



ENERGY ASSURANCE DAILY

Monday Evening, October 22, 2012

Electricity

Dominion to Close, Decommission Its 566 MW Kewaunee Nuclear Power Station in Wisconsin in Second Quarter of 2013 Due to Poor Economics

Dominion on Monday said it plans to close and decommission its Kewaunee Power Station in Carlton, Wisconsin, after the company was unable to find a buyer for the nuclear facility. Pending a grid reliability review by the Midwest Independent Transmission System Operator (MISO), the station is expected to cease power production in the second quarter of 2013 and move to safe shutdown. Dominion announced in April 2011 that it would seek to sell Kewaunee due to poor economics. The company was unable to find a buyer for the facility.

<http://dom.mediaroom.com/2012-10-22-Dominion-To-Close-Decommission-Kewaunee-Power-Station>

PG&E Reports No Damage to 2,240 MW Diablo Canyon Nuclear Power Plant in California after Earthquake October 20

Pacific Gas & Electric Corp. (PG&E) said its Diablo Canyon nuclear plant near Los Angeles is operating normally after an earthquake prompted the company to declare an "Unusual Event" just after midnight on Sunday. PG&E reported an earthquake was felt onsite at approximately 12:09 a.m. PDT Sunday, according to a filing with the U.S. Nuclear Regulatory Commission. The U.S. Geological Survey confirmed a magnitude 5.3 earthquake struck late Saturday outside King City, California, about 90 miles north of Diablo Canyon. Operators terminated the Unusual Event later that morning after a plant walkdown indicated no damage to either unit. Both units remained at full power during the incident.

<http://www.bloomberg.com/news/2012-10-21/pg-e-says-no-damage-to-diablo-canyon-plant-after-quake.html?cmpid=yhoo>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20121022en.html>

Update: PPL Shuts 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania October 20 for Turbine Inspection

Operators at PPL's Susquehanna nuclear power plant shut down the Unit 1 reactor Saturday to begin an inspection of turbine blades. The previously announced inspection is intended to help confirm diagnostic data related to turbine blade cracks first identified in 2011. Pending the outcome of the Unit 1 turbine inspection, PPL Susquehanna will determine whether a similar inspection of the Unit 2 turbine is warranted. PPL Susquehanna is preparing to implement turbine modifications that will provide a long-term solution to the turbine blade cracking issue starting with the scheduled refueling and maintenance outage for Unit 2 in the spring of 2013.

<http://pplweb.mediaroom.com/index.php?s=12270&item=134645>

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

PSEG Reduces Power at Its Hope Creek and Salem Nuclear Power Plants in New Jersey by October 22 to Accommodate Transmission Line Outage

Public Service Enterprise Group, Inc. (PSEG) said it reduced power at its 1,049 MW Hope Creek nuclear Unit 1 to 77 percent power and its 1,096 MW Salem nuclear Unit 1 to 85 percent power by early Monday to accommodate a scheduled transmission line outage in the area. Both units will return to full power when the transmission line is returned to service (unknown at this time), a PSEG spokesman said.

Reuters, 11:23 October 22, 2012

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

TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Shut by October 20

On the morning of October 19 the unit was operating at full power.

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

Update: Dominion's 917 MW North Anna Nuclear Unit 2 in Virginia Restarts by October 20, Ramps Up to Full Power by October 22 after Replacing Coolant Pump Seal

Dominion Resources Inc.'s North Anna nuclear Unit 2 is returning from an outage that began October 8, when operators shut the reactor to replace a seal on one of the unit's three reactor coolant pumps.

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

Constellation's 480 MW Ginna Nuclear Unit in New York Shut by October 22

On the morning of October 21 the unit was operating at 99 percent.

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

Air Fan Snag Shuts TMPA's 453 MW Gibbons Creek Coal-Fired Unit 1 October 19

The Texas Municipal Power Authority (TMPA) reported its Gibbons Creek Unit 1 tripped Friday morning on the loss of a primary air (PA) fan, according to a filing with the Texas Commission on Environmental Quality. The PA fan was lost because of excessive vibration; the reason for the vibration was unknown at the time of the filing.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=175033>

Dynegy's 510 MW Moss Landing Power Natural Gas-Fired Unit 1 in California Returns to Service by October 20; 510 MW Moss Landing Natural Gas-Fired Unit 2 Reduced by October 20

Dynegy's Moss Landing Unit 1 returned from a curtailment of 260 MW that began by October 18 and was due to planned and unplanned causes. Moss Landing Unit 2 entered an unplanned curtailment of 260 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201210201515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201210181515.html>

Update: Inland Empire Energy Center's 366 MW Inland Empire Natural Gas-Fired Unit 2 in California Returns to Service by October 21

The unit returned from an unplanned outage that began by October 19. Prior to the outage, the unit had been curtailed by 196 MW since October 13 due to unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201210191515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201210201515.html>

AES's 225 MW Huntington Beach Natural Gas-Fired Unit 3 in California Returns to Service by October 19

The unit returned from an unplanned outage that began by October 17.

<http://content.caiso.com/unitstatus/data/unitstatus201210191515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201210171515.html>

Hatchet Ridge Wind LLC's 102 MW Hatchet Ridge Wind Unit in California Returns to Service by October 21

The unit returned from an outage that began by October 15 and was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201210211515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201210151515.html>

Update: Texas Regulators Issue Conditional Approval of Entergy's Request to Join MISO

The Public Utility Commission of Texas on Friday offered conditional approval of Entergy Corp.'s request to join the Midwest Independent Transmission System Operator (MISO). If approved by regulators in Louisiana, Arkansas, Mississippi, Texas, and New Orleans, as well as by the U.S. Federal Energy Regulatory Commission (FERC), MISO will take function control of Entergy's electric transmission facilities beginning in late 2013. In Texas, the Public Utility Commission is concerned that the savings expected under MISO might not reach Entergy Texas customers while the utility remains subject to a long-term "Entergy System Agreement" to share generation resources with other Entergy utilities. The commission is therefore requiring Entergy to commit to removing Entergy Texas from the system agreement. The commission is also requiring a final resolution between MISO and FERC on the allocation of transmission revenue rights.

<http://www.reuters.com/article/2012/10/19/utilities-entergy-miso-idUSL1E8LJBZN20121019?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

U.S. Wind Industry Surpasses 50,000 MW of Total Installed Capacity for the First Time; Additional Wind-Power Installations Up 40 Percent from 2011 – AWEA Report

The American Wind Energy Association (AWEA) on October 18 reported that the federal Production Tax Credit (PTC) and wind energy's increased affordability were helping drive turbine installations to record levels in America. The U.S. wind industry in August for the first time surpassed 50,000 MW of total installed electrical generation capacity, according to the AWEA's *Third Quarter Market Report*. New installations totaling 1,833 MW occurred in the third quarter this year, bringing U.S. wind capacity to 51,628 MW as of October 1. America has added 4,728 MW of wind power so far this year, up 40 percent from the same point in 2011, with another 8,430 MW currently under construction. The PTC is set to expire at year-end, but a proposal to extend the credit in August won bipartisan support from the U.S. Senate and awaits action by the full Congress, expected after the November elections.

<http://www.reuters.com/article/2012/10/19/utilities-windpower-usa-idUSL1E8LJ54P20121019?feedType=RSS&feedName=marketsNews&rpc=43>
<http://www.awea.org/newsroom/pressreleases/3q2012release.cfm>

Petroleum

Update: TransCanada to Restart 590,000 b/d Keystone Crude Oil Pipeline October 22 after Repairs

TransCanada Corp. planned to restart the Keystone pipeline Monday after a 2-day delay, according to a spokesman. The company shut the pipeline October 17 after detecting a "small anomaly" on a section of the pipeline in Missouri during planned maintenance. Operators originally estimated repairs would take 3 days to complete, and the pipeline would restart by October 20. The company on Sunday said it was still working with regulators to confirm restart plans. The 2,154-mile pipeline extends from Hardisty, Alberta to U.S. markets at Wood River and Patoka in Illinois, and from Steele City, Nebraska to Cushing, Oklahoma.

<http://www.iii.co.uk/news-opinion/reuters/news/58078>
<http://www.businessweek.com/news/2012-10-22/oil-fluctuates-as-transcanada-plans-to-restart-keystone-pipeline>

ExxonMobil Shuts 12-Inch Crude Oil Pipeline October 19 after Spotting Oil Sheen in Louisiana; Planned to Restart Pipeline after Repairs on the Same Day

ExxonMobil Pipeline Company on Friday said it had shut down a 12-inch crude oil pipeline after spotting a "very light sheen, limited to the immediate area" in the water near Barataria Bay, Louisiana. ExxonMobil said it planned to resume its operations later on Friday after unspecified repairs. The pipeline carries Heavy Louisiana Sweet crude from Empire to Raceland, Louisiana.

<http://finance.yahoo.com/news/exxon-fixing-crude-line-oil-211910796.html>

Update: Valero Says CDU at Its 120,000 b/d Meraux, Louisiana Refinery at Planned Rates by October 22; Unit Restarted October 8 Following Repairs after July 22 Fire

Valero Energy Corp. on Monday said the crude distillation unit (CDU) at its Meraux refinery was running at planned rates after restarting October 8. Prior to the restart, the CDU had been shut since a July 22 fire. The company shut the entire refinery after the fire, before restarting some process units at reduced rates August 6. Operators again shut the refinery by August 28 ahead of Hurricane Isaac's landfall, and restarted at reduced rates all main production units except the CDU by September 13. All process units were expected to advance to full rates with the crude unit.

Reuters, 10:59 October 22, 2012

ExxonMobil Shuts Unit at Its 238,600 b/d Joliet, Illinois Refinery Due to Over-pressuring, Hydrocarbons Release October 19

ExxonMobil reported it shut a unit at its Joliet refinery Friday morning after a pressure buildup caused the release of hydrocarbons and hydrogen sulfide from a pressure safety valve into the air, according to filings with the U.S. National Response Center. A spokeswoman said a buildup of pressure on an unspecified unit at the refinery led to an airborne release of crude oil and other substances. Operators capped the release within a half hour, and production was not impacted by the incident, she said. A local media report on Friday said a hydrocarbon-based product was briefly discharged from the refinery's coker unit.

Reuters, 22:57 October 21, 2012

<http://abclocal.go.com/wls/story?section=news/local&id=8853158>
http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1027785
http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1027848

Flare Gas Compressor Shutdown Causes Emissions at Citgo's 167,000 b/d Lemont, Illinois Refinery October 22

Citgo Petroleum Corp. reported sulfur dioxide emissions following a flare gas compressor shutdown at its Lemont refinery on Sunday, according to a filing with the U.S. National Response Center. The refinery was "trying to restart the compressor," the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1027963

Sunoco Restarts Cumene Unit, Stripper at Its 335,000 b/d Philadelphia, Pennsylvania Refinery October 15

Sunoco Inc. reported the start-up of a cumene unit and a stripper at the Girard Point section of its Philadelphia refinery on October 15, according to a filing with pollution regulators.

Reuters, 17:13 October 19, 2012

Valero Restarts Hydrocracker, Reformer at Its 171,000 b/d McKee, Texas Refinery October 22

Valero Energy Corp. reported emissions at its McKee refinery Monday morning were due to planned startup activities for a hydrocracker and the No. 1 reformer, according to a filing with the Texas Commission on Environmental Quality. Emissions related to startup procedures were expected to continue until October 24.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174693>

Valero Looking to Sell Its Two California Refineries ahead of Air-Pollution Regulations – Sources

Valero Energy Corp. is looking to sell its two California refineries, in an effort to exit the state ahead of a ratcheting up of air-pollution regulations, according to people familiar with the matter. Valero operates the 135,000 b/d Wilmington refinery and the 144,000 b/d Benicia in California. In 2006 California passed legislation requiring reductions in air emissions to 1990 levels by the end of this decade. Valero and other refiners have said it will cost them hundreds of millions of dollars to meet these goals. Valero and Tesoro Corp. unsuccessfully attempted to overturn the legislation in a November 2010 ballot initiative, citing the potential adverse effects to the state's economy.

http://www.downstreamtoday.com/news/article.aspx?a_id=37523

Natural Gas

Update: DOE Authorizes Golden Pass Products to Export LNG to Free Trade Nations from Its Golden Pass LNG Terminal in Texas

Golden Pass Products, LLC, a joint venture of ExxonMobil Corp. and Qatar Petroleum, on October 2 reported it received authorization from the U.S. Department of Energy (DOE) to export domestically produced liquefied natural gas (LNG) from the Golden Pass LNG terminal in Sabine Pass, Texas to nations that have existing Free Trade Agreements (FTA) with the United States. The proposed project involves construction of natural gas liquefaction and export capabilities at the existing Golden Pass LNG terminal. The project would have the capacity to export approximately 15.6 million tons per year. The expanded facility would then have the capability and flexibility to both import and export natural gas. Golden Pass also plans to submit an application to export LNG to non-FTA nations. A final investment decision will be made following government and regulatory approvals and will be based on a range of factors.

<http://goldenpassproducts.com/>

DOE Authorizes Irving Oil to Export Natural Gas to Canada

The U.S. Department of Energy (DOE) has approved Irving Oil Terminals, a subsidiary of Irving Oil Ltd., to ship 58 Bcf of natural gas from the United States to any entry point in Canada over a period of 2 years.

<http://www.cbc.ca/news/canada/new-brunswick/story/2012/10/22/nb-irving-oil-natural-gas-757.html>

Regency Reports AGI Compressor Shutdown at Its 290 MMcf/d Waha Gas Plant in Texas October 19

Regency Energy Partners reported an acid gas injector (AGI) compressor at its Waha plant shut down Friday morning after irregular inlet volumes and fluctuations in the amine unit led to low suction pressure, which caused problems with a discharge valve, 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=175035>

Enterprise Reports Flaring after Restarting a Compressor at Its Mont Belvieu Natural Gas Liquids Complex in Texas October 18

Enterprise Product Partners reported a valve leaked to flare at its Mont Belvieu plant Thursday afternoon after operators restarted a compressor that had been shut for maintenance, according to a filing with the Texas Commission on Environmental Quality. Emissions related to the incident continued until Friday morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=175028>

Other News

Thieves Steal Copper Grounding Cable from Two Green Mountain Power Substations in Vermont in Early October; Thefts Cause Outages in Several Nearby Neighborhoods

<http://www.wptz.com/news/vermont-new-york/upper-valley-wvne/Copper-cable-stolen-from-Green-Mountain-Power/-/9277648/17075342/-/5dkvab/-/index.html?absolute=true>

International News

Kurdistan Regional Government Begins Selling Oil into International Markets in Independent Export Deals, Defying Iraqi Central Government

<http://www.reuters.com/article/2012/10/22/us-iraq-kurdistan-traders-idUSBRE89L0TK20121022>

Energy Prices

U.S. Oil and Gas Prices			
October 22, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	89.54	90.76	87.88
\$/Barrel			
NATURAL GAS			
Henry Hub	3.43	3.38	3.61
\$/Million Btu			

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 PM Eastern Time. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

Please direct comments and questions to: ead@oe.netl.doe.gov