



# ENERGY ASSURANCE DAILY

Wednesday Evening, January 05, 2011

## ***Electricity***

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### **Calpine's 525 MW Sutter Gas-Fired Unit in California Reduced by January 4**

According to the California Independent System Operator, the unit reported an unplanned curtailment of 265 MW by January 4.

<http://www.caiso.com/unitstatus/data/unitstatus201101041515.html>

### **SCE's 200 MW Eastwood Hydro Unit in California Shut by January 4**

According to the California Independent System Operator, the unit reported an unplanned outage by January 4.

<http://www.caiso.com/unitstatus/data/unitstatus201101041515.html>

### **Update: Reliant's 215 MW Mandalay Gas-Fired Unit 2 in California Ramps up by January 4**

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 110 MW. The unit was reduced by January 3, according to a previous report.

<http://www.caiso.com/unitstatus/data/unitstatus201101041515.html>

<http://www.caiso.com/unitstatus/data/unitstatus201101031515.html>

### **After Brief Shutdown, Xcel to Restart 347 MW Harrington Coal-Fired Unit 1 in Texas January 5-7**

Xcel planned to restart the unit on January 5-7, it said in a filing with state regulators. The company had expected to shut the unit on January 4-7 "to fix leaks, perform precipitator checks, and other minor maintenance items," according to a previous filing.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=149059>

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=149025>

### **Massachusetts Seeks Industry Input on Plans to Install 4,000 MW of Wind Power Capacity Offshore State**

The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), in partnership with the Commonwealth of Massachusetts, issued a Request for Interest (RFI), it said last week, to gauge interest in future wind energy development offshore Massachusetts. In tandem with BOEMRE, the Commonwealth issued a supplement to the RFI – Goals for Offshore Renewable Energy and Request for Additional Information – in which it expressed interest in the development of up to 4,000 MW of wind-based capacity offshore Massachusetts, provided the resources could be developed cost-effectively.

[http://www.mass.gov/?pageID=eoeapressrelease&L=1&L0=Home&sid=Eoeea&b=pressrelease&f=101228\\_pr\\_offshore\\_wind&csid=Eoeea](http://www.mass.gov/?pageID=eoeapressrelease&L=1&L0=Home&sid=Eoeea&b=pressrelease&f=101228_pr_offshore_wind&csid=Eoeea)

<http://www.boemre.gov/ooc/press/2010/press1228.htm>

## **For Second Straight Year, Companies Fail to Break Ground on Any New Coal-Fired Power Plants in United States: Washington Post**

The United States did not break ground on one new coal-fired power plant in 2009 or 2010, the Washington Post said, and companies, according to the Sierra Club, abandoned proposals in 2010 alone to construct 38 coal-fired facilities and announced plans to retire 48 existing, but older plants. The shift marked a stark contrast to the 2000-2008 years when companies began constructing 20 coal-fired power units, according to Edison Electric Institute. At least one industry source, however – a spokesman for National Mining Association – cautioned that the trend did not mark the end of new coal-fired electricity. He said multiple companies had broken ground on new coal-fired facilities before 2009, and that those projects continued through 2009 and 2010. He also said that rising electricity demand would require companies to construct another 30 to 40 power plants by 2035. What's more, companies did break ground on some coal-based power plants in 2009 and/or 2010; Mississippi Power, for instance, began construction in December 2010 on a proposed coal gasification power plant in Mississippi. That plant would not, in a technical sense, be coal-fired, because it would convert coal to natural gas and then burn the natural gas to produce electricity.

<http://www.washingtonpost.com/wp-dyn/content/article/2011/01/01/AR2011010102146.html>

<http://www.pennenergy.com/index/power/display/6233813521/articles/powergenworldwide/coal-generation/coal-generation-equipment/2010/12/Kemper-coal-construction.html>

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## **Petroleum**

### **Crane Incident Leads to Evacuation at Motiva's 300,000 b/d Port Arthur, Texas Refinery January 4**

Motiva evacuated staff after a crane incident yesterday morning at its 300,000 b/d Port Arthur, Texas refinery, a company spokeswoman said. There were no injuries, and it was not clear if the incident had any impact on production.

<http://www.bloomberg.com/news/2011-01-04/motiva-says-crane-incident-caused-no-injuries-at-texas-refinery.html>

### **Update: EPA Appeals Board Sides with Environmentalists, Rejects Shell's Permits to Drill Offshore Alaska**

A U.S. Environmental Protection Agency (EPA) Appeals Board remanded Shell's permits to explore for oil and gas in the Beaufort and Chukchi seas, offshore Alaska, siding with environmentalists who had argued that the EPA used out-of-date nitrogen-dioxide standards when it issued the permits in 2010. The Appeals Board's decision, in effect, sent the permits back to the EPA and Shell.

<http://online.wsj.com/article/SB10001424052748703808704576061993221978686.html>

### **Update: TransGas Development Systems to Break Ground in First Quarter 2011 on Proposed 18,000 b/d Coal-to-Gasoline Plant in Mingo County, West Virginia**

The company expects to break ground in the first quarter of 2011, and open the facility four years after that, according to the Project Manager.

<http://www.wvmetronews.com/index.cfm?func=displayfullstory&storyid=42249>

### **Apache Corporation Halts Production, Begins Decommissioning Former 45,000 b/d Legendre Oil Field Offshore Australia by January 3**

The field began production in May 2001 and peaked at a rate of 45,000 b/d; it yielded 48.2 million barrels of oil over its 10-year lifespan.

<http://investor.apachecorp.com/releasedetail.cfm?ReleaseID=540652>

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## **Natural Gas**

### **Bear Tracker Energy Plans Natural Gas Gathering System in Bakken Area, North Dakota**

Bear Tracker Energy, LLC (BTE) plans to construct, own, operate, and expand a natural gas gathering system, including compression and other related facilities, to serve an unidentified oil-and-gas exploration and production company in the Bakken area, North Dakota, BTE said on January 4. The company expects to break ground in the first quarter of 2011 and begin operations in mid-year 2011.

<http://beartrackerenergy.com/page3/page3.html>

## MarkWest Liberty Plans 120 MMcf/d Natural Gas Processing Facility in West Virginia, Associated NGL Pipeline to Pennsylvania

MarkWest Liberty Midstream & Resources, L.L.C., a partnership between MarkWest Energy Partners, L.P. and The Energy & Minerals Group, plan to construct a 120 MMcf/d cryogenic gas processing facility in Logansport, West Virginia, and an associated pipeline that would deliver natural gas liquids (NGL) from the Logansport complex to a fractionation, storage, and marketing complex in Houston, Pennsylvania. The facilities are expected to enter service by mid 2012.

<http://www.markwest.com/files/MWE/MWE%20Logansport%20Press%20Release.pdf>

## Other News

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### Update: Court Temporarily Blocks EPA's Attempt to Grab Jurisdiction over Texas Air Permits

A federal appeals court temporarily blocked the U.S. Environmental Protection Agency's (EPA) attempt to take over the process of issuing air permits to major industrial facilities in Texas, ordering the EPA to wait until the court ruled on the state's legal challenge to the effort. The EPA announced last month that it intended to take over the process, saying the state – and the Texas Commission on Environmental Quality (TCEQ), more specifically – had failed to incorporate greenhouse gas controls in its existing permit program. The state filed suit. The court cautioned that its temporary block did not represent a decision in the case. It will not make a decision until January 7, at the earliest.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=25225](http://www.downstreamtoday.com/news/article.aspx?a_id=25225)

<http://www.chron.com/dispatch/story.mpl/chronicle/7352160.html>

<http://www.dallasnews.com/sharedcontent/dws/news/healthscience/stories/122410dntexepa.41cb7433.html>

### Update: Pacific Ethanol Resumes Production at 60 MMGal/Yr. Stockton, California Ethanol Plant

Pacific Ethanol began grinding corn on December 9 and ramped up the facility to near operating capacity by January 4, according to a company release. The company opened the facility in September 2008, but shut it in February 2009 amid a collapse in ethanol prices.

<http://www.pacificethanol.net/site/documents/news/PEIXStocktonOpenRelease010411.pdf>

[http://www.recordnet.com/apps/pbcs.dll/article?AID=/20110105/A\\_BIZ/101050309/-1/a\\_biz](http://www.recordnet.com/apps/pbcs.dll/article?AID=/20110105/A_BIZ/101050309/-1/a_biz)

### U.S. Lacks Infrastructure to Meet Renewable Fuel Standard: Purdue University Study

The United States lacks the infrastructure and technology to meet its federal Renewable Fuel Standard (RFS) through ethanol alone, but could meet the mandate if it significantly expanded its production of cellulosic and next-generation biofuels, according to a study from Purdue University. The United States has reached a "blending wall," meaning it cannot – barring new technologies and/or a substantial expansion of infrastructure – consume ethanol beyond existing production levels. The federal Renewable Fuel Standard required the United States to produce about 13 billion gallons of renewable fuel in 2010; that target will rise to 36 billion gallons by 2022.

<http://cornandsoybeandigest.com/energy/us-does-not-have-infrastructure-consume-more-ethanol>

## Energy Prices

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U.S. Oil and Gas Prices			
January 5, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	90.49	91.36	81.65
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.61	4.10	6.09

Source: Reuters

**California Governor Jerry Brown Jr. Wants State to Install 20,000 MW of New Renewable-Based Electric Capacity by 2020**

<http://www.getsolar.com/News/California/Sacramento-Solar/California%27s-New-Governor-Pledges-to-Increase-Solar-Panel-Installations-800322902>

**National Clean Fuels, Center for Environment, Commerce & Energy Plan 10 MW Biomass-Based Power Plant at Alcorn State University in Massachusetts**

<http://www.businesswire.com/news/home/20110105005457/en/NACF-Mississippi-Biomass-Project-Moving>

**Update: Citing Rise in Copper Thefts, Georgia Electric Utilities Increase Reward for Identification of Copper Thieves January 4 – Companies Offering up to \$3,000 for Information Leading to Arrest and Conviction**

<http://southerncompany.mediaroom.com/index.php?s=43&item=2226>

**Citing Inappropriate Disposal of Coal Combustion Products, State Department of the Environment Files Notice of Intent to Sue Mirant for Water Pollution Violations at Two Company Sites in Maryland**

<http://www.mde.state.md.us/programs/PressRoom/Pages/010311b.aspx>

**Malfunction Results in Emissions at Hovensa's 500,000 b/d St. Croix, U.S. Virgin Islands Refinery January 4**

DJN, 12:46 January 5, 2011

**Husky Reports No Affect to Production after January 3 Compressor Shutdown at 150,000 b/d Lima, Ohio Refinery – Company Restarting Compressor January 5**

Reuters, 11:40 January 5, 2011

**Update: Devon Resumes Normal Oil Production Rates in Canada by January 4 – Company Reduced Production by 10,000 b/d from Early December 2010, Citing Disruptions along Associated Enbridge Pipeline System**

Reuters, 15:06 January 4, 2011

**After Weather-Induced Shutdowns in Gulf of Mexico on January 2-3, Pemex Reopens Cayo Arcas and Coatzacoalcas Oil Ports on January 3, Dos Bocas Oil Port on January 4**

<http://online.wsj.com/article/BT-CO-20110104-709407.html>

**Update: Tropical Storm System Passes, Apache Corporation Restarts Operations at Stag Field Offshore Australia by January 3**

<http://investor.apachecorp.com/releasedetail.cfm?ReleaseID=540652>

**Update: DCP Midstream Abandons Plans to Pursue Natural Gas Processing and Related NGL Infrastructure Joint Venture with EQT Corp. by January 4 – Companies Had Expected Venture to Serve EQT and Third-Party Producers in Marcellus and Huron Shale Areas of Appalachian Basin**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=25207](http://www.downstreamtoday.com/news/article.aspx?a_id=25207)

<http://www.snl.com/irweblinkx/file.aspx?IID=4105307&FID=9614191>

**Unit Shutdown Triggers Venting at West Credo Booster Station in Texas January 4 – Unit Restarted within Hours**

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=149060>

**Mechanical Failure Leads Enbridge to Cut Natural Gas Flow at Pittsburg Gas Plant in Texas January 4-6**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149057>

**Snag Causes Unit Shutdown, Flaring at Salt Creek Gas Plant in Texas January 3-6**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149009>

**Release Leads to Shutdown at Anahuac Compressor Station in Texas January 3**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148998>

**Update: After December 28 Leak, Families Remain Evacuated from Homes near Williams-Owned Natural Gas Storage Cavern in Covington County, Mississippi January 4 – Company Continues to Release Gas in Bid to Reduce Pressure**

<http://www.hattiesburgamerican.com/article/20110104/NEWS01/101040305>

**State Department of the Environment Okays Millennium Inorganic Chemicals Bid to Operate New Coal-Ash Landfill in Baltimore, Maryland January 4 – Constellation Energy Would Send Ash to Facility from Three Local Coal-Fired Power Plants**

[http://articles.baltimoresun.com/2011-01-04/features/bs-gr-coal-ash-hawkins-20110104\\_1\\_coal-ash-ash-landfill-ash-disposal](http://articles.baltimoresun.com/2011-01-04/features/bs-gr-coal-ash-hawkins-20110104_1_coal-ash-ash-landfill-ash-disposal)

**DOE-Supported Coal Cleaning Technology Succeeds in Commercial Demonstration by January 4 – Technology Could Help Release Some of the Currently-Unusable Energy in an Estimated 2 Billion Tons of U.S. Coal Waste**

[http://www.fossil.energy.gov/news/techlines/2011/11001-Coal\\_Cleaning\\_Technology\\_Goes\\_Comm.html](http://www.fossil.energy.gov/news/techlines/2011/11001-Coal_Cleaning_Technology_Goes_Comm.html)

## Links

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***This Week in Petroleum*** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.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://tonto.eia.doe.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>

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