



# ENERGY ASSURANCE DAILY

Friday Evening, January 14, 2011

## Major Developments

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### **Update: Alyeska to Install Bypass, Shut TAPS Oil Pipeline System in Alaska January 14 – Shutdown to Last 36-48 Hours**

Alyeska Pipeline Service Company plans to shut its 800-mile Trans Alaska Pipeline System (TAPS) for about 36-48 hours, beginning this evening, as it installs a bypass pipe around the site of a leak, according to a release from the Alaska Department of Environmental Conservation. Alyeska shut the line on January 8 after it found crude oil leaking into the basement of a booster pump building. The company restarted the line at reduced rates on January 11, and the line was operating at about 340,000 b/d, as of January 13. 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, according to Alyeska's website.

[http://dec.alaska.gov/spar/perp/response/sum\\_fy11/110108301/110108301\\_sr\\_06.pdf](http://dec.alaska.gov/spar/perp/response/sum_fy11/110108301/110108301_sr_06.pdf)

<http://www.alyeska-pipe.com/Default.asp>

<http://www.bloomberg.com/news/2011-01-14/trans-alaska-crude-oil-pipeline-will-shut-tonight-for-bypass-installation.html>

## Electricity

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### **Luminant's 1,150 MW Comanche Peak Nuclear Unit 1 in Texas Shut by January 14**

The company shut the unit to fix a transformer, a spokesman with the Nuclear Regulatory Commission (NRC) said. The NRC reported that on the morning of January 13 the unit was operating at full power.

<http://www.bloomberg.com/news/2011-01-14/u-s-nuclear-output-rises-as-energy-future-shuts-texas-reactor.html>

Information also derived from the NRC Power Reactor Status Reports:

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

### **PG&E's 404 MW Helms Hydro Unit 3 in California Returns to Service by January 13**

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus201101131515.html>

### **SCE's 200 MW Eastwood Hydro Unit in California Returns to Service by January 13**

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus201101131515.html>

### **Fire Forces PG&E to Briefly Shut 163 MW Humboldt Bay Gas-Fired Power Plant in California January 12**

A fire led Pacific Gas and Electric Company (PG&E) to shut its 163 MW Humboldt Bay gas-fired power plant in California on January 12, but only two of the site's 10 units were online at the time of the incident, and the company resumed production in less than four hours, a spokeswoman said. The blaze was extinguished within minutes, according to PG&E. Prior to the restart, the company urged its customers to conserve energy.

[http://www.times-standard.com/localnews/ci\\_17095148](http://www.times-standard.com/localnews/ci_17095148)

[http://www.times-standard.com/ci\\_17078865?source=most\\_viewed](http://www.times-standard.com/ci_17078865?source=most_viewed)

## **After Brief Shutdown, AEP to Restart 528 MW Welsh Coal-Fired Unit 1 in Texas January 14**

American Electric Power (AEP) planned to restart the unit on January 14, it said in a filing with state regulators. The company had expected to shut the unit on January 14-18, according to an earlier filing. It was not clear from either filing why the unit was brought offline.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148965>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148969>

## **NIPSCO to Permanently Retire 500 MW Dean H. Mitchell Coal-Fired Power Plant in Indiana – Facility Has Been Offline Since 2002**

Northern Indiana Public Service Co. (NIPSCO) plans to install pollution control technology at three of its four coal-fired power plants, permanently retire a fourth – the 500 MW Dean H. Mitchell facility in Gary, Indiana – spend \$9.5 million on environmental mitigation projects, and pay a civil penalty of \$3.5 million, according to the terms of a Clean Air Act settlement between the company, the U.S. Environmental Protection Agency (EPA), and the U.S. Justice Department. The Dean H. Mitchell plant has been offline since 2002, the EPA said. By the close of 2018, NIPSCO will invest approximately \$600 million in improved environmental technology and related projects.

<http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceac8525735900400c27/d6733447bcf4ac6285257817006106ec!OpenDocument>

<http://ir.nisource.com/releasedetail.cfm?ReleaseID=543684>

[http://construction.ecnext.com/coms2/gi\\_0249-16719/](http://construction.ecnext.com/coms2/gi_0249-16719/)

## **SoloPower Plans 300 MW Solar Panel Manufacturing Facility in Wilsonville, Oregon**

The facility would produce flexible thin-film solar cells and modules SoloPower said on January 13. The initial phase would involve a 75 MW manufacturing line; the site would eventually have a nameplate capacity of 300 MW.

<http://www.solopower.com/solopower-announces-new-solar-panel-manufacturing-facility-in-oregon.html>

## ***Petroleum***

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### **Shell Shuts Gasoil Hydrotreater at 340,000 b/d Deer Park, Texas Refinery January 11**

Shell shut the unit for unscheduled work, according to sources familiar with the site's operations. It was not clear when the company expected to restart the unit.

<http://www.bloomberg.com/news/2011-01-13/shell-said-to-shut-deer-park-hydrocracker-gasoil-hydrotreater.html>

### **Update: After Weather-Induced Snag, Holly Resumes Normal Operations at 125,000 b/d Tulsa, Oklahoma Refinery January 13**

Cold weather forced shut multiple steam boilers and halted production at the West side of Holly Corp's 125,000 b/d Tulsa, Oklahoma refinery on January 12, but the company returned the facility to normal operations on January 13, it said in separate statements. The refinery includes two plants – West and East – that each account for approximately half of the site's capacity. The incident did not disrupt production at the East plant.

<http://www.bloomberg.com/news/2011-01-13/holly-tulsa-plant-back-to-normal-operations-update1-.html>

### **After Late-December Fire, CVR Energy to Resume Full Operations at 115,700 b/d Coffeyville, Kansas Refinery by January 22**

An equipment malfunction and small fire damaged a fluid catalytic cracking unit (FCC) at CVR Energy's 115,700 b/d Coffeyville, Kansas refinery on December 28, forcing the company to slash rates at the facility to just more than 50,000 b/d, it said in a filing with the U.S. Securities Exchange Commission. There were no injuries and the company expected to return the refinery to full operations by January 22, according to the filing.

Reuters, 08:27 January 14, 2011

### **North Dakota Could Produce More Crude Oil than Alaska by 2017**

North Dakotan oil production could surge to 450,000-700,000 b/d over the next three to seven years, compared to 329,000 b/d at present, while Alaskan oil output could decline to 450,000 b/d by 2017, compared to 538,000 b/d at present, according to reports from the North Dakota Pipeline Authority and the U.S. Department of Energy (DOE).

<http://www.bloomberg.com/news/2011-01-13/north-dakota-crude-output-poised-to-pass-alaska-chart-of-the-day.html>

## Norwegian Petroleum Directorate Cuts Estimate of Norway's Volume of Undiscovered Resources from about 3.3 to 2.6 Billion Standard Cubic Meters of Oil Equivalents

<http://www.npd.no/en/news/News/2011/The-shelf-2010--Press-releases/>

### Natural Gas

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Nothing to report.

### Other News

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#### Update: Dupont/Danisco Plans 25 MMGal/Yr. Cellulosic Ethanol Plant in Iowa

The facility would process corncobs, leaves, and stalks. Dupont and Danisco aim to begin operations by 2013. The companies had considered constructing the plant in Nebraska, but credited a \$9 million grant from the Iowa Power Fund, feedstock supplies, and “rail availability” for the decision to build in Iowa.

<http://www.desmoinesregister.com/article/20110113/BUSINESS/101130339/-1/caucus/DuPont-picks-Iowa-for-ethanol-plant>

<http://biofuelsdigest.com/bdigest/2011/01/14/ddce-picks-iowa-over-nebraska-for-cellulosic-ethanol-demonstration/>

#### Fire Injures Two, Leads Alliance Resource’s Subsidiary to Evacuate 6.2 Million Tons/Year Cardinal Coal Mine in Kentucky

Alliance Resource Partners’ Warrior Coal evacuated its coal mine in western Kentucky after company workers drilled into an underground gas pocket and started a fire in a nearby field, according to a local emergency official and Bloomberg News. The fire continued to burn, as of January 13. Bloomberg News article did not identify the affected mine; Alliance Resources’ website, however, says that Warrior Coal operates the Cardinal coal mine in Madisonville, Kentucky. The mine produced 6.2 million tons of coal in 2009, according to the site.

<http://www.bloomberg.com/news/2011-01-13/workers-battling-fire-near-western-kentucky-mine.html>

<http://www.arlp.com/mines/illinois.htm#warriorcoal>

#### America West to Boost Production by about 420,000 Tons/Year at Existing Horizon Thermal Coal Mine near Helper, Utah

The company expects to deploy a new continuous miner and ramp the site up to its new capacity by the end of March 2011.

<http://phx.corporate-ir.net/phoenix.zhtml?c=221916&p=irol-newsArticle&ID=1515861&highlight=>

#### Update: EPA Postpones Plan to Regulate Carbon Dioxide Emissions from Corn-Based Ethanol Plants for at Least Three Years

<http://blogs.desmoinesregister.com/dmr/index.php/2011/01/14/epa-delays-pollution-rules-for-ethanol-plants/>

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/4369c709163915b485257816005971bb!OpenDocument>

### Energy Prices

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U.S. Oil and Gas Prices			
January 14, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	91.26	87.49	79.55
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.48	4.49	5.61

Source: Reuters

**Transmission Line Issues Cut Power to about 10,000 OG&E Customers in Oklahoma January 13 – Company Restores Power to Affected Customers, as of Latest Reports**

<http://muskogeephoeenix.com/local/x233315224/P-M-UPDATE-OG-E-reports-10-000-customers-without-power>  
<http://public.oge.com/systemwatch/SystemWatch.swf?startMapID=1>

**Glimcher Realty Trust Plans 4.8 MW Rooftop Solar Array in Elizabeth, New Jersey – Site Would Be Largest Single-Rooftop Solar System in North America**

BSW, 15:34 January 13, 2011

**Rains, Snow Melting to Enable Hydroelectric Power Facilities along Missouri River to Produce at Above-Average Levels in 2011, U.S. Army Corps of Engineers Forecasts – Facilities Have Not Generated at Above-Average Levels for 12 Years**

<http://www.bloomberg.com/news/2011-01-13/big-muddy-making-big-hydropower-recovery.html>

**Broken Gauge Leads to 8,000-Gallon Diesel Oil Spill at 1,359 MW Coal, Oil, and Gas-Fired Eddystone Power Plant in Pennsylvania January 8**

<http://delcotimes.com/articles/2011/01/14/news/doc4d2fd720a2109132506358.txt?viewmode=fullstory>  
<http://www.exeloncorp.com/PowerPlants/eddystone/Pages/profile.aspx>

**Lansing Board of Water & Light Blames Human Error on 4,000-Gallon Fuel Oil Spill at Erickson Power Plant in Delta Township, Michigan January 10 – Oil Cleared by January 12**

<http://www.lansingstatejournal.com/article/20110114/NEWS01/301140001/1001/NEWS>

**Cops Arrest Two Men for Allegedly Stealing Copper Wire from Utility Boxes in Livermore, California January 8**

<http://livermore.patch.com/articles/cops-nab-two-suspected-copper-thieves>

**Fire Breaks Out at Covanta Energy Resource's 16.8 MW Waste-Based Power Plant in Tulsa, Oklahoma January 10 – Fire Contained by January 11**

<http://www.newson6.com/Global/story.asp?S=13826641>  
<http://www.covantaenergy.com/en/list-of-facilities/covanta-tulsa.aspx>

**Pipe Rupture Leads to 2,000-Gallon Naphtha Spill at Murphy's 35,000 b/d Superior, Wisconsin Refinery January 13**

<http://www.bloomberg.com/news/2011-01-14/murphy-has-2-000-gallon-naphtha-leak-at-superior-plant-update1-.html>

**U.S. Government Will “Probably Never” Approve Offshore Drilling Permits at Same Pace as Before Deepwater Horizon Spill: BOEMRE Director**

[http://www.rigzone.com/news/article.asp?a\\_id=103028](http://www.rigzone.com/news/article.asp?a_id=103028)

**Ensco Asks Judge to Force U.S. Government to Process Five Offshore Permit Applications**

[http://www.rigzone.com/news/article.asp?a\\_id=103029](http://www.rigzone.com/news/article.asp?a_id=103029)

**Update: Chevron Repairs, Restarts Dibi-Abiteye Oil Pipeline in Niger Delta, Nigeria by January 14 – Militants Attacked Line Approximately One Month Ago**

<http://www.bloomberg.com/news/2011-01-14/chevron-resumes-nigera-pipeline-flows-after-attack-last-month.html>

**Transmitter Freeze Leads to Flaring at Goldsmith Gas Plant in Texas January 13**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149450>

**Cold Weather Disrupts Sulfur Removal Process, Triggers Flaring at Teague Compressor and Paques Gas Plant in Texas January 13-17**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149418>

**AGI Compressor Shuts, Restarts at Waha Gas Plant in Texas January 13**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149432>

**Unit Shutdown Causes Flaring at Keystone Gas Plant in Texas January 13**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149438>

**Update: County Board to Withdraw, Reconsider Prior Authorization of Pipeline that Would Link up with Oregon LNG's Proposed LNG Terminal in Oregon**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=25315](http://www.downstreamtoday.com/news/article.aspx?a_id=25315)

**Somali Pirates to Blame for \$7 Billion to \$12 Billion per Year in Global Economic Losses: One Earth Future Foundation**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=25323](http://www.downstreamtoday.com/news/article.aspx?a_id=25323)

**Amid Concerns over China's Near-Monopoly on Production of Rare-Earth Materials, Toyota Developing Hybrid/Electric Vehicle Motor That Does Not Require Such Materials**

<http://www.bloomberg.com/news/2011-01-14/toyota-readying-electric-motors-that-don-t-use-rare-earths.html>

## 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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