



# ENERGY ASSURANCE DAILY

Tuesday Evening, August 23, 2011

## Major Developments

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### Update: 410,500 PREPA Customers Remain without Power in Puerto Rico After Irene

Local Spanish-language sources reported that 410,500 Puerto Rico Electric Power Authority's (PREPA) were without power late August 22 in the wake of Hurricane Irene. PREPA, which serves 1.5 million customers on the island, expects to restore power to most customers by August 26. The Virgin Islands Water and Power Authority (V.I. WAPA) in the U.S. Virgin Islands also reported that it is restoring power on St. Croix and St. Thomas. Irene is expected to head towards the Bahamas tomorrow and is expected to intensify from a category two to a category three hurricane by August 25. The National Hurricane Center is predicting that Irene could hit Florida or the Carolinas on August 26, at which point it could be rated category 4.

<http://www.elnuevodia.com/el26porciento-delos-abonados-sin-luz-1047283.html>

<http://www.primerahora.com/aoscuras-y-sin-agua-miles-de-boricuas-541146.html>

[http://www.prensa-latina.cu/index.php?option=com\\_content&task=view&id=317035&Itemid=1](http://www.prensa-latina.cu/index.php?option=com_content&task=view&id=317035&Itemid=1)

<http://www.primerahora.com/para-el-viernes-el-servicio-electrico-completo-541265.html>

<http://www.viwapa.vi/news/pressreleases/11-08->

[22/WAPA\\_ALERT\\_RESTORATION\\_CONTINUES\\_AFTER\\_TROPICAL\\_STORM\\_IRENE.aspx](http://www.viwapa.vi/news/pressreleases/11-08-22/WAPA_ALERT_RESTORATION_CONTINUES_AFTER_TROPICAL_STORM_IRENE.aspx)

[http://nymag.com/daily/intel/2011/08/category\\_two\\_hurricane\\_irene\\_c.html](http://nymag.com/daily/intel/2011/08/category_two_hurricane_irene_c.html)

## Electricity

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### Virginia Earthquake Shuts Dominion's 1,842 MW North Anna Nuclear Plant, Causes 'Unusual Event' Notices at 12 Other East Coast Nuke Plants August 23

At least 13 nuclear plants on the East Coast were affected by the 5.8-magnitude earthquake centered in Louisa County, Virginia. Both reactors tripped offline after losing offsite power at Dominion's North Anna nuclear plant, which is also located in Louisa County. The facility is currently operating safely on four emergency diesel generators. Dominion reported an "Alert" to the Nuclear Regulatory Commission (NRC) as a result of losing offsite power. The NRC said in a press release that it is monitoring the North Anna alert, which is the second-lowest of the NRC's four emergency classifications. According to the NRC, twelve other nuclear power plants in six states declared "unusual event" notices due to the earthquake though all continued to operate. PPL, which operates the Susquehanna nuclear plant in Pennsylvania, said that it is delaying Unit 2's return to full power "as a precautionary measure," though Unit 1 is operating normally. Unit 2 was previously shut down for maintenance. The following nuclear plants have declared "unusual events":

- Dominion's Surry plant in Virginia.
- Constellation's Calvert Cliffs plant in Maryland.
- PSE&G's Hope Creek plant in New Jersey.
- PSE&G's Salem plant in New Jersey.
- Exelon's Oyster Creek plant in New Jersey.
- Exelon's Three Mile Island plant in Pennsylvania.
- Exelon's Peach Bottom plant in Pennsylvania.
- Exelon's Limerick plant in Pennsylvania.
- PPL's Susquehanna plant in Pennsylvania.
- Progress Energy's Shearon Harris plant in North Carolina.
- Indiana-Michigan Power's D.C. Cook plant in Michigan.
- Entergy's Palisades plant in Michigan.

No major power outages were reported due to the earthquake.

<http://www.nrc.gov/reading-rm/doc-collections/news/2011/11-153.pdf>

<http://www.foxbusiness.com/industries/2011/08/23/ten-nuclear-plants-declare-unusual-event-after-earthquake/>

<http://news.blogs.cnn.com/2011/08/23/quake-hits-near-washington-d-c/>  
<http://www.reuters.com/article/2011/08/23/us-quake-usa-nuclear-dominion-idUSTRE77M6RH20110823>  
<http://www.nbcwashington.com/news/local/DC-Nuclear-Plant-Near-Epicenter-Shuts-Down-128261808.html>  
<http://www.businessweek.com/news/2011-08-23/dominion-s-north-anna-nuclear-plant-loses-power-after-quake.html>  
<http://stage2.mediaroom.com/pplweb/index.php?s=12270&item=53311>

### **Update: Additional Storms Batter KCP&L Service Territory in Missouri and Kansas August 19; Company Restores Service to All 238,000 Affected Customers by August 23**

Kansas City Power & Light (KCP&L) reported that approximately 238,000 customers in total were affected by the multiple storms that hit the area on the nights of August 18 and August 19. According to the company, the storms represented the second largest storm event in the company's history.

[http://www.kcpl.com/storm/storm\\_update.html](http://www.kcpl.com/storm/storm_update.html)  
<http://www.kmbc.com/r/28942514/detail.html>

### **FPL's 839 MW Unit 1 Shut and 839 MW Unit 2 Reduced to 70 Percent at Saint Lucie Nuclear Plant in Florida by August 23**

According to a filing with the Nuclear Regulatory Commission (NRC), Unit 1 was manually tripped due to rising condenser backpressure caused by an influx of jellyfish into the intake structure. Unit 2 was also reduced to 70 percent power due to the jellyfish. The NRC reported that on the morning of August 22 both units were operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110823en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

### **Exelon's 1,111 MW La Salle Nuclear Unit 2 in Illinois at Full Power by August 23**

The Nuclear Regulatory Commission reported that on the morning of August 22 the unit was operating at 85 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **AES's 495 MW Alamosa Gas-fired Unit 6 in California Returns to Service by August 22**

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 245 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201108221515.html>

### **Dynegy's 335 MW El Segundo Gas-fired Unit 4 in California Returns to Service by August 22**

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 160 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201108221515.html>

### **Units 4 and 5 Return to Service at Terra-Gen's Alta Wind Energy Center in California by August 22**

According to the California Independent System Operator, the 102 MW Unit 4 and 168 MW Unit 5 reported a return from an unplanned outage by August 22.

<http://content.caiso.com/unitstatus/data/unitstatus201108221515.html>

### **Update: Operators Retract May 26 NRC Notification Regarding Potential Flooding Issue at OPPD's 478 MW Fort Calhoun Nuclear Plant in Nebraska August 22**

On May 26, operators of the plant filed a report with the Nuclear Regulatory Commission (NRC) reporting that holes in the floor where the screen wash header penetrates the ceiling of the Raw Water Vault "could have impacted the ability of the station's raw pumps to perform their design accident mitigation functions." On August 22, operators retracted the notification, indicating that the Raw Water pumps were adequately protected during flooding conditions.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110823en.html>

## **Update: Canadian Government to Provide Loan Guarantee for Nalcor and Emera's Lower Churchill Energy Projects in Newfoundland and Labrador**

The companies' phase 1 plan for the Lower Churchill project includes the 824 MW Muskrat Falls hydroelectric plant and undersea transmission lines connecting Labrador, Newfoundland, and Nova Scotia. Nalcor has previously said that it plans two generating facilities at Muskrat Falls and Gull Island, for a total capacity of over 3,000 MW.

<http://www.hydroworld.com/index/display/article-display/6637090150/articles/hrhrw/hydroindustrynews/newdevelopment/2011/08/canada-government.html>

## ***Petroleum***

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### **PBF Reports Power Loss at 182,000 b/d Delaware City, Delaware Refinery**

The loss of power was possibly caused by a lightning strike.

Reuters, 08:22 August 23, 2011

### **BP Evacuates Portions of 405,000 b/d Whiting, Indiana Refinery Due to Chemical Release August 23**

According to reports, there were no injuries, nor is there a threat to the community, due to the release of hydrogen sulfide at the refinery.

Reuters, 10:25 August 23, 2011

### **Update: 114,000 b/d FCC Unit Back in Service at ExxonMobil's 560,640 b/d Baytown, Texas Refinery Following 60 Hour Outage**

The fluid catalytic cracker (FCC) tripped offline due to a breakdown on August 17.

DJN, 11:58 August 23, 2011

### **Total Restarts Compressor at 232,000 b/d Port Arthur, Texas Refinery August 22**

According to a company filing, the compressor shut on August 20.

Reuters, 17:30 August 22, 2011

### **BP's 225,000 b/d Cherry Point Refinery in Ferndale, Washington Returns to Normal Operations August 23**

The No. 1 diesel unit malfunctioned on August 21, though it caused no significant impact on production.

Reuters, 00:17 August 23, 2011

Reuters, 12:33 August 23, 2011

### **Update: PHMSA Permits ExxonMobil to Restart 20-Mile Segment of 12-Inch Silvertip Oil Pipeline in Montana August 22 Following July Leak**

The U.S. Pipeline and Hazardous Material Safety Administration (PHMSA) decided to allow the company to restart a segment of the pipeline from Laurel to Billings in Montana. The segment of the pipeline which leaked is still being repaired and will not yet restart.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=27660](http://www.downstreamtoday.com/news/article.aspx?a_id=27660)

### **Update: Canadian Natural Resources Resumes Synthetic Crude Production at 110,000 b/d Horizon Oil Sands Project in Alberta August 16**

Production of synthetic crude has averaged about 75,000 b/d in recent days. The company plans to restore operations to full capacity in the coming week. Production was shut due to a fire in the coker unit at the site on January 6.

[http://www.rigzone.com/news/article.asp?a\\_id=110419](http://www.rigzone.com/news/article.asp?a_id=110419)

## **Shell Declares Force Majeure on Bonny Light Crude Exports Due to Oil Pipeline Sabotage in Nigeria**

Royal Dutch Shell said that it has shut the Adibawa pipeline in Bayelsa state after unknown saboteurs allegedly cut the line with hacksaws, causing spills on August 21. The company declared force majeure due to the incident August 23, saying that production is shut-in. Shell also recorded six spills of crude during August 2-15 along a 21-mile stretch of the Okordia-Rumuekpe link, which were fixed on August 20. Two flow stations were shut so the company could make these repairs and a fire that broke out at one of the spill sites was extinguished on August 18.

Reuters, 10:58 August 23, 2011

<http://www.bloomberg.com/news/2011-08-22/shell-shuts-nigeria-adibawa-pipeline-after-oil-spill-caused-by-sabotage.html>

[http://www.google.com/hostednews/afp/article/ALeqM5iu1FMHAG5TyBq5\\_huySUGJSLycGw?docId=CNG.15841938fe1107f1909efb0cac8def73.e1](http://www.google.com/hostednews/afp/article/ALeqM5iu1FMHAG5TyBq5_huySUGJSLycGw?docId=CNG.15841938fe1107f1909efb0cac8def73.e1)

## **Obama Signs Executive Order Banning Petroleum Imports of Syrian Origin August 18**

President Obama signed an Executive Order banning the importation into the U.S. of petroleum or petroleum products of Syrian origin. The order also prohibits U.S. persons from engaging in any transactions or dealings in or related to Syrian-origin petroleum or petroleum products.

<http://www.treasury.gov/press-center/press-releases/Pages/tg1280.aspx>

## **Natural Gas**

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### **States, Not Federal Government, Should Regulate Natural Gas Operations: API**

The American Petroleum Institute (API) told a U.S. Department of Energy (DOE) subcommittee on hydraulic fracturing ("fracking") that API supports a strong state regulatory framework for natural gas, and that DOE should allow states to lead its regulation. API also criticized the panel's proposal to regulate emissions from fracking operations.

[http://www.rigzone.com/news/article.asp?a\\_id=110377](http://www.rigzone.com/news/article.asp?a_id=110377)

### **Southern Union Plans to Construct 200 MMcf/d Natural Gas Processing Plant in Red Bluff, Texas**

The company's board of directors voted August 23 to approve construction of the Red Bluff Project, which includes the gas processing plant as well as associated gathering, compression, and treating facilities. The new facilities will enable SUGS to accommodate natural gas production from existing and future producer commitments in the rapidly expanding Avalon, Bone Spring and Wolfcamp plays of West Texas and Southeast New Mexico. The company will also build about 60 miles of pipeline to deliver 20,000 b/d of natural gas liquids (NGLs) into Lone Star NGL's proposed Permian-to-Mt. Belview pipeline expansion. The Red Bluff project is due to come into service in mid-2013.

[http://www.marketwatch.com/story/southern-union-announces-permian-basin-midstream-expansion-2011-08-23?reflink=MW\\_news\\_stmp](http://www.marketwatch.com/story/southern-union-announces-permian-basin-midstream-expansion-2011-08-23?reflink=MW_news_stmp)

## **Other News**

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### **Albany Renewable Energy LLC Cancels Plans for \$350 Million Ethanol Plant at the Port of Albany, New York**

The company cited the likelihood that Congress will eliminate ethanol tax credits as an impediment to obtaining financing.

<http://www.timesunion.com/business/article/Fuel-plant-cancels-lease-2136611.php>

## Energy Prices

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<b>U.S. Oil and Gas Prices</b> August 23, 2011			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	85.71	87.30	73.04
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.97	4.05	4.19

Source: Reuters

## Energy Notes

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### **Manhole Explodes and Office Building Loses Power after Underground NSTAR Cables Catch Fire in Downtown Boston, Massachusetts August 19**

<http://www1.whdh.com/news/articles/local/boston/12005146112953/manhole-explosion-on-congress-street-building-evacuated/>

### **Area Briefly Evacuated after “Couple-Thousand Gallon Tanks” Explode at BP Gas Station during Tanker Truck Fuel Delivery in St. Augustine, Florida August 19**

[http://www.news4jax.com/news/28919477/detail.html?hpt=us\\_bn5](http://www.news4jax.com/news/28919477/detail.html?hpt=us_bn5)

### **Gasoline Tanker Carrying 4,100 Gallons of Gasoline Flips Over in West Bountiful, Utah August 22, Spilling at Least 2,050 Gallons**

<http://www.sltrib.com/sltrib/news/52429688-78/gasoline-west-gallons-rampton.html.csp>

### **BLM Director Says Approval of Proposed ConocoPhillips Oil Pipeline to Alpine, Alaska Would Boost Interest in National Petroleum Reserve Leases – Company Was Denied a Permit for the Pipeline in 2010**

<http://www.bloomberg.com/news/2011-08-19/conoco-alaska-pipeline-to-spur-demand-for-oil-leases-u-s-says.html>

### **China Becomes Net Diesel Exporter in July 2011 as Demand Drops for Generator Fuel**

<http://www.bloomberg.com/news/2011-08-22/china-turns-into-net-exporter-of-diesel-as-power-shortage-eases.html>

### **Inlet Gas Line to Bones Springs Compressor Station in Texas Punctured during Excavation Activities August 22 – Operators Isolate Leak and Repair Pipeline**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158288>

### **Operators Shut Off Feed at Marshall Gas Plant in Texas August 22 Due to Lost ID Fan August 22**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158291>

## 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 EDT every Wednesday.

***Natural Gas Weekly Update*** from EIA

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

Updated after 2:00 PM EDT every Thursday.

### **ENERGY ASSURANCE DAILY**

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

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)