba-reactor-unites-u-s-nuclear-panel.html?cmpid=yahoo>
<http://www.nrc.gov/reading-rm/doc-collections/news/2011/11-226.pdf>

Update: Exelon's 1,022 MW Clinton Nuclear Unit in Illinois Restarts December 21, Ramps Up to 19 Percent by December 22

The unit has been shut since November 30, when it experienced an automatic reactor scram during a planned refueling shutdown.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>
<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20111130en.html>

Indiana Michigan Power's 1,000 MW D.C. Cook Nuclear Unit 1 in Michigan Reduced to 58 Percent by December 22

On the morning of December 21 the unit was operating at full power.

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

Progress Energy's 872 MW Brunswick Nuclear Unit 1 in North Carolina Reduced to 37 Percent by December 22

On the morning of December 21 the unit was operating at full power.

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

Update: Southern's 870 MW Hatch Nuclear Unit 2 in Georgia Ramps Up to 63 Percent by December 22

On the morning of December 21 the unit was operating at 47 percent.

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

Update: Entergy's 858 MW Arkansas Nuclear Unit 2 in Arkansas Ramped Up to 81 Percent by December 22

On the morning of December 21 the unit was operating at 48 percent.

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

Western Wind Energy Announces Full Energization at 120 MW Windstar Project in California

Western Wind Energy Corp. announced December 20 that its Windstar Project in Tehachapi, California became fully energized throughout the entire system early Tuesday morning. The facility's 53 2 MW Gamesa wind turbine generators will now begin commissioning at the minimum rate of 8–10 MW per day, with all 106 MW expected to be fully online before the end of the year. The remaining 14 MW of turbines have been delivered on site and are expected to be commercially operational in February 2012. Southern California Edison will purchase the facility's 120 MW output.

http://www.westernwindenergy.com/s/News_Releases.asp?ReportID=497938& Type=News-Releases& Title=Full-Energization-at-Windstar

<http://www.westernwindenergy.com/s/Windstar.asp>

Petroleum

Shell Shuts-In Deepwater Nautilus Rig in U.S. Gulf of Mexico after Pipeline Leak December 18, Says Repair Operations Could Take Several Weeks

Royal Dutch Shell PLC said Tuesday that it could take several weeks to resume drilling after a booster line on the Deepwater Nautilus oil rig began to leak Sunday, spilling around 319 barrels of drilling fluid. The company said Monday that it had stopped the leak and temporarily abandoned the well at the Appomattox discovery while it made repairs. A Shell spokesman said drilling would resume only when Shell, the U.S. Bureau of Safety and Environmental Enforcement, and any other relevant governmental agencies are confident operations can resume safely. This is likely to be in a matter of weeks, the spokesman said.

<http://www.marketwatch.com/Story/story/print?guid=6918F4E1-C2B8-455A-B2E9-A804176D9D45>

ConocoPhillips Restarts 6-Inch Products Pipeline in Northern California December 20 after Shutting It Due to Flooding Concerns

ConocoPhillips restarted a 6-inch oil-products pipeline in northern California late yesterday after shutting it December 18 due to concerns that flooding caused by a water main break would damage the line, according to a spokeswoman. The pipeline links ConocoPhillips's 120,000 b/d Rodeo refinery to the company's terminal in Richmond, California, but the event has had no effect on the refinery, according to the spokeswoman.

<http://www.bloomberg.com/news/2011-12-21/conocophillips-starts-northern-california-oil-products-pipeline.html?cmpid=yahoo>

Valero Reports Power Outage at Its 171,000 b/d McKee, Texas Refinery December 22

Valero Energy Corp. on Thursday reported a power outage at its McKee refinery. The company was still investigating the outage and couldn't say whether it had affected production.

DJN, 10:54 December 22, 2011

Alon Reports Diesel Hydrotreater and Gasoil Hydrotreater Unit Snags at Its 67,000 b/d Big Spring, Texas Refinery December 21

Alon USA Energy reported an off-gas compressor was offline for maintenance at its Big Spring refinery Wednesday, according to a filing with the Texas Commission on Environmental Quality. The filing lists a diesel hydrotreater and a gasoil hydrotreater as sources of emissions.

Reuters, 12:17 December 21, 2011

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=163006>

PBF Announces Clean Fuels Project to Build Hydrocracker and Hydrogen Plant at Its 190,000 b/d Delaware City, Delaware Refinery

PBF Holding Company LLC and Delaware City Refining Company LLC (together "PBF") announced yesterday the PBF Clean Fuels Project to build a mild hydrocracker and hydrogen plant at its Delaware City refinery. The construction period will last approximately three years, and, when completed, the facilities will process streams from both the Delaware City refinery and PBF's 170,000 b/d Paulsboro, New Jersey refinery. The mild hydrocracker will reduce the sulfur content by 99 percent in approximately 65,000 b/d of distillate production, resulting in a reduction of over 6,500 tons per year of sulfur dioxide emissions. In addition, the mild hydrocracker will enable the refinery to process a heavier crude slate while producing a greater volume of clean transportation fuels, with an emphasis on increasing distillate production. This project is contingent upon the issuance of federal and state environmental and other permits.

<http://www.pbfenergy.com/site2/sites/default/files/PBF%20News%20Release%20Clean%20Fuels%20Dec%202011.pdf>

Colonial Pipeline Directors Approve 100,000 b/d Expansion of Main Gasoline Pipeline

Colonial Pipeline Company is planning a 100,000 b/d expansion of its main gasoline pipeline, Line 01, which originates in Houston and terminates in Greensboro, North Carolina, connecting U.S. Gulf Coast refineries with markets across Colonial's system and into the U.S. Northeast. The expansion is planned for the first quarter of 2013.

http://www.colpipe.com/press_release/pr_114.asp

Natural Gas

Gas Quality Issue Shuts 403 MMcf/d Southern Natural Gas-Acadian Gas Pipeline Interconnect in Louisiana December 22

El Paso advised in a web posting that a gas quality issue has shut-in the interconnection between its Southern Natural Gas Pipeline and the Acadian Gas Pipeline. El Paso announced that nominations would be taken to zero effective with the evening cycle for December 22 and until further notice.

<http://ixsnp.sonetpremier.com/ebbmastertpage/Notices/NoticesAutoTable.aspx?code=SNG&status=Notice&name=Critical%20Notices&sParam1=007&sParam7=31807&sParam11=D&details=Y>

<http://ixsnp.sonetpremier.com/ebbmastertpage/Other/ReceiptPoints.aspx?code=SNG&status=Other>

<http://www.enterpriseproducts.com/operations/onshoreNatGasPipes.shtml>

Selma Compressor Station Experiences Engine Outage on El Paso's 488 MMcf/d Southern Natural Gas Pipeline South Main Line in Alabama December 19

El Paso reported in a web posting that its Southern Natural Gas pipeline experienced an unscheduled engine outage December 19 at the Selma Compressor Station located in South Central Alabama on the South Main Line. On December 21, El Paso reported that a repair plan had been developed and that replacement parts are being acquired. El Paso expects that the unit will return to service no sooner than January 6, 2012.

<http://ixsnp.sonetpremier.com/ebbmastertpage/Notices/NoticesAutoTable.aspx?code=SNG&name=Critical%20Notices&status=Notice&sParam2=C&sParam11=S>

<http://ixsnp.sonetpremier.com/ebbmastertpage/Capacity/OperAvailAutoTable.aspx?code=SNG&status=Cap&name=Operationally Available Capacity&sParam1=007&sParam2=12/22/2011&sParam8=54&sParam11=D&details=Y>

Atlas Pipeline Reports Compressor Shutdown at Boyd Compressor Station in Texas December 21

Atlas Pipeline reported yesterday that its Compressor Unit C-13 went down showing overload alarm, according to a filing with the Texas Commission on Environmental Quality. Operators had to replace the No. 6 right bank piston and liner, which were scored, and the right bank turbo, which was vibrating more than allowable.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=163039>

Excelerate Energy to Develop Offshore LNG Import Terminal in Puerto Rico

Excelerate Energy has executed an agreement with the Puerto Rico Electric Power Authority to undertake the development and permitting of a 150,900 cubic meter floating offshore liquefied natural gas (LNG) storage and regasification facility off the southern coast of Puerto Rico. The facility, named Aguirre GasPort, will provide fuel to the Central Aguirre Power Plant. The facility will require authorization from the U.S. Federal Energy Regulatory Commission and be subject to a full public environmental review and analysis. It is expected to be in-service in 2014. The facility is part of a greater initiative to build infrastructure that uses natural gas instead of imported oil to generate power, in an effort to cut the high cost of energy on the Caribbean island.

<http://www.excelerateenergy.com/news/excelerate-energy-advances-its-seventh-offshore-lng-import-facility-puerto-rico>

Other News

Abengoa to Temporarily Shut Two 30 MMGal/Yr. Ethanol Plants in New Mexico and Kansas, Citing Market Conditions

Abengoa Bioenergy Corp. announced it will shut its two smallest ethanol plants sometime in early January and take advantage of the downtime to do extensive maintenance. The plants in Portales, New Mexico and Colwich, Kansas both produce approximately 30 MMGal/Yr. of ethanol from grain sorghum. A company executive cited depressed market conditions, exacerbated by a drought that has caused high grain prices, as the reason for the closures. The executive said the plants will shut down sometime during the first week in January and will remain indefinitely shut until market conditions improve.

<http://biofuelsdigest.com/bdigest/2011/12/21/abengoa-idles-ethanol-plants-in-kansas-new-mexico/>

<http://www.pntonline.com/news/portales-27720-abengoa-temporarily.html>

Energy Prices

U.S. Oil and Gas Prices			
December 22, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	99.84	94.34	89.63
NATURAL GAS Henry Hub \$/Million Btu	3.05	3.08	4.17

Source: Reuters

Energy Notes

Vehicle Strikes Power Pole, Cuts Power to Nearly 12,000 Sacramento Municipal Utility District Customers in California December 21

<http://www.sacbee.com/2011/12/21/4138901/power-out-in-south-sacramento.html>

Entergy Reports Radioactive Tritium Leak in Connecticut River near Its Vermont Yankee Nuclear Plant in Vermont, Says Leak Poses No Threat to Public Health

http://www.entergy.com/News_Room/newsrelease.aspx?NR_ID=2334

Update: Juhl Wind Announces Commercial Operation of 10 MW Valley View Wind Farm near Chandler, Minnesota, Provides Electricity to Xcel Energy

<http://markets.financialcontent.com/ir/?Module=MediaViewer&GUID=20248020&Ticker=JUHL>

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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