



ENERGY ASSURANCE DAILY

Monday Evening, January 12, 2009

Electricity

Overflow Triggers Slurry Spill at TVA's 1,969 MW Widows Creek Coal-fired Power Plant in Alabama January 9

A settling pond overflowed, spilling as much as 10,000 gallons of slurry at the Tennessee Valley Authority's (TVA) Widows Creek coal-fired power plant in Alabama, sources said. TVA said it quickly contained the spill, and was performing temporary repairs on the affected pond. Multiple sources confirmed that the incident was far less severe than the more-than 5 million cubic yard, December 22 coal ash spill at TVA's 1,456 MW Kingston, Tennessee coal-fired facility. That spill blocked rail lines and roadways—preventing TVA from receiving new coal shipments—destroyed nearby homes, and prompted calls from U.S. Senator Barbara Boxer for regulations on coal ash. Enabled by lower-than-usual electricity demand, TVA shut seven of Kingston's nine units to preserve on-site coal reserves. It has since restarted some of those units and completed repairs to the damaged rail lines. It expects to resume coal deliveries in a few days.

Reuters, 16:06 January 9, 2009

<http://www.nytimes.com/2009/01/10/us/10sludge.html?ref=us>

<http://www.dnj.com/apps/pbcs.dll/article?AID=200990109020>

<http://www.bloomberg.com/apps/news?pid=20601103&sid=aj90MqDXbG.E&refer=us>

Entergy Slows 510 MW Vermont Yankee Nuke Unit in Vermont to about 70 Percent January 12

Entergy curtailed the unit to perform work on an electrical breaker in the switchyard, the company said. The work was expected to take a few hours. The slowdown came two days after operators restored the unit from a separate reduction, caused by a small water leak in the feed water system.

<http://www.reuters.com/article/marketsNews/idUSN1233516220090112>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Luminant Shuts 593 MW Big Brown Coal-fired Unit 2 in Texas January 12

The company shut the unit to fix a boiler tube leak, it said in a filing with state regulators. The work is slated to last until tomorrow morning, January 13.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=118708>

Reuters, 11:41 January 12, 2009

Bloomberg News, 10:04 January 12, 2009

TVA's 1,118 MW Browns Ferry Nuke Unit 3 in Alabama at Full Power by January 11

The Nuclear Regulatory Commission reported that on the morning of January 10 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/2009/>

PSE&G's 1,049 MW Hope Creek Nuke Unit 1 in New Jersey at Full Power by January 11

The Nuclear Regulatory Commission reported that on the morning of January 10 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/2009/>

Southern's 856 MW Hatch Nuke Unit 1 in Georgia Ramped Up to 98 Percent by January 11

The Nuclear Regulatory Commission reported that on the morning of January 10 the unit was operating at 83 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

AES's 498 MW Alamosa Gas-fired Unit 5 in California Returns to Service by January 10

According to the California Independent System Operator, the unit returned from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200901101515.html>

Duke's 175 MW Southbay Gas-fired Unit 3 in California Returns to Service by January 10

According to the California Independent System Operator, the unit returned from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200901101515.html>

OPG's 494 MW Lambton Coal-fired Unit 2 in Ontario Shut January 12

Reuters, 08:14 January 12, 2009

ATCO's 378 MW Sheerness Coal-fired Unit 2 in Alberta Shut January 11

Reuters, 08:32 January 12, 2009

OPG Shuts 150 MW Thunder Bay Coal-fired Unit 2 in Ontario January 9

Bloomberg News, 08:37 January 12, 2009

Update: OPG Restarts 494 MW Lambton Coal-fired Unit 3 in Ontario by January 12

The unit shut by January 5.

Reuters, 08:14 January 12, 2009

Update: Entergy Asks NRC to Shelve Reviews for Two 1,535 MW Nuclear Power Units

Citing contractual issues with GE Hitachi, Entergy asked the Nuclear Regulatory Commission (NRC) to suspend safety and environmental reviews for proposed nuclear power units in Mississippi and Louisiana. Entergy had submitted applications for a new unit at its Grand Gulf location in Mississippi, and at its River Bend facility in Louisiana. Entergy said it had been unable to "come to mutually acceptable business terms" with GE Hitachi, its chosen vendor.

<http://www.platts.com/Nuclear/News/7587595.xml?p=Nuclear/News&sub=Nuclear>

Xcel Energy Issues RFP in Colorado for 2,200 MW of Power Generation to 2015

Xcel Energy issued an all-source request for proposal (RFP) for about 2,200 MW of electric generation supply, the company said in a press release. The generation will supply Xcel's Colorado customers until 2015, it said. Included in the proposal is a request for up to 700 MW of new wind and solar power, and as much as 600 MW from solar thermal generation with storage capability or natural gas backup.

<http://www.xcelenergy.com/Company/Newsroom/Pages/NewsRelease2009-01-09-XcelEnergyannouncesall-sourcegenerationRFPforitsColoradocustomers.aspx>

Petroleum

Valero Shuts, Restarts 110,000 b/d Vacuum Unit at 199,500 b/d Texas City, Texas Refinery over Weekend

Valero briefly shut a 110,000 b/d crude oil vacuum unit to repair a leak, a company spokesman said. It was not clear from a source if the incident had impacted production.

Reuters, 08:45 January 12, 2009

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=118680>

Update: Flying J's 66,000 b/d Big West Refinery in Bakersfield, California to Restart January 19

Flying J said it could restart the facility on January 19 after planned work. The company filed for bankruptcy protection last month, and the subsequent Bakersfield shutdown stoked speculators concerns that the facility shut for financial reasons. Flying J, however, said the refinery was down for planned maintenance.

DJN, 08:30 January 12, 2009

Update: Chevron Shuts 3-inch Oil Pipeline in Utah after January 7 Leak

Chevron shut the line after it spilled approximately 1,400 barrels of oil. A company spokesman was unsure of the line's origin or destination, but said responders were working to clean the leak.

Bloomberg News, 12:45 January 9, 2009

Oil Prices Drop 16 Percent in Week Ending January 9 despite DOE Decision to Resume Deliveries to SPR

Oil prices slipped 16 percent last week, finishing near \$40/barrel, despite the Department of Energy's (DOE) decision to resume oil deliveries to the Strategic Petroleum Reserve (SPR). The DOE plans to send 180,000 b/d of oil to the SPR from February through April, but analysts still expect oil demand to lag 400,000-500,000 b/d below five-year averages. Oil prices dropped as low as \$39.38 on Friday, down sharply from last Monday's close of \$48.81.

http://online.wsj.com/article/SB123151185796768023.html?mod=todays_us_money_and_investing

Thieves Steal \$20 Million of Diesel Fuel over 9-10 Month Span from BP's Distribution Center in Washington, News Source Says

Bloomberg News, 11:46 January 12, 2009

Kuwait Oil Plans 50,000 b/d Oil Project by 2015, 400,000 b/d after 2020

State-run Kuwait Oil Co. plans to produce 50,000 b/d of oil by 2015 from the northern Kuwait project, and eventually increase output to 400,000 b/d.

Bloomberg News, 02:47 January 12, 2009

Natural Gas

Southern Star Central Gas Pipeline Announces Natural Gas Storage Open Season

Southern Star Central Gas Pipeline announced a Storage Open Season to solicit binding bids for new Firm Storage Service. The company said it could expand existing storage capacity by at least 5,000,000 Dth, and boost daily deliverability by a minimum of 50,000 Dth/d. The Southern Star natural gas pipeline system stretches more than 6,000 miles across the U.S. Midwest and Mid-continent regions.

<http://csi.sscgp.com/authentication/login.aspx?ReturnUrl=%2fDefault.aspx>

Other News

Update: Patriot Shuts 1.5 Million Ton/Year Jupiter Coal Mining Complex in West Virginia January 9

Citing costs and market conditions, Patriot Coal Corporation shut its 1.5 million ton/year Jupiter Coal Mining Complex in West Virginia, the company said January 9. Patriot announced its intention to idle the facility in September 2008.

<http://phx.corporate-ir.net/phoenix.zhtml?c=216060&p=irol-newsArticle&ID=1242670&highlight=>

Update: VeraSun Shuts Two 110 Million Gallon/Year Ethanol Plants

VeraSun Energy Corp. shut 110 million gallon/year ethanol plants in Bloomburg, Ohio and Albion, Nebraska, citing lagging demand and cost concerns. Those shutdowns are in addition to another VeraSun facility—the 110 million gallon/year plant in Linden, Indiana—announced closed in October 2008.

<http://www.bloomberg.com/apps/news?pid=20601087&sid=aDR8kBmRHVKs&refer=home>

Equipment Error Shuts 100 Million Gallon/Year Ethanol Plant in Georgia January 6

An equipment failure forced shut the 100 million gallon/year First United Ethanol Plant (FUEL) in Georgia January 6, a news source reported. The facility hopes to re-open tomorrow, January 13. The incident was caused by a valve leak, pipe pressure increase and subsequent steam blow-off. No one was injured.

<http://www.firstunitedethanol.com/>

<http://ethanol-news.newslib.com/story/6938-30730/>

Technical Issues Force Shut Cascade Grain LLC's 113.4 Million Gallon/Year Ethanol Plant in Oregon

Cascade Grain LLC shut its 113.4 million gallon/year ethanol plant in Clatskanie, Oregon, citing technical issues which may be contaminating the ethanol. The facility opened in June 2008.

<http://www.cascadegrain.com/>

<http://ethanol-news.newslib.com/story/6938-30679/>

Tharaldson Ethanol Opens 120 Million Gallon/Year Ethanol Plant in North Dakota

Tharaldson Ethanol LLC finished construction in December 2008, and confirmed in a January 9 news source that full production had begun. The company broke ground in May 2007.

<http://ethanol-news.newslib.com/story/6938-30736/>

ZeaChem Plans Cellulosic Ethanol Biorefinery in Colorado

ZeaChem Inc plans to build a cellulose-based biorefinery that will convert renewable non-food biomass into ethanol and other products.

<http://www.zeachem.com/press/pressrelease010809.php>

Update: Pine Lake Resumes Production at 30 Million Gallon/Year Ethanol Plant in Steamboat Rock, Iowa

Pine Lake Corn Processors suspended production on December 1, and declared bankruptcy on December 4. A judge approved the facility to resume production on December 24, and a bankruptcy judge ruled last week that the facility could remain online until at least March 6. At that time, another evaluation will occur.

<http://ethanol-news.newslib.com/story/6938-30745/>

County Officials Approve Scranton-Altoona Terminals Corp. Plan for Ethanol Rail Facility in Pennsylvania

County officials conditionally approved the Scranton-Altoona Terminals Corp.'s plan to build an office building, warehouse, rail canopy, two-bay loading rack, vapor recovery unit and access roadway. If built, the facility would receive and temporarily store ethanol deliveries.

<http://ethanol-news.newslib.com/story/6938-30687/>

Suncor Postpones Plans to Expand Output at Sarnia, Ontario Ethanol Plant

Suncor delayed its plans by one year to double ethanol production at its Sarnia, Ontario plant, the company said. The company expects to begin work in early 2010, and open the new output in the first quarter of 2011. If completed, the expansion would boost the facility's production to 106 million gallons/year.

<http://ethanol-news.newslib.com/story/6938-30724/>

<http://ethanol-news.newslib.com/story/6938-30695/>

Energy Prices

U.S. Oil and Gas Prices			
January 12, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	37.90	47.73	92.98
NATURAL GAS Henry Hub \$/Million Btu	5.60	5.41	7.96

Source: Reuters

Energy Notes

Green Mountain Power, Vermont Electric Cooperative Plan 30-42 MW Kingdom Community Wind Power Project in Vermont

<http://www.wptz.com/news/18454822/detail.html?rss=pla&psp=news>

Update: Dominion Resources Says it Will Seek New Development Partner for Proposed Nuclear Power Plant in Virginia after Failure to Reach Deal with GE Hitachi

Reuters, 17:30 January 9, 2009

Update: AMP-Ohio Selects Bechtel Power Corp to Build 1,000 MW Coal-fired Power Plant in Ohio

Reuters, 12:49 January 12, 2009

ConocoPhillips Reports RTO Gearbox Malfunction, Shutdown at 247,000 b/d Sweeny, Texas Refinery January 9-10

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=118695>

FCC Malfunction Triggers Flaring at Valero's 171,000 b/d McKee, Texas Refinery January 9—No Affect to Production, Spokesman Says

Reuters, 08:29 January 12, 2009

Bloomberg News, 11:57 January 11, 2009

Update: Nigeria Slows Oil Output by 160,000 b/d, to Total 1.88 Million b/d, in Line with OPEC Quota

<http://www.platts.com/Oil/News/8281074.xml?p=Oil/News&sub=Oil>

Gunmen Attack, Kill two Nigerian Soldiers at Oil Facilities in Niger Delta, Nigeria

Reuters, 12:41 January 12, 2009

Update: Ecuador Halts 24,000 b/d of Agip Oil Production, 7,000 b/d of Perenco Output, in Line with OPEC Quota

http://www.rigzone.com/news/article.asp?a_id=71508

Oman Eyes 800,000 b/d Oil Production in 2009, or 50,000 b/d Increase from Current Output

Reuters, 02:58 January 12, 2009

Sudan Hopes to Increase Oil Production to 600,000 b/d by End of 2009 and Average 500,000 b/d throughout Year—Nation Produces 450,000-460,000 b/d, at Present

Reuters, 02:18 January 12, 2009

Saudi Arabia Plans to Slash Oil Production by as Much as 300,000 b/d More than OPEC Quota—Industry Sources

Reuters, 07:32 January 11, 2009

Russian Fuel Oil Exports Drop 15.7 Percent in December 2008, Month-on-Month on Higher Duties and Risen Domestic Demand

Reuters, 10:20 January 12, 2009

Russian Oil Output Could Dip by 110 Million-to-147 Million Barrels in 2009 on Lagging Prices—Energy Minister

Bloomberg News, 10:03 January 12, 2009

**Turbine Shutdown at Goldsmith Gas Plant in Texas January 9-10
GLDU Station Reports Flaring due to Problems**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=118704>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=118700>

U.S. Fish and Wildlife Service Asks FERC to Postpone Decision on Planned Sparrows Point LNG Terminal in Maryland

http://www.baltimoresun.com/news/local/baltimore_county/bal-md.co.lng10jan10.0.354432.story

Harsh Weather Shuts Mexico's Dos Bocas, Coatzacoalcos Oil Ports January 11-12

Reuters, 12:39 January 12, 2009

Winds Stall Sullom Voe Oil Terminal in North Sea January 11

Bloomberg News, 07:25 January 12, 2009

Mexican Fisherman Block Mexico's Salina Cruz Oil Terminal January 9

Reuters, 14:09 January 9, 2009

**U.S. Coal Production Jumps Approximately 2 Percent in 2008, Year-on-Year—EIA
EIA Predicts 2.6 Percent Decline in 2009**

<http://www.billingsgazette.net/articles/2009/01/10/news/wyoming/28-statebreaks.txt>

http://money.cnn.com/news/newsfeeds/articles/djf500/200901091713DOWJONESDJONLINE000841_FORTUNES5.htm

Update: Russia to Resume Natural Gas Shipments to Europe Tomorrow, Gazprom Deputy CEO Says, after European Union Negotiates Russia-Ukraine Deal

<http://www.cnn.com/2009/WORLD/europe/01/12/europe.russia.gas.ukraine/index.html>

Update: At Least Five Somali Pirates Drown After Receiving \$3 Million Ransom Payment—Harsh Weather Capsizes Small Boat

<http://www.mgn.com/news/dailystorydetails.cfm?storyid=9533>

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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