



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Friday Evening, January 07, 2011

Electricity

Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama Ramped Up to 43 Percent by January 7

Tennessee Valley Authority (TVA) shut the unit on December 26 "due to high vibration on the Unit 3 Generator Exciter inboard and outboard journal bearings," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of January 6 the unit was not operating.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101227en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

TransAlta Shut Two Units, 560 MW of Capacity, at Sundance Coal-Fired Power Plant in Alberta, Canada by January 4 – Units Could Remain Down Until Mid-February

TransAlta declared force majeure for its Sundance coal-fired Units 1 and 2 in Alberta, Canada on January 4, citing "boiler tube conditions above design limits." The units produce a combined 560 MW of electricity; they could remain offline up to February 15. The company would need approval from the Alberta Boiler Safety Association (ABSA) to restart the units.

<http://www.transalta.com/newsroom/news-releases/2011-01-04/transalta-reports-force-majeure-sundance-units-1-and-2>

TransAlta Begins Testing 450 MW Keephills 3 Coal-Fired Power Plant in Alberta, Canada by January 7

TransAlta is expected to synchronize the unit to the grid in February 2011, according to an Alberta Electric System Operator (AESO) spokeswoman.

http://www.calgaryherald.com/business/TransAlta+begins+testing+generating+station/4073648/story.html?cid=megadrop_story

Petroleum

Explosion and Fire Lead Canadian Natural to Halt Production at 83,700 b/d Horizon Oil Sands Facility in Alberta, Canada January 6

An explosion and fire injured four workers and led Canadian Natural Resources Ltd to halt production at its Horizon oil sands facility in Alberta, Canada on January 6, multiple sources reported. The explosion occurred yesterday afternoon, approximately 3:30 PM local time, at the facility's upgrader. The facility produced about 107,800 b/d of synthetic crude oil, on average, in November 2010, and 83,700 b/d, on average, during December 2010; it is expected to yield between 105,000 b/d and 112,000 b/d in 2011. Sources conflicted as to whether there was an explosion and fire, or only a fire. At least one source, however, said the explosion sent flames and smoke high into the sky.

<http://www.bbc.co.uk/news/world-us-canada-12138876>

<http://af.reuters.com/article/energyOilNews/idAFN0615706820110107>

<http://www.cbc.ca/canada/edmonton/story/2011/01/07/alberta-oilsands-explosion-inspectors.html>

http://www.cnrl.com/upload/media_element/369/02/0106_horizon-oil-sands-production.pdf

Sunoco to Shut Units at 335,000 b/d Philadelphia, Pennsylvania Refinery and 194,000 b/d Marcus Hook, Pennsylvania Refinery in January and February 2011

Sunoco expected to shut a crude unit, a reformer, and a gas plant for unscheduled work on January 7 at its 194,000 b/d Marcus Hook, Pennsylvania refinery, according to sources familiar with the facility's operations. The company also expected to shut a 90,000 b/d catalytic cracker and a crude unit for unscheduled repairs at the 335,000 b/d Philadelphia refinery on February 1, the sources said.

<http://www.bloomberg.com/news/2011-01-06/sunoco-said-to-shut-units-at-two-refineries-in-pennsylvania.html>

Valero Shuts 40,000 b/d Crude Unit at 315,000 b/d Corpus Christi, Texas Refinery by January 5

Valero shut the unit for maintenance, but a spokesman said the company did not expect the outage to materially impact production.

<http://www.bloomberg.com/news/2011-01-05/valero-corpus-christi-west-refinery-shuts-crude-unit-for-work.html>

Boiler System Failure Forces Shut Shell's 145,000 b/d Anacortes, Washington Refinery January 6 – Company Restarting Facility January 7

A boiler system failure forced shut all units at Shell's 145,000 b/d Anacortes, Washington refinery on January 6, but the company had begun restarting the facility by January 7, a spokesman said. The failure cut off steam supplies to the facility, and led Shell to evacuate nonessential workers. There were no injuries. The company planned to restart the units in phases.

<http://af.reuters.com/article/energyOilNews/idAFN0615998520110107>

http://seattletimes.nwsources.com/html/localnews/2013866977_apwarefinerypoweroutage.html

Reuters, 12:50 January 7, 2011

Valero Plugs Leak Quickly at 310,000 b/d Port Arthur, Texas Refinery January 5

The failure of a discharge line bleeder at a catalytic reforming unit (CRU) stripper reflux pump caused a brief leak, but Valero "quickly isolated the pump and stopped the leak," the company said in a filing with state regulators. It was not clear if the incident had any impact on production.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=149161>

<http://online.wsj.com/article/BT-CO-20110106-714467.html>

Petrobras, Partners Announce Tender for Two 150,000 b/d FPSOs in Santos Basin, Offshore Brazil January 7

Petrobras would deploy the floating production, storage, and offloading (FPSO) vessels in 2014 at blocks BM-S-9 and BM-S-11 in the Santos Basin, offshore Brazil. Each FPSO would be equipped to produce 150,000 b/d of oil and approximately 212 MMcf/d of natural gas.

<http://www.bg-group.com/MEDIACENTRE/PRESS/Pages/7Jan2011.aspx>

Natural Gas

Update: Kinder Morgan and Copano Expand Scope of Natural Gas Gathering/Processing Joint Venture – Companies to Provide More than 200,000 MMBtu/d of Capacity to Producers in Eagle Ford Shale, Texas

Kinder Morgan Energy Partners, L.P. and Copano Energy, L.L.C., through their Eagle Ford Gathering LLC joint venture, plan to provide more than 200,000 MMBtu/d of incremental gathering and processing capacity to producers in the Eagle Ford Shale, Texas, the companies said on January 6. In addition to 111 miles of pipeline already under construction, the companies plan to build a 54-mile, 24-inch crossover pipeline between existing Kinder Morgan pipelines, and an additional 20 mile, 20-inch pipeline that would enable the joint venture to deliver gas to Formosa Hydrocarbons Company. The companies expect to complete the crossover pipeline and related facilities by year-end 2011.

<http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1513911&highlight=>

Other News

Aina Koa Pono Plans 16 MMGal/Yr. Biofuels Production Plant in Hawaii

The facility would grow and process sorghum and eucalyptus. The company plans to break ground in 2012 and open the facility in 2013.

<http://www.hawaiinewsnow.com/Global/story.asp?S=13801540>

Update: Denbury Completes 800 MMcf/d, 24-Inch, Louisiana-to-Texas CO2 Pipeline in December 2010

Denbury Resources Inc. completed the final section of the 320-mile Green Pipeline, and began injecting CO2 into the Hastings oil field in Brazoria County, Texas on December 16, according to a more-recent article from Oil & Gas Journal. The Hastings field contains 70-100 million barrels of recoverable tertiary oil, according to a previous company presentation.

http://www.pennenergy.com/index/petroleum/display/7952044947/articles/oil-gas-journal/drilling-production-2/production-operations/ior_eor/20100/01/denbury-commences.html

GM Licenses Technology That Could Improve Electric Car Battery Performance by 50 to 100 Percent

GM and LG Chem have licensed technology from the Argonne National Laboratory that could halve the size of their electric vehicle batteries and improve those batteries' performance by 50 to 100 percent, news and company sources said on January 6. LG Chem is expected to employ portions of the advanced lithium-ion battery technology at a proposed plant in Holland, Michigan. The companies aim to have the technology completely ready for the next generation of Chevrolet Volt electric cars.

<http://finance.yahoo.com/news/GM-to-use-new-battery-apf-1720922626.html?x=0&.v=1>

<http://online.wsj.com/article/SB10001424052748704415104576066181283283232.html.html>

http://media.gm.com/content/media/us/en/news/news_detail.brand_gm.html/content/Pages/news/us/en/2011/Jan/0106_argonne

Energy Prices

U.S. Oil and Gas Prices January 7, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	87.49	89.37	82.67
NATURAL GAS Henry Hub \$/Million Btu	4.49	4.19	6.47

Source: Reuters

Energy Notes

Distribution Line Failure Cuts Power Briefly to 13,000 Hydro One Customers in Brockville and Elizabethtown-Kitley Township, Ontario January 7

<http://recorder.ca/ArticleDisplay.aspx?e=2919978>

Update: U.S. Army Corps of Engineers, New England District Okays Permit for Cape Wind, LLC's Proposed 420 WM Wind Farm Offshore Massachusetts January 6

<http://www.nae.usace.army.mil/news/11/2011-003.pdf>

<http://www.capewind.org/modules.php?op=modload&name=Sections&file=index&req=viewarticle&artid=24&page=1>

U.S. Government Files Clean Air Act Complaint against Owners and Operators of Coal-Fired Homer City Generating Station in Pennsylvania by January 6, Citing Companies' Failure to Receive Proper Permits for Modifications or Operate Best-Available Pollution Control Technologies

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/f250b71a1211d4ed852578100066753a!OpenDocument>

Update: Bacteria Consumed All of the Methane Released from Deepwater Horizon Well in Four Months, Scientific Study Finds – Methane Accounted for 20 Percent of the Crude that Spilled into Gulf of Mexico

<http://www.google.com/hostednews/afp/article/ALeqM5g9yNTPyphyiDsP5Vooiakhol2yYw?docId=CNG.5a4807d3a9573ed5f38567704da93bb9.b01>

Hovensa Reports No Impact on Production after Valve Malfunction, Sulfur Dioxide Release at 500,000 b/d St. Croix, U.S. Virgin Islands Refinery January 4

<http://www.bloomberg.com/news/2011-01-05/hovensa-releases-sulfur-dioxide-at-st-croix-refinery-update1-.html>

Breakdown Could Trigger Flaring at BP's 265,000 b/d Carson, California Refinery January 6-10

<http://online.wsj.com/article/BT-CO-20110106-708356.html>

Update: Valero to Open New Hydrocracker at Port Arthur, Texas Refinery in Third Quarter 2012, and at St. Charles, Louisiana Refinery in Fourth Quarter 2012 – Company Had Expected to Open Port Arthur Unit in Fourth Quarter 2012, St. Charles Refinery in Fourth Quarter 2013

<http://www.reuters.com/article/idUSWEN509820110105>

“Total Power Outage” Leads to Flaring at Keystone Gas Plant in Texas January 6

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=149166>

Leak Cuts Natural Gas Service to Almost 200 Southern California Gas Co. Customers in California January 5 – Company Working to Restore Service, as of January 5

<http://www.mydesert.com/article/20110106/NEWS01/101060314/Gas+Co.+crews+work+to+patch+gas+leak>

Judge Forces L.D. Drilling, Val Energy, and Nash Oil & Gas to Shut Natural Gas Fields in Kansas – Northern Natural Gas Claims Wells Were Producing Natural Gas from its nearby Cunningham Storage Field

<http://www.bloomberg.com/news/2011-01-06/federal-judge-orders-gas-wells-shut-down-in-kansas.html>

Carbon Dioxide Demand on the Rise as Companies Inject CO2 to Boost Crude Oil Production

http://www.nytimes.com/2011/01/07/us/07ttcarbon.html?_r=2&ref=todayspaper

Links

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

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

ENERGY ASSURANCE DAILY

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