



# ENERGY ASSURANCE DAILY

Friday Evening, January 08, 2010

## ***Electricity***

---

### **ERCOT Sets New Winter Peak January 8, Does Not Expect Problems Meeting Demand**

The Electric Reliability Council of Texas (ERCOT), grid operator for most of the state, set a new winter record of 55,856 MW during 7-8 a.m. CST January 8, exceeding the old record by almost 5,500 MW. The ERCOT region initially exceeded the previous winter record between 7 and 8 p.m. CST January 7 when consumers used an hourly average of 52,001 MW of power – almost 1,600 MW higher than the old record of 50,408 MW set February 16, 2007. The ERCOT grid has not experienced any major operational issues and does not anticipate any problems meeting the demand, barring any unexpected major outages.

[http://www.ercot.com/news/press\\_releases/2010/nr-01-08-10](http://www.ercot.com/news/press_releases/2010/nr-01-08-10)

### **Update: Dominion's 1,130 MW Millstone Nuke Unit 3 in Connecticut at Full Power by January 8**

The Nuclear Regulatory Commission reported that on the morning of January 7 the unit was operating at 85 percent. The unit shut in late December due to an electrical fault in the main generator.

Information derived from the NRC Power Reactor Status Reports:

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

### **Update: Entergy's 510 MW Vermont Yankee Nuke Unit in Vermont at Full Power by January 8**

The Nuclear Regulatory Commission reported that on the morning of January 7 the unit was operating at 70 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **FPL's 839 MW Saint Lucie Nuke Unit 2 in Florida Reduced to 48 Percent by January 8**

The Nuclear Regulatory Commission reported that on the morning of January 7 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

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

### **AEP's 528 MW Welsh 3 Coal-fired Unit in Texas Shut January 8**

Loss of drum level indication resulted in an automatic trip taking the unit off line. The company hopes to restart the unit over the weekend.

Reuters, 12:44 January 8, 2010

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=134131>

### **Update: Luminant's 545 MW Sandow 4 Coal-fired Unit in Texas Shut January 8**

The unit tripped early Friday morning. The company hopes to restart the unit by Friday evening.

Reuters, 12:49 January 8, 2010

### **Update: Fourteen States Have Issued Emergency Declarations to Ease Propane, Heating Fuel Deliveries Amid Current Cold Snap**

Since January 1, fourteen states have issued emergency declarations to ease deliveries of propane and heating fuels, including Arkansas, Illinois, Mississippi, North Carolina, Oklahoma, and Pennsylvania, which issued declarations yesterday, January 7. The declarations waive the normal federal hours-of-service requirements for drivers of trucks carrying propane gas and heating fuel. The propane and heating fuel industries have sought relief from the limits to help ease the logistical challenges posed by severe weather conditions across much of the eastern United States.

Two states, Virginia and West Virginia issued emergency declarations in December that are still active. Iowa has had an active emergency declaration since October.

Full list of states with hours-of-service waivers: <http://www.npga.org/i4a/pages/index.cfm?pageid=832>

### **Southeast Texas Refineries Prepare for Freezing Weather January 7-10**

Refineries in southeast Texas are taking inclement weather precautions for a hard freeze warning that is in effect from Thursday night through Sunday morning. Temperatures below freezing are likely. Precautions include checking insulation around pipes, adding extra sources of heat to lines and instruments that are vulnerable to freeze ups, and maintaining flow of liquids through piping. Refineries north of the Gulf Coast typically endure cold spells each winter, but those in south Texas rarely face sustained frigid temperatures.

<http://www.reuters.com/article/idUSN0716552320100107?type=marketsNews>

### **Fire Damages Isomax Unit at Harvest Energy's, 115,000 b/d Newfoundland Refinery January 7**

The fire damaged the plant's Isomax unit, impacting the refinery's gasoline production. The fire has been brought under control and company will assess damage today.

Reuters, 12:59 January 8, 2010

Reuters, 13:02 January 8, 2010

### **Update: FCCU to Restart at 146,000 b/d Borger, Texas Refinery January 7**

According to a filing with Texas regulators, the Unit 40 Fluid Catalytic Cracking Unit (FCCU) is scheduled for startup on January 7, 2010. Emissions associated with the startup are expected to last until January 17.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=134072>

### **Update: Silver Eagle to Restart Crude Unit 1 at 10,250 b/d Woods Cross, Utah Refinery January 24**

Silver Eagle Refining Inc. is planning to restart Crude Unit 1 at its Woods Cross, Utah refinery on January 24. The unit was shut after the refinery was damaged by an explosion caused by a hydrogen pipe rupture in early November. Crude Unit 1 was not involved in the explosion and the restart is the first step in what is expected to be a long-term effort to return the refinery to full operations. The company still is evaluating the damage and determining what repairs and improvements need to be made so the refinery can be operated safely.

<http://www.downstreamtoday.com/News/ArticlePrint.aspx?aid=20338>

### **Shell to Convert 130,000 b/d Montreal East Refinery into Oil Products Terminal**

Royal Dutch Shell Plc said it will convert its 75-year-old Montreal East refinery into an oil-products terminal because the plant no longer fits into the company's "long-term strategy." The terminal will be used to receive gasoline, diesel and aviation fuels, which will be distributed through another Shell terminal in Montreal, the company said in a statement.

Bloomberg News, 22:48 January 7, 2010

[http://online.wsj.com/article/BT-CO-20100107-713739.html?mod=WSJ\\_World\\_MIDDLEHeadlinesEurope](http://online.wsj.com/article/BT-CO-20100107-713739.html?mod=WSJ_World_MIDDLEHeadlinesEurope)

### **Mexico Closes 113,000 b/d Dos Bocas Oil Export Terminal on Bad Weather January 8**

Reuters, 11:32 January 8, 2010

### **New York's Con Edison Sets All-time Gas Use Record January 3**

This past Sunday, January 3, 2010, Con Edison set all-time daily and hourly records for natural gas use by residential and business customers. The company set a new daily record on January 3 by delivering 967,908 dekatherms of natural gas to its distribution customers, and a new hourly record at 11 a.m. EST by delivering 45,953 dekatherms through the distribution system.

<http://www.coned.com/newsroom/news/pr20100107.asp>

### **Update: Colorado Interstate Gas Company Extends Force Majeure at Totem Storage Facility through February 28**

Colorado Interstate Gas (CIG) encountered unexpected issues related to its on-going repair efforts at the Totem storage facility that required the limitation of withdrawal services from Totem. Based on its evaluation of the repair work necessary to bring Totem withdrawal services back on line, CIG is extending the withdrawal limitation and related Force Majeure event through Gas day February 28, 2010.

<http://ebb.cigco.com/ebbCIG/Notices/NoticeView.asp?sPipelineCode=CIG&sSubCategory=Critical&sNoticeId=7964>

### **Explosion Shuts Bear Paw Energy's Natural Gas Processing Facility in North Dakota January 6**

The blast occurred on Wednesday evening and hospitalized the plant's lone worker. A damage estimate is not yet available but the company expects the facility to be back online in the next couple of days.

<http://www.washingtonpost.com/wp-dyn/content/article/2010/01/07/AR2010010702819.html>

### **MoBay Storage Hub Holds Open Season for Up to 8 Bcf of Storage Service in Alabama**

MoBay Storage Hub, LLC, launched an open season Thursday for up to 8.0 Bcf of firm natural gas storage service. Located in southern Alabama, MoBay's natural gas storage hub project will have access to multiple gas supplies originating from shale plays in Texas, Oklahoma and Louisiana, as well as traditional Gulf Coast gas supplies and LNG. From its unique position as the most easterly gas storage facility on the Gulf Coast, MoBay will provide direct access to over 4.0 Bcf/d of pipeline take-away capacity serving the Florida, Southeast, Mid-Atlantic and Northeast markets. Construction of the MoBay project is set to start in March 2010. Scheduled for commercial operation by June 2011, the facility will provide 50 Bcf of high-deliverability, multi-cycle (HDMC) gas storage capacity with 1.0 Bcf/d of withdrawal and injection capacity.

<http://www.downstreamtoday.com/News/ArticlePrint.aspx?aid=20353>

## **Other News**

---

### **Pacific Ethanol Resumes Production at 60 MMG/Y Idaho Plant January 6**

Pacific Ethanol, Inc. announced Wednesday that it has resumed production at its 60 million gallon per year Magic Valley facility located in Burley, Idaho. In February 2009, the Company suspended production at the Magic Valley facility due to extended unfavorable market conditions. In May 2009, the Company's subsidiaries which own its four ethanol production facilities, including the Magic Valley plant, filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware in an effort to restructure their indebtedness. In December 2009, the Company obtained necessary court and lender approvals to resume operations at the Magic Valley facility. The facility has completed all necessary safety and startup activities and is now producing and selling ethanol and feed products.

[http://www.pacificethanol.net/site/documents/news/MV\\_Resumes\\_Operations\\_010610.pdf](http://www.pacificethanol.net/site/documents/news/MV_Resumes_Operations_010610.pdf)

### **Canadian Police Arrest Man in Connection with EnCana Pipeline Bombings in British Columbia**

The Royal Canadian Mountain Police (RCMP) have taken a man into custody — believed to be anti-oil industry activist Wiebo Ludwig — and are searching his rural property in connection with a six bombings that targeted EnCana Corp. pipelines and wellheads in northeastern British Columbia. The RCMP has yet to release the name of the person it has in custody, saying no charges have been laid.

<http://www.canada.com/news/world/Arrest+made+pipeline+bombings/2420756/story.html>

## Seven Arrested for Copper Wire Thefts from Oil Company Storage Yards

After a two-month investigation, the Ector County, Texas Sheriff's Office and the Oilfield Theft Task Force made seven arrests in connection with the recent theft of \$900,000 worth of copper wire and damages from oil company storage yards. The copper wire is used to run power to larger pieces of equipment in area oilfields. Authorities said they were able to obtain some of the wire stolen but not all of it.

[http://www.mywesttexas.com/articles/2010/01/06/news/top\\_stories/oilfield\\_task\\_force\\_arrests.prt](http://www.mywesttexas.com/articles/2010/01/06/news/top_stories/oilfield_task_force_arrests.prt)

## Energy Prices

---

U.S. Oil and Gas Prices			
January 8, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	83.07	79.88	41.52
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.51	5.78	5.89

Source: Reuters

## Energy Notes

---

### Turkey Flies into High Voltage Line in Folsom Prison Yard, Briefly Cuts Power to 17,000 SMUD Customers in California

<http://www.news10.net/news/local/story.aspx?storyid=72910&provider=top>

### Compressor Malfunction Briefly Reduces Inlet Gas Rate by 25 MMcf/d at Seminole Gas Processing Plant in Texas January 7

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=134125>

### Compressor Trip has No Impact on Production at Valero's 83,000 b/d Houston, Texas Refinery January 8

Reuters, 09:39 January 8, 2010

### President Obama Awards \$2.3 Billion in Recovery Act Advanced Energy Manufacturing Tax Credits for New Clean-Tech Manufacturing Projects

<http://www.whitehouse.gov/the-press-office/president-obama-awards-23-billion-new-clean-tech-manufacturing-jobs>

### API Says EPA's Proposed Smog Standards 'Lack Scientific Justification'

<http://www.downstreamtoday.com/News/ArticlePrint.aspx?aid=20349>

### EPA Gives Shell Draft Air Permit to Drill Exploratory Wells in Chukchi Sea off Alaska Coast

[http://online.wsj.com/article/BT-CO-20100107-716813.html?mod=WSJ\\_World\\_MIDDLEHeadlinesEurope](http://online.wsj.com/article/BT-CO-20100107-716813.html?mod=WSJ_World_MIDDLEHeadlinesEurope)

### Group of Scientists Say Government Should Stop Giving Out Permits for Mountaintop Coal Mining

<http://www.washingtonpost.com/wp-dyn/content/article/2010/01/07/AR2010010702530.html>

### Study Finds Costs of Electric Cars Higher Than Believed

<http://www.nytimes.com/2010/01/08/business/energy-environment/08auto.html?ref=business>

## 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](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

---

*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 p.m. EST. 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](mailto:ead@oe.netl.doe.gov)