



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

ENERGY ASSURANCE DAILY

Wednesday Evening, February 03, 2010

Electricity

Update: More than 40,000 Remain Without Power in Oklahoma February 3

More than 40,000 customers remained without power in Oklahoma on February 3, several days after ice, winds and snow cut electricity to more than 185,000 customers, multiple sources said. Governor Brad Henry declared a state of emergency on January 27, ahead of the storm, and waived some size and weight restrictions for vehicles moving emergency response equipment and supplies. The following table lists peak and current outage figures, based on latest available data.

Oklahoma, Arkansas Customer Power Outages January 28-February 3, 2010			
Electric Utility	State	Peak	Latest Reported
Public Service Co. of Oklahoma	OK	69,716	9,422
Oklahoma Association of Electric Cooperatives	OK	62,341	23,151
Oklahoma Gas & Electric	OK	27,000	79
Oklahoma Municipal Power Authority	OK	26,606	11,352
Entergy Arkansas	AR	12,733	262
TOTAL*		198,396	44,266

*Total outages only represent electric utilities listed in this table.

Sources:

Public Service Co. of Oklahoma:

<https://www.psoklahoma.com/outages/details.aspx?stormName=Oklahoma%20Winter%20Storm%20January%2028-29,%202010> ,

http://online.wsj.com/article/SB10001424052748703389004575032852852019606.html?mod=googlenews_wsj

Oklahoma Association of Electric Cooperatives: http://oaec.coop/Latest_News.php

http://www.newsok.com/power-lines-still-down-in-oklahoma-as-wind-creates-new-hazards/article/3435585?custom_click=headlines_widget

Oklahoma Gas & Electric: http://public.oge.com/systemwatch/graphs/History_Graph.asp ,

<http://public.oge.com/systemwatch/SystemWatch.swf?startMapID=1> ,

http://www.gov.ok.gov/display_article.php?article_id=1340&article_type=1

Oklahoma Municipal Power Authority:

<http://www.kjrh.com/mostpopular/story/Latest-Storm-Impact-Report/OXTxOnCdb0e1jrVTdVD3iA.csp>

http://www.ok.gov/OEM/Emergencies_&Disasters/2009/WinterWeatherEvent20100128Master/

Entergy Arkansas: <http://viewoutage.entergy.com/ar.aspx> , <http://ozarksfirst.com/content/fulltext/?cid=230271>

Update: Progress Energy Plans Mid-Year Restart at 838 MW Crystal River Nuclear Power Plant in Florida

The unit will remain offline until mid-2010—some five to six months longer than initially expected—due to a crack in the containment wall, a spokeswoman said on February 2. The unit shut on September 26, but had been expected online by December 19.

<http://www.reuters.com/article/idUSN0211571620100202>

Exelon's 1,116 MW Peach Bottom Nuke Unit 2 in Pennsylvania Reduced to 40 Percent by February 3

The Nuclear Regulatory Commission reported that on the morning of February 2 the unit was operating at 90 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Mirant's 206 MW Potrero Unit 3 Gas-fired Unit in California Shut by February 2

According to the California Independent System Operator, the unit reported an unplanned outage on February 2.

<http://www.caiso.com/unitstatus/data/unitstatus201002021515.html>

Update: NRG to Shutter Three Units at 782 MW Indian River Coal-fired Power Plant in Delaware

NRG Energy, in a deal with state regulators, agreed to shutter the site's 81.6 MW Unit 1 and its 81.6 MW Unit 2 in 2011, and its 176.8 MW Unit 3 in 2013. The company would modernize the site's remaining 442.4 MW unit. NRG had previously planned to shut Units 1 and 2 and install pollution-control equipment on Units 3 and 4.

http://www.dnrec.delaware.gov/News/Pages/DNREC_Secretary_approves_plan_for_largest_improvement_in_air_quality_in_Delaware_history.aspx

<http://www.delmarvanow.com/article/20100203/NEWS01/100203003/1002/DELAWARE--Three-units-at-Indian-River-plant-to-be-shut-by-2013->

We Energies Opens 615 MW Coal-fired Unit at Oak Creek Power Plant in Wisconsin by February 2

The company plans to open a second, 615 MW coal-fired unit at the facility later in 2010, according to a news release.

http://wecnews.wisconsinenergy.com/news/newsrel/pages/newsrelease_150

Petroleum

Update: Six States Remain Under Hours-of-Service Waivers for Delivering Heating Oil and Propane as Multiple Exemptions Expire February 3

Hours-of-service exemptions were set to expire on February 3 for trucks delivering propane and heating fuel in Georgia, New York and South Carolina, the National Propane Gas Association reported February 3. Waivers remained in effect across six states: Alabama, Arkansas, Mississippi, North Carolina, Oklahoma and Virginia.

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

Update: Motiva to Restart Fire-Damaged CDU in Early April at 236,400 b/d Norco, Louisiana Refinery

The unit shut after a late-January fire, joint-owner Shell said in a release. The blaze damaged associated piping, but there were no injuries, according to sources familiar with the facility's operations.

<http://www.reuters.com/article/idUSN0210595920100202?type=marketsNews>

Update: Valero-Owned Ultramar's 265,000 b/d Jean Gaulin Refinery in Quebec, Canada Remains Online after February 2 Fire

A fire forced shut a 66,000 b/d fluid catalytic cracker unit (FCC) early on February 2, but the rest of the facility was online, as of mid-afternoon, February 2, news and company sources said. Valero did not expect the incident to cause any regional gasoline shortages.

Reuters, 14:37 February 2, 2010

Reuters, 12:01 February 2, 2010

Update: Marathon Eyes 2012 Startup for Previously-Delayed Heavy Oil Upgrading Project at 106,000 b/d Detroit, Michigan Refinery

The project—about 30 percent complete—will increase the site's heavy oil processing capacity by about 80,000 b/d, the company said in a release. It will boost the refinery's total capacity from 106,000 b/d to 115,000 b/d. Marathon delayed the work in February 2009 amid economic concerns, but now expects to open the project in the second half of 2012.

<http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Mjg4Mzh8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1>
<http://www.marketwire.com/press-release/Marathon-Petroleum-Detroit-Refinery-Build-Heavy-Oil-Upgrade-Project-Industrial-Info-1111325.htm>

Alon Picked as “Stalking Horse” Bidder for Flying J’s 70,000 b/d Bakersfield, California Refinery—Facility Remains Offline after January 2009 Shutdown

The acquisition is subject to an auction process, bankruptcy court approval and customary regulatory approval, Alon said in a release. Should it purchase the facility, the company expects to use some of the site's equipment at its other refineries. It also aims to connect the facility via pipeline to its Paramount, California refinery, and send vacuum gas oil to Bakersfield for further processing. Flying J declared bankruptcy in December 2008, according to a news source.

<http://www.alonusa.com/index.cfm?FuseAction=Page&PageID=1000024&ArticleID=147>
<http://www.reuters.com/article/idUSN0212357120100203?type=marketsNews>

New Fuel Economy Standards Would Eliminate 1 Million b/d of Gasoline Demand—Alon CEO

The Obama administration's planned Corporate Average Fuel Economy (CAFE) standards would eliminate 1 million b/d of gasoline demand, or 2 million b/d of U.S. refining capacity, Alon's Chief Executive Jeff Morris said on February 2.

http://online.wsj.com/article/BT-CO-20100202-713262.html?mod=WSJ_latestheadlines

Statoil Plans 220,000 b/d Leismer Oil Sands Project in Alberta, Canada

Statoil expects to begin output in late 2011, and eventually produce 220,000 b/d of bitumen, according to a related company's statement.

<http://cnrp.ccnmatthews.com/client/enbridge/releaseen.jsp?actionFor=1111341>

CNPC to Produce 400,000 b/d of Oil from Orinoco Belt in Venezuela

http://www.upi.com/Science_News/Resource-Wars/2010/02/02/Beijing-welcomes-Venezuelan-oil-minister/UPI-70831265139229/

Natural Gas

Coast Guard Approves Yemen-Based LNG Tankers to Dock at Boston Harbor, Massachusetts

http://www.boston.com/news/local/breaking_news/2010/02/coast_guard_exp.html

EnCana Plans 800 MMcf/d Natural Gas Processing Plant in British Columbia, Canada

The “Cabin Gas Plant Project” would process as much as 800 MMcf/d of natural gas, according to a news source. The company received an environmental assessment certificate by the end of January.

<http://www.energeticcity.ca/fortstjohn/news/01/28/10/encanas-cabin-gas-plant-gets-ea-certificate>

Energy Task Force Predicts United States Will Miss Congressional Mandates for Biofuels Production

The United States is unlikely to meet its goal of producing 36 billion gallons of biofuels by 2022, from 12 billion gallons at present, according to a task force led by Agriculture Secretary Tom Vilsack and Energy Secretary Steven Chu.

http://www.etaiwannews.com/etn/news_content.php?id=1172428&lang=eng_news

Update: Osage BioEnergy Will Not Reach Full Capacity for a Few Years at Planned 65 MMGal/Yr. Barley-Based Ethanol Plant in Virginia

The company expects to complete the "Appomattox Bio Energy" by July 2010, a recent news source said.

<http://www.osagebioenergy.com/producers/thecrop/AgriculturalOpportunity.shtml>

<http://www.nbc12.com/Global/story.asp?S=11860771>

<http://www.americanfarm.com/TopStory2.02.2010.html>

Maine Liquid Methane Fuels LLC Plans Natural Gas-to-Fuels Facility in Brewer, Maine

The site would convert natural gas into heating and motor fuels about 100,000 gallons/day of heating fuel, or about 85,000 gallons/day of motor fuel, news sources said. The company plans to begin construction in June 2010, and open the facility in the fall, 2011. Should demand warrant, it could quadruple the site's capacity, according to a previous source.

<http://nbbusinessjournal.canadaeast.com/front/article/941688>

<http://www.ngnews.ca/index.cfm?sid=323658&sc=286>

<http://www.mainebiz.biz/news45734.html>

EIA Shows U.S. Coal Production Down 9 Percent in 2009 and Projects it to Fall Another 5 Percent in 2010 --

<http://phx.corporate-ir.net/phoenix.zhtml?c=102864&p=irol-newsArticle&ID=1382152&highlight=>

Massey to Increase Production at Seven Metallurgical Coal Mines in West Virginia

Even with the gloomy EIA figures, Massey Energy sees some hope for improvement in the coal industry in 2010 and beyond, particularly in metallurgical coal production and coal production for export. Massey plans to produce about 1 million tons/year of coal, beginning in the second or third quarter of 2011, at a deep mine on its Rowland property in West Virginia, according to a press release. It expects to construct additional mines at the same resource group over the next 18 to 24 months, as market conditions warrant. The Rowland area will eventually yield about 2.0 million tons coal/year. Massey plans to add underground mine sections at its Mammoth and Inman resources groups, beginning in March 2010, and aims to add another section at its Guyandotte resource group, beginning in May 2010. The company has also boosted production at 3 existing mines at the Logan County Mine Services resource group and the Elk Run resource group.

<http://phx.corporate-ir.net/phoenix.zhtml?c=102864&p=irol-newsArticle&ID=1382152&highlight=>

Shell, Cosan Seek to Export Brazilian-Derived Ethanol to United States

Shell and Cosan aim to produce more than 1 billion gallons/year of sugar-derived, Brazilian-based ethanol, from about 500 million gallons/year, at present, a Shell executive said. The companies could export the product to the United States or Europe, according to the executive. Brazil exported approximately 12 million gallons of ethanol to the United States in November of 2009, the Renewable Fuels Association reported.

<http://ethanol-news.newslib.com/story/6938-34651/>

Amid Supply Concerns, Brazil Mulls Importing U.S.-based, Corn-Derived Ethanol in January 2010

<http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201002021849dowjonesdjonline000524&title=us-ethanol-industry-looks-to-possible-future-as-exporter>

<http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201002021849dowjonesdjonline000524&title=us-ethanol-industry-looks-to-possible-future-as-exporter>

ADM Boosts Capacity by 50 MMGal/Yr. at Decatur, Illinois Ethanol Plant by February 2

<http://seekingalpha.com/article/186106-archer-daniels-midland-company-f2q10-qtr-end-12-31-09-earnings-call-transcript?page=1>

Update: ICM's Stalled 110 MMGal/Yr. Corn-Based Ethanol Plant Facing Foreclosure in Michigan

ICM halted construction more than two years ago, a news source said. Officials are set to sell more than \$60 million in infrastructure and unfinished buildings on March 4.

<http://www.themorningsun.com/articles/2010/01/30/news/srv0000007468647.txt>

Energy Prices

U.S. Oil and Gas Prices February 3, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	77.44	74.19	40.61
NATURAL GAS Henry Hub \$/Million Btu	5.77	5.61	4.48

Source: Reuters

Energy Notes

Attempted Copper Thief Electrocuted, Killed at Substation in Atascosa County, Texas January 26, Officials Say

<http://www.mysanantonio.com/news/83079447.html>

Police Nab Suspected Copper Thief at Ohio Edison Substation in London, Ohio January 27

http://www2.nbc4i.com/cmh/news/crime/article/arrest_made_during_london_transformer_copper_heist/31019/

NRC Okays Duke Energy Carolinas Request to Install Computer Upgrade of Safety-Related Systems at Oconee Nuclear Power Station in South Carolina

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-021.html>

Erora Group Receives State Permit for Planned "Cash Creek" Coal Gasification and Electric Power Facility in Tennessee February 1

<http://www.erora.com/project.html>

<http://www.courierpress.com/news/2010/feb/03/cash-creek-gets-final-permit/>

Alliance Federated Energy Eyes 2013 Start-Date for 25 MW Waste-to-Power "Project Apollo" in Wisconsin—Company Plans Second, 25 MW Phase

<http://www.jsonline.com/business/83410837.html>

Peco Energy Plans 230-kV, Seven Mile Electric Transmission Line in Chester County, Pennsylvania—Line Would Link Landenburg and West Grove Substations

<http://philadelphia.bizjournals.com/philadelphia/stories/2010/02/01/daily21.html?ana=yfcpc>

Edison Mission Group's Renewable-Based Power Capacity Could Eventually Exceed Coal-fired Fleet, Chief Executive Says—Company Generates about 1,600 MW of Renewable-Sourced Electricity, and more than 7,500 MW of Coal-fired Power

http://online.wsj.com/article/BT-CO-20100202-718688.html?mod=WSJ_latestheadlines

Failure of Hydraulic Fluid in Cold Temperatures Keeps 11 Minnesota Municipal Power Association Wind Turbines Offline

<http://kstp.com/news/stories/S1390565.shtml>

Johnson City Power Board Plans Smart Grid Network across 74,000 Meters in Tennessee—Project Contractor Aims to Install Units in 2010 and 2011

<http://www.prnewswire.com/news-releases/tantalus-technology-to-power-johnson-citys-smart-grid-83348847.html>

Tesoro Plans to Operate 660,000 b/d Refinery Capacity at 69-to-75 Percent during First Quarter, 2010

Reuters, 12:09 February 3, 2010

Chevron Plans Upgrade to Process More Oil Varieties at Richmond, California Refinery—Environmental Groups Appear Prepared to Accept Settlement over Project Concerns

<http://www.kcbs.com/Chevron-Proposal-Gains-Support/6270817>

OGX Finds an Estimated 600 Million-1.1 Billion Barrels of Recoverable Oil at Campos Basin, Brazil February 1-3

http://www.rigzone.com/news/article.asp?a_id=86798

Global Oil Supply Outpaces Demand to Almost 1.5 Million b/d in January 2010—Energy Intelligence Briefing

<http://www.energyintel.com/#latest>

Thieves Take up to 300,000 b/d of Oil from Nigerian Pipelines—Analysts

http://www.upi.com/Science_News/Resource-Wars/2010/02/02/Thieves-pilfer-Nigerian-oil-pipelines/UPI-42641265129400/

Nigeria to Auction Oil Fields Holding as Much as 2 Billion Barrels of Oil by End of 2010—Presidential Adviser

<http://www.businessweek.com/ap/financialnews/D9DK846G4.htm>

Downstream Work to Shut Out Gas, Trigger Flaring at Lehman Compressor Station in Texas February 2

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=134839>

Emergency Work to Force Shut A 10 Hutt Compressor Station in Texas February 3

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=135287>

Flooding from Sulfinol Still at Eustace Gas Plant in Texas February 2

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=135316>

Hydrate Formation Causes Booster Overpressure, Leads to Engine Shutdowns and Flaring at Weir Booster Station in Texas February 2-3

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=135334>

Worker Punctures Gas Pipe, Triggers Home Explosion in Minnesota February 1

http://www.twincities.com/ci_14321482?nclick_check=1

U.S. to Need Alaskan Natural Gas, Despite Increased Production across Lower 48 States—Alaska Pipeline Coordinator

<http://www.reuters.com/article/idUSN0211658920100202?type=marketsNews>

Bio-NRG Plans 10 MMGal/Yr. Oilseed Crushing and Biorefinery in Illinois—Company Expects to Begin Production in 2010, Open Site in 2011

-- dhussar@whig.com/221-3379

<http://www.whig.com/story/news/biodiesel-plant-101709>

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.

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<http://www.oe.netl.doe.gov/ead.aspx>

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