



# ENERGY ASSURANCE DAILY

Thursday Evening, January 13, 2011

## Major Developments

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### **Update: Alyeska Pipeline Service Co to Shut Its 800-Mile TAPS Oil Pipeline System in Alaska for 36 Hours this Weekend**

According to state and federal regulators, the Trans-Alaska Pipeline System pipeline will be shut this weekend to install a bypass pipeline and make repairs at a pump station. Alyeska originally shut the line on January 8 due to a leak, but had temporarily restarted it at reduced rates on January 11. Rates were up to 400,000 b/d by noon on January 12 – under normal circumstances TAPS carries about 640,000 b/d. At noon on January 12, North Slope producers were providing about 330,000 to 350,000 b/d of production into the line. The bypass pipe is currently being built and will be flown to the North Slope for installation; in the meanwhile, an 800 gallon storage tank is being used to capture the leaking oil. Observations around the site of the leak have not yielded any evidence of oil on the surface or in the subsurface of the surrounding soil. Alyeska has recovered 4,494 gallons (107 bbls) of oil since the pipeline system was shut: 2,184 gallons (52 bbls) were recovered before restarting TAPS, and 2,310 gallons (55 bbls) were recovered after restarting.

[http://dec.alaska.gov/spar/perp/response/sum\\_fy11/110108301/110108301\\_sr\\_05.pdf](http://dec.alaska.gov/spar/perp/response/sum_fy11/110108301/110108301_sr_05.pdf)

[http://dec.alaska.gov/spar/perp/response/sum\\_fy11/110108301/factsheets/110108301\\_fact\\_05.pdf](http://dec.alaska.gov/spar/perp/response/sum_fy11/110108301/factsheets/110108301_fact_05.pdf)

<http://www.businessweek.com/news/2011-01-12/alaska-oil-pipeline-to-shut-again-this-weekend-to-install-bypass.html>

<http://www.businessweek.com/ap/financialnews/D9KN6SC00.htm>

## Electricity

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### **Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York at Full Power by January 13**

The Nuclear Regulatory Commission reported that on the morning of January 12 the unit was operating at 55 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **Update: Bechtel Completes Work on Pumps, Allowing Wisconsin Energy to Open 615 MW Oak Creek Coal-Fired Unit 2 in Wisconsin**

Bechtel has turned over the unit to Wisconsin Energy so the utility could begin to start it up. Work on the plant was meant to finish in November 2010, but vibrations in specialized pumps delayed completion of the project.

<http://www.bizjournals.com/sanfrancisco/news/2011/01/12/bechtel-finishes-2-billion-wisconsin.html?s=print>

### **Update: Cold Temperatures Lead Georgia to Issue Hours-of-Service Waiver while Virginia Re-issues its Waiver January 13**

Georgia issued an hours-of-service waiver for trucks delivering propane and home heating fuels on January 13. According to the National Propane Gas Association's Web site, the following states currently have hours-of-service waivers: Connecticut, Delaware, Georgia, Maryland, New Jersey, New York, North Carolina, South Carolina, and Virginia. Virginia's hours-of-service waiver expired early January 13, but a new one went into effect at 4:00 PM this afternoon.

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

[http://www.npga.org/files/public/GA\\_Hours\\_of\\_Service2.pdf](http://www.npga.org/files/public/GA_Hours_of_Service2.pdf)

[http://www.npga.org/files/public/VA\\_Hours\\_of\\_Service.pdf](http://www.npga.org/files/public/VA_Hours_of_Service.pdf)

### **Update: Canadian Natural Resources Declares Force Majeure on January Shipments of Synthetic Crude Oil from 110,000 b/d Horizon Oil Sands Plant January 12**

Production at was already suspended due to a fire at the plant's coker on January 6. The plant normally produces ten percent of Canada's synthetic crude.

[http://ca.finance.yahoo.com/news/Canadian-Natural-declares-reuters-](http://ca.finance.yahoo.com/news/Canadian-Natural-declares-reuters-3861828008.html;_ylt=A0wNcoO5DS5NAQ4AqgzIzJpG;_ylu=X3oDMTFkbzdtajJiBHBvcwMzBHNIYwNuZXdzSHViQXJ0aWNsZUxpc3QEc2xrA2NhbmFkaWFubmF0dQ--?x=0)

[3861828008.html;\\_ylt=A0wNcoO5DS5NAQ4AqgzIzJpG;\\_ylu=X3oDMTFkbzdtajJiBHBvcwMzBHNIYwNuZXdzSHViQXJ0aWNsZUxpc3QEc2xrA2NhbmFkaWFubmF0dQ--?x=0](http://ca.finance.yahoo.com/news/Canadian-Natural-declares-reuters-3861828008.html;_ylt=A0wNcoO5DS5NAQ4AqgzIzJpG;_ylu=X3oDMTFkbzdtajJiBHBvcwMzBHNIYwNuZXdzSHViQXJ0aWNsZUxpc3QEc2xrA2NhbmFkaWFubmF0dQ--?x=0)

### **Marathon Announces 28,000 b/d Increase in Capacity at Garyville, Louisiana Refinery January 13**

Marathon Oil's Garyville refinery's capacity is now 464,000 b/d, up from 436,000 b/d according to a company representative. This increase means the facility now has the third largest refining capacity in the U.S.

Reuters, 11:48 January 13, 2011

### **Update: Flint Hills Restarts 210,000 b/d North Pole, Alaska Refinery January 12 Following Restart of Trans-Alaska Pipeline System**

The refinery is once again receiving crude. Diesel and gasoline customers were not impacted by the shutdown as they received supplies from storage.

Reuters, 16:03 January 12, 2011

## ***Natural Gas***

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### **Former Employee Jailed for Shutting Off Flow of Gas to Over 2,700 Trunkline Gas Customers in Fairfield, Illinois January 9**

The recently fired employee allegedly closed a valve, thereby shutting two high pressure lines that serve the city. Service was restored in less than an hour. While no customers were ultimately affected, a company representative said that the city was 45 minutes away from being completely out of gas.

[http://www.carmitimes.com/area\\_news/x1314139206/Fired-employee-allegedly-shuts-off-Fairfields-gas](http://www.carmitimes.com/area_news/x1314139206/Fired-employee-allegedly-shuts-off-Fairfields-gas)

## ***Other News***

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### **EPA Revokes Clean-Water Permit for Arch Coal's Proposed Spruce No. 1 Coal Mine in West Virginia Due to Environmental Concerns**

The permit had originally been given to the proposed mountaintop-removal mine by the U.S. Army Corps of Engineers four years ago. This is the first time that the EPA has ever revoked a federal water permit after it had been issued. The company said that the project will effectively be killed without the permit.

DJN, 10:04 January 13, 2011

## Utilities, Car Companies Offer Infrastructure and Technology to Help Electric Vehicle Owners Charge Their Cars, Maintain Adequate Range

Consumers may require new circuits or specialized 240-volt charging stations in order to properly charge plug-in electric vehicles (PEVs) that are now on the market. Recharging a PEV using a standard 120-volt socket could take many hours, and may also cause old circuits to overheat. DTE Energy has implemented a program in southeast Michigan under which it will pay up to \$2,500 to install 240-volt charging stations for the first 2,500 PEV owners who sign up for a charging plan between now and December 2013. Separately, Ford is installing navigation systems in its PEVs that tell their drivers where various electrical charging stations are along the routes to their destinations. If there are none on the way, the car will suggest ways that drivers can increase their range (e.g., shutting off the air conditioner or driving at a slower speed).

<http://dteenergy.mediaroom.com/index.php?s=43&item=581>

[http://news.yahoo.com/s/ap/20110112/ap\\_on\\_re\\_us/bc\\_us\\_behind\\_the\\_wheel\\_chevy\\_volt\\_1](http://news.yahoo.com/s/ap/20110112/ap_on_re_us/bc_us_behind_the_wheel_chevy_volt_1)

<http://gadgetwise.blogs.nytimes.com/2011/01/12/ford-attempts-to-relieve-range-anxiety-for-electric-car-owners/>

## Valero Plans to Invest in Proposed 40 MMGal/Yr Kinross, Michigan Cellulosic Ethanol Plant

The plant, primarily financed by Valero and Mascoma Corp., is due to convert wood into ethanol starting in 2013. Valero would buy and distribute the ethanol produced at the plant. The plant would dramatically increase the amount of cellulosic ethanol produced in the U.S. – the government currently estimates that only 3.9 million gallons will be produced in 2011.

[http://online.wsj.com/article/SB10001424052748704803604576078202329991370.html?mod=googlenews\\_wsj](http://online.wsj.com/article/SB10001424052748704803604576078202329991370.html?mod=googlenews_wsj)

## Iowa Power Fund Board Awards \$9 Million to DuPont Danisco's Proposed 25 MMGal/Yr Project Blackhawk Cellulosic Ethanol Plant in Webster County, Iowa January 12

DuPont Danisco Cellulosic Ethanol LLC's plant would produce ethanol using corn stover rather than corn kernels.

<http://www.messengernews.net/page/content.detail/id/535871/State-awards--9-million--to-proposed-ethanol-plant.html?nav=5010>

## Energy Prices

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U.S. Oil and Gas Prices January 13, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	91.82	88.39	79.94
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.55	4.52	5.57

Source: Reuters

## Energy Notes

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### Heavy Snow Fall Knocks Out Power to More than 17,000 Nova Scotia Power Customers in Nova Scotia January 12

<http://thechronicleherald.ca/Front/1221699.html>

### Update: About 15,000 Customers Still Without Power in New England Following January 12 Snow Storm – Figure Includes 4,025 National Grid Customers in Massachusetts

[http://www.upi.com/Top\\_News/US/2011/01/13/Snow-slams-New-England-states/UPI-49831294909200/](http://www.upi.com/Top_News/US/2011/01/13/Snow-slams-New-England-states/UPI-49831294909200/)

[http://www.boston.com/news/local/breaking\\_news/2011/01/state\\_police\\_ur.html?rss\\_id=Top+Stories](http://www.boston.com/news/local/breaking_news/2011/01/state_police_ur.html?rss_id=Top+Stories)

**Update: Following January 12 Snow Storm, 2,227 B.C. Hydro Customers Remain Without Power in British Columbia by Late Morning January 13**

<http://www.bchydro.com/outages/orsTableView.jsp>

**Jump in Cost for Chinese Rare-Earth Metals Could Push Gasoline Production Costs Up by One Cent per Gallon – Rare-Earths Are Used as Catalysts in Fluid Catalytic Cracking Units (FCCUs)**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=25273](http://www.downstreamtoday.com/news/article.aspx?a_id=25273)

**Update: Federal Appeals Court Lifts Stay, Allows EPA to Take Over Greenhouse Gas Permitting from Texas January 12**

[http://www.nytimes.com/2011/01/13/us/13brfs-COURTALLOWSE\\_BRF.html?\\_r=2&ref=todayspaper](http://www.nytimes.com/2011/01/13/us/13brfs-COURTALLOWSE_BRF.html?_r=2&ref=todayspaper)

**Update: South Heart Energy Development Completes Application to Build Coal Mine and 175 MW Combined-Cycle Coal-to-Gas Power Plant near South Heart, North Dakota – Construction Due to Begin Sometime after July 2013**

<http://www.thedickinsonpress.com/event/article/id/44083/>

**EPA Announces January 12 It Will Issue a New Rule July 1 to Exclude Biomass from Carbon Dioxide Regulations – The Agency Says It Requires More Time to Determine Whether Biomass Should Qualify as a Green Fuel**

<http://www.washingtonpost.com/wp-dyn/content/article/2011/01/12/AR2011011203410.html?sub=AR>

**Raser Technologies Begins Drilling First Production Well at Its Proposed 15 MW Lightning Dock, New Mexico Geothermal Power Plant by January 13**

<http://www.rasertech.com/news/press-releases/raser-technologies-begins-drilling-its-first-production-well-at-its-lightning-dock-new-mexico-project>

**Amine Surge Tank Pressure Regulator Fails, Leading to Flaring and Shut Down of Amine Solution Pumps at Goldsmith Gas Plant in Texas January 12**

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=149394>

**CenterPoint Energy's Panola County, Texas Pipeline Fails for Unknown Reasons January 12**

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=149405>

**Engines Shut Down to Repair Hole in the Discharge Line at Weir Booster Station in Texas January 12-13**

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=149406>

## **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>

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