



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

ENERGY ASSURANCE DAILY

Monday Evening, January 10, 2011

Major Developments

Citing Leak, Alyeska Shuts TAPS Oil Pipeline System in Alaska January 8 – Shutdown Forces Prudhoe Bay Producers to Slash Output by Approximately 600,000 b/d

A leak led Alyeska Pipeline Service Company to shut its 800-mile Trans Alaska Pipeline System (TAPS) on January 8, and the shutdown forced producers in the Prudhoe Bay, Alaska to slash crude output to 5 percent of normal: from 630,000 b/d, on average, to approximately 31,500 b/d, multiple news and company sources reported. The U.S. Transportation Department's Pipeline and Hazardous Materials Safety Administration (PSHMA) said it had two inspectors on location, but declined to say when the line might resume service. A person familiar with the situation, however, said the company was expected to restart the line before January 14. Alyeska shut the line after it found crude oil leaking into the basement of a booster pump building along the northern end of the pipeline; the company had recovered approximately 9-10 barrels of oil by early yesterday, and said it believed that accounted for 90 percent of the oil in the basement. The pipeline delivers crude oil from the Prudhoe Bay field to a port in Valdez, Alaska; it transported 642,261 b/d of oil, on average, in December 2010. The shutdown had not disrupted shipments at the Valdez port, as of latest reports. Alyeska said the spill did not appear to have impacted wildlife or the environment, as of January 9.

<http://www.reuters.com/article/idUSL3E7CA0T620110110>

http://www.alyeska-pipe.com/Inthenews/LatestNews/2011/PS1incident/PressRelease1_PS1.html

http://www.alyeska-pipe.com/Inthenews/LatestNews/2011/PS1incident/PressRelease2_PS1.html

http://www.alyeska-pipe.com/Inthenews/LatestNews/2011/PS1incident/PressRelease3_PS1.html

<http://www.alyeska-pipe.com/Inthenews/LatestNews/2011/PS1incident/Fact%20Sheet%200002.pdf>

DJN, 12:44 January 10, 2011

Reuters, 12:51 January 10, 2011

Electricity

Transmission Line Failure Knocks Out Power to 100,000 People in Kentucky

A transmission line failure knocked out power to 22,000 Frankfort Plant Board customers and an estimated 100,000 people (presumably not customers) throughout Kentucky on January 8, but power was returned to the affected customers by January 9, multiple news sources reported.

http://www.wkvt.com/news/headlines/Massive_power_outage_affecting_central_Kentucky_113147309.html

<http://www.wtvq.com/iphone/6563-power-outage-affects-100000>

Storms Cut Power to Almost 30,000 AEP Customers in Texas January 9

Fewer than 300 customers remained without power, as of latest reports.

<http://www.caller.com/news/2011/jan/09/overnight-storms-cause-flooding-power-outages/>

<https://www.aeptexas.com/outages/details.aspx?stormName=Corpus%20Christi%20area%20storm>

Luminant Reduces 793 MW Martin Lake Coal-Fired Unit 3 in Texas January 7

Luminant reduced the unit's load after "a spike in excess opacity," it said in a filing with state regulators. It was not clear when the company expected to resume normal operations.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=149216>

Luminant's 591 MW Sandow Coal-Fired Unit 4 in Texas Shuts, Restarts January 9-10

The unit shut "due to turbine control issues," but restarted within hours, the company said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=149245>

Calpine's 751 MW Pastoria Gas-Fired Unit in California Reduced by January 9

According to the California Independent System Operator, the unit reported an unplanned curtailment of 511 MW by January 9.

<http://www.caiso.com/unitstatus/data/unitstatus201101091515.html>

Watson Cogeneration's 417 MW Watson Cogeneration Gas-Fired Unit in California Reduced, Ramped up by January 8-9

According to the California Independent System Operator, the unit was curtailed by 227 MW by January 8, but ramped up from that curtailment by January 9.

<http://www.caiso.com/unitstatus/data/unitstatus201101091515.html>

<http://www.caiso.com/unitstatus/data/unitstatus201101081515.html>

Ace Cogeneration's 118 MW Ace Cogeneration Coal-Fired Unit in California Shut by January 7

According to the California Independent System Operator, the unit reported an unplanned outage by January 7.

<http://www.caiso.com/unitstatus/data/unitstatus201101071515.html>

Duke Energy's 846 MW Oconee Nuclear Unit 1 in South Carolina Shut January 8

A "technical specification" required Duke Energy to shut the unit on January 8 due to the "partial closure of letdown line isolation valve 1HP-5," the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of January 8 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110110en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Entergy Declares Unusual Event, Reduces 730 MW Palisades Nuclear Unit in Michigan Reduced to 54 Percent by January 9

Entergy declared an unusual event on January 8 at its 730 MW Palisades nuclear power plant in Michigan due to "a breaker/bus fault in a non-safety related feeder bus 'F'," the company said in a filing with the Nuclear Regulatory Commission (NRC). The failure led to the "loss of cooling water tower pumps and fans and subsequently a loss of one cooling tower." The company reduced the unit to 55 percent power on January 8 (and to 54 percent by January 9). It isolated the faulted bus and terminated the Unusual Event early on January 9. The unit remained reduced and the company was repairing electric components, a plant spokesman said on January 10. He said it "should not take long" for the facility to resume normal service. The Nuclear Regulatory Commission reported that on the morning of January 8 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110110en.html>

http://www.mlive.com/news/kalamazoo/index.ssf/2011/01/palisades_nuclear_plant_exits.html

Information also derived from the NRC Power Reactor Status Reports:

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

Dominion's 917 MW North Anna Nuclear Unit 2 in Virginia Reduced to 84 Percent January 7

Dominion reduced the unit on January 7 after it found leaks in a water-condensing unit, a company spokesman said on January 10. He said the company would be "returning the unit to full power soon." The Nuclear Regulatory Commission reported that on the morning of January 7 the unit was operating at full power.

<http://www2.timesdispatch.com/news/2011/jan/10/4/condenser-leaks-prompt-power-reduction-north-anna--ar-765008/>

Information also derived from the NRC Power Reactor Status Reports:

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

Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama at Full Power by January 9

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 8 the unit was operating at 73 percent.

<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/>

Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Reduced to 69 Percent by January 10

The Nuclear Regulatory Commission reported that on the morning of January 9 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/2011/>

Update: Entergy's 951 MW Indian Point Nuclear Unit 2 in New York at Full Power by January 9

The Nuclear Regulatory Commission reported that on the morning of January 8 the unit was operating at 76 percent. Information derived from the NRC Power Reactor Status Reports:

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

Iberdrola Renewables to Open 210 MW Buffalo Ridge II Wind Farm in South Dakota before End of Current Winter

<http://finance.yahoo.com/news/South-Dakota-set-to-nearly-apf-1983237661.html?x=0&.v=1>

SunPower Plans 711 MW of Solar Power Projects in California

SunPower plans to install three solar power projects – representing a combined 711 MW of capacity – in Rosamond and Los Banos, California. Specifically, the company expects to:

- Open a 110 MW facility in Los Banos by the end of 2014;
- Open a 325 MW facility in Rosamond by October 2016; and
- Open a 276 MW facility in Rosamond by October 2016.

<http://investors.sunpowercorp.com/releasedetail.cfm?ReleaseID=542640>

Fotowatio Renewable Ventures Plans 120 MW of Solar Power Projects in California

Fotowatio Renewable Ventures, Inc. plans to construct a 60 MW project and two 20 MW projects in Kern County, California, and a 20 MW project in Los Angeles County. It expects to open the projects in 2013.

<http://www.prnewswire.com/news-releases/fotowatio-renewable-ventures-inc-frv-and-sce-sign-power-purchase-agreement-ppa-for-120-mw-of-solar-projects-113194254.html>

Western Wind Plans Multiple Wind/Solar Power Projects in California, Nevada, and Puerto Rico

Specifically, the company aims to:

- Substantially complete (mechanically) its proposed 120 MW Windstar wind energy project in California before the end of 2011. The company has broken ground on the project;
- Mechanically complete its proposed 10.5 MW Kingman solar/wind project in Arizona before the end of the second quarter of 2011. The company has broken ground on the project, and also plans to begin construction on the 10-20 MW second phase of the project by the end of 2011.
- Break ground on its proposed 30 MW Yabucoa solar power project in Puerto Rico by the end of 2011;
- Break ground on its planned 196 MW Northern Arizona wind power project in Arizona before the end of 2012;
- Break ground on its proposed 50-80 MW Windswept wind power project in California before the end of 2012;
- Break ground on a 20 MW expansion at its existing 30 MW Mesa wind power project in California before the end of 2011.

http://www.westernwindenergy.com/s/News_Releases.asp?ReportID=436888&_Type=News-Releases&_Title=Western-Wind-2011-Projects-Update

Update: Pepco Aims to Install Smart Meters for all Maryland Customers by End of 2012

Pepco expects to install smart meters for all its customers in Washington, D.C. by the end of 2011, and for all its customers in Maryland by the end of 2012. The company serves 778,000 customers, according to its website.

<http://www.wtop.com/?nid=596&sid=2228685>

<http://www.pepco.com/welcome/about/>

Update: New Jersey, Connecticut Issue Hours-of-Service Waivers January 3-5

New Jersey issued an hours-of-service exemption on January 3 for trucks delivering propane and home heating fuels, and Connecticut issued its own waiver on January 5, according to the National Propane Gas Association's Web site. Seven states – Connecticut, Georgia, New Jersey, New York, Pennsylvania, South Carolina, and Virginia – have active waivers, as of latest reports.

<http://www.npga.org/i4a/pages/index.cfm?pageid=832>

Update: After January 6 Fire, Canadian Natural Could Restart Horizon Oil Sands Plant in Alberta, Canada at 50 Percent Capacity

Canadian Natural Resources Limited could restart its Horizon oil sands plant in Alberta, Canada at about 50 percent capacity "in a shorter time frame," the company said on January 10, after a fire injured five workers and forced shut the facility on January 6. Tests suggest that damage to at least two of the site's four coke drums (2 A and 2 B) is likely to be minimal; visual observations indicate damage to all four coke drums may be minimal. Most of the damage appears to be located above the cutting deck and derrick infrastructure of coke drum 1 B. It is possible that the company could restart two of the drums in a shorter time frame; that, in turn, would allow the plant to run at about 50 percent of its capacity. The project 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 was, prior to the January 6 incident, expected to yield between 105,000 b/d and 112,000 b/d in 2011.

http://www.cnrl.com/upload/media_element/371/02/0110-horizon-upgrader-incident-further-update.pdf

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

Update: Leak Causes Hovensa to Reduce Rates at 525,000 b/d St. Croix, U.S. Virgin Islands Refinery by January 7

A leak forced shut two sulfur recovery units (SRUs) and led Hovensa to reduce rates at the refinery, sources familiar with the facility's operations said by January 7.

<http://www.bloomberg.com/news/2011-01-07/crude-heating-oil-gasoline-drop-on-jobs-report-oil-products.html>

Crack in Coke Drum Leads to Hydrogen Sulfide Release at ExxonMobil's 360,000 b/d Beaumont, Texas Refinery January 8

<http://www.bloomberg.com/news/2011-01-09/exxon-s-beaumont-refinery-releases-hydrogen-sulfide-filing-says.html>

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=964046

Valero Sees No Impact on Production after Exchanger Leak at 315,000 b/d Corpus Christi, Texas Refinery January 7

Valero took "immediate action... to locate the leaking exchanger and isolate," the company said in a filing with state regulators. The incident did not materially impact production, according to a company spokesman. Separately at Corpus Christi, Valero restarted a 40,000 b/d crude unit and a gas oil hydrotreater over the weekend, a spokesman said. The company shut the crude unit for maintenance last week.

<http://www.bloomberg.com/news/2011-01-07/valero-corpus-christi-west-plant-reports-exchanger-leak-flaring.html>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149209>

Reuters, 10:55 January 10, 2011

Update: After Crane Collapse, Motiva to Resume Normal Operations at 285,000 b/d Port Arthur, Texas Refinery by January 15

A crane collapse led to the shutdown of multiple units – all the vacuum distillation units and a crude unit – and the reduction of a gasoline-making fluid catalytic cracking unit (FCC) last week at Motiva's 285,000 b/d Port Arthur, Texas refinery, but the company expected to return the facility to normal operations by January 15, sources familiar with the site's operations said by January 7. The collapse occurred on January 4. The crane was lifting pipes as part of an expansion project; the project is, by early 2012, expected to boost the refinery's capacity to 600,000 b/d. There were no injuries.

<http://www.bloomberg.com/news/2011-01-07/crude-heating-oil-gasoline-drop-on-jobs-report-oil-products.html>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149099>

<http://www.reuters.com/article/idUSN0529238720110105>

Reuters, 11:47 January 6, 2011

FCC Malfunction Causes Hydrogen Sulfide Release at 100,000 b/d Ferndale, Washington Refinery January 7

Reuters, 21:20 January 9, 2011

Snag Triggers Flaring at Delek's 60,000 b/d Tyler, Texas Refinery January 9

A "mechanical failure" led to flaring on January 9, but Delek completed repairs and the incident lasted just two hours, the company said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149251>

Reuters, 12:55 January 10, 2011

Chevron to Restart Propane-Producing Unit This Week at 54,000 b/d Kapolei, Hawaii Refinery

Mechanical issues led Chevron to shut the unit on December 19

<http://www.staradvertiser.com/news/breaking/113099984.html>

Natural Gas

Nothing to report.

Other News

DuPont Danisco Plans 25-50 MMGal/Yr. Switchgrass-Based Ethanol Plant in East Tennessee

The facility is expected to enter service in 2014.

<http://www.knoxnews.com/news/2011/jan/09/growing-switchgrass---new-cash-crop/>

Energy Prices

U.S. Oil and Gas Prices January 10, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	89.30	92.14	83.07
NATURAL GAS Henry Hub \$/Million Btu	4.42	4.22	7.51

Source: Reuters

Energy Notes

Contractor Strikes Power Line, Cutting Electricity for Less Than One Hour to 16,000 Orlando Utilities Commission Customers in Orlando, Florida January 7

<http://www.clickorlando.com/news/26400567/detail.html>

Invenergy Wind to Complete 24 MW Wind Power Project in Montana by End of 2012 – NorthWestern Energy to Purchase Facility

<http://www.prnewswire.com/news-releases/northwestern-energy-signs-memorandum-of-understanding-with-invenergy-wind-113084549.html>

PPL Works to Correct Design Flaw in Temperature Control System at 2,451 MW Susquehanna Nuclear Power Plant in Pennsylvania January 7 – Flaw Has Existed Since Plant Entered Service in 1980s

http://www.timesleader.com/news/PPL_working_to_correct_problem_with_system_at_Nuclear_plant_01-06-2011.html

<http://www.pplweb.com/ppl+generation/nuclear+plants/ppl+susquehanna+fact+sheet.htm>

LEEDCo, Freshwater Wind to Install about 20 MW of Wind Power Capacity in Lake Erie, Offshore Ohio Beginning in Late 2012 – LEEDCo Aims to See 1,000 MW of Wind-Based Capacity Installed in Lake Erie, Offshore Ohio by 2020

<http://www.prnewswire.com/news-releases/leedco-and-freshwater-wind-sign-option-to-lease-submerged-land-in-lake-erie-to-develop-wind-farm-113114414.html>

Update: Cape Wind Receives Final EPA Permit, Completes Federal Permitting Process for Proposed 468 MW Cape Wind Power Project Offshore Massachusetts January 7

<http://www.capewind.org/news1174.htm>

Update: West Virginia PSC Postpones Deadline to February 2012 on Whether to Approve Allegheny Energy and AEP's Proposed 765 kV, West Virginia-to-Maryland PATH Transmission Line January 7 – Companies Requested Delay, Citing New PJM Forecast and Potential Changes to Line's Projected In-Service Date

<http://finance.yahoo.com/news/WVa-regulators-delay-decision-apf-2400186781.html?x=0&.v=1>

<http://www.pathtransmission.com/news/WVPSCPATHresponse.pdf>

Update: Monitoring IT Systems at Deepwater Horizon Rig Required Engineers to Manually Observe Complex Data Sets, Rather Than Automatically Alerting Engineers of Potential Problems: Federal Oil Spill Commission

http://www.computerworld.com/s/article/9203749/BP_oil_spill_IT_systems_lacked_key_alarms

Fuel Tanker Crashes along I-30 near Dallas, Texas January 7, Spilling Undetermined Quantity of Fuel and Temporarily Closing Road

<http://www.star-telegram.com/2011/01/07/2751865/fiery-fuel-tanker-wreck-closes.html>

U.S. Gasoline Demand Slides 13 Percent from 9.61 Million b/d in Week Ended December 24 to 8.41 Million b/d in Week Ended December 31, MasterCard Report Shows - 8.41 Million b/d Figure Marks Lowest Level Since September 2005

<http://www.bloomberg.com/news/2011-01-04/gasoline-demand-slides-13-to-lowest-level-in-five-years-mastercard-says.html>

Update: Iraq Boosts Crude Oil Production to 2.7 Million b/d by January 10, 300,000 b/d Higher than Previous Reports: Iraqi Oil Official

http://www.rigzone.com/news/article.asp?a_id=102876

Update: State PSC Partly Blames City of Cairo, Georgia, for Fatal September Explosion along Natural Gas Pipeline in City

<http://www.walb.com/Global/story.asp?S=13797821>

Update: After Leak at Williams-Owned Natural Gas Storage Facility Led to Precautionary Evacuations in Covington County, Louisiana at End of December 2010, Families Authorized to Return Home January 8

<http://www.hattiesburgamerican.com/article/20110108/NEWS01/110108010/Evacuated+families+return+home>

PG&E Fixing Leak along 4-Inch Natural Gas Pipeline in Sacramento, California January 8 – Company Reports No Evacuations or Disruptions to Service

<http://abclocal.go.com/kfsn/story?section=news/state&id=7884576>

Engine Shuts, Restarts at West Credo Booster Station in Texas on January 8 and January 10

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149231>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149219>

Third-Party Compressor Failure Leads to Flaring at Roberts Ranch Gas Plant in Texas January 8 – Third-Party Company Restarts Affected Equipment within Hours

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149220>

Failure Forces Shut Amine Units and AGIs at Tilden Gas Plant in Texas January 7 – Equipment Restarted within Hours

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149212>

Contractor Strikes Enterprise Products' 12-Inch Piloncillo Natural Gas Pipeline in Texas January 7 – Pipeline Damaged but Not Ruptured; Enterprise to Depressurize Line, Replace Damaged Segment

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149179>

Environmental Group Files Petition, Blocks Powertech Inc. From Launching Test Well at Centennial Uranium Mine in Colorado January 3

http://www.denverpost.com/news/ci_17031571

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.

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>

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