



ENERGY ASSURANCE DAILY

Wednesday Evening, February 11, 2009

Electricity

Update: More than 63,000 Customers Remain Without Power in Arkansas, Kentucky and Missouri February 11

An estimated 63,953 customers remained without power in Arkansas, Kentucky and Missouri on February 10, over two weeks after ice storms cut electricity to about 1.7 million U.S. customers. Included in the outages were about 30,774 Kentucky customers, approximately 25,759 Arkansas customers, and an estimated 7,420 Missouri customers. These figures do not include municipalities in Kentucky and TVA-served coops which have not reported any outage figures publicly in the past 48 hours.

Sources:

Arkansas Electric Cooperatives: <http://www.aecc.com/files/pdf/newsrelease/2009/021109a.pdf>

Entergy Arkansas: <http://www.entropy-arkansas.com/outages/ar.aspx>

Kentucky Utilities: <http://www.eon-us.com/storm/default.asp>

Kentucky Electric Cooperatives: http://psc.ky.gov/ors/PublicInfo_OutageIncidents.aspx

Missouri Electric Cooperatives: <http://sema.dps.mo.gov/SitReps/2009/SITREP%2002112009%2011am.pdf>

Missouri Public Utilities: <http://sema.dps.mo.gov/SitReps/2009/SITREP%2002112009%2011am.pdf>

Tornadoes Tear through Oklahoma Leaving 29,000 OG&E Customers without Power February 10, Governor Declares State of Emergency

A strong storm system moved into Oklahoma February 10 with at least three tornadoes confirmed. Oklahoma Gas and Electric (OG&E) reported approximately 29,000 customer power outages during the evening of February 10, with 2,773 OG&E customers remaining without power on February 11.

http://www.ok.gov/OEM/Emergencies_&_Disasters/2009/Severe_Weather_Event_20090210_-_Master/Severe_Weather_Event_20090210-1.html

http://www.ok.gov/OEM/Emergencies_&_Disasters/2009/Severe_Weather_Event_20090210_-_Master/Severe_Weather_Event_20090210-3.html

http://www.gov.ok.gov/display_article.php?article_id=1191&article_type=1

<http://www.oge.com/systemwatch/>

Calpine's 861 MW Delta Gas-fired Unit in California Shut February 10

Reuters, 12:24 February 11, 2009

Update: Exelon's 1,116 MW Peach Bottom Nuke Unit 2 in Pennsylvania at Full Power by February 11

The Nuclear Regulatory Commission reported that on the morning of February 10 the unit was operating at 89 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Southern California Edison to Partner with BrightSource Energy for 1,300 MW of Solar Thermal Power Projects in California

The agreement, which now requires approval from the California Public Utilities Commission, calls for a series of seven projects totaling 1,300 MW with the first of these solar power plants, sized at 100 MW and located in Ivanpah, California, to be operating in early 2013. BrightSource will build and place in commercial operation each of its plants as quickly as permitting and infrastructure allow, the press release said. The full 1,300 MW of projects will produce 3.7 billion kilowatt-hours of clean energy. <http://www.sce.com/Feature/solardeal.htm?from=homepage>

ENMAX Plans 120 MW Gas-fired Power Plant in Alberta

The company plans to build a new 120 MW gas-fired power plant in Alberta to supply peak demand to Alberta's transmission system.

<http://phx.corporate-ir.net/phoenix.zhtml?c=89381&p=irol-newsArticle&ID=1255419&highlight=>

Petroleum

Valero Restores Output to Units at its 92,000 b/d Ardmore, Oklahoma Refinery

A Valero spokesman said all main production units have been restarted at its Ardmore refinery after power disruptions occurred at the plant late February 10. The spokesman said the company does not expect there to be any material impact to production due to the power outages.

Bloomberg News, 11:02 February 11, 2009

Calumet's 50,000 b/d Shreveport, Louisiana Refinery Recovering After Power Outage February 11

According to a company representative, the Shreveport refinery is currently restoring production following an overnight power outage. The refinery went into a 'safety shutdown' after an electric pole on the property blew over.

Bloomberg News, 11:27 February 11, 2009

2009-02-11 15:27:31.960 GMT

Crude Tankers Are Storing 50 Million Barrels of Oil, IEA Says

In the International Energy Agency's monthly report, the IEA says between 40 million and 50 million barrels of oil were in short-term storage on tankers primarily located in the U.S. Gulf Coast and the North Sea. Companies and traders are storing the barrels of oil on tankers globally to take advantage of higher futures prices.

Bloomberg News, 12:06 February 11, 2009

Saudi Arabia to More than Double Spare Capacity, Oil Minister Says

Saudi Arabia's Oil Minister told the Cambridge Energy Research Associates conference in Houston, Texas that once the massive 1.2 MM b/d Khurais project in Saudi Arabia comes on stream and additional cuts in production take place, the country's spare capacity will more than double from its recent average of 1.5 - 2 MM b/d to about 4.5 MM b/d by the middle of 2009.

Bloomberg News, 12:02 February 10, 2009

Department of Interior Secretary Salazar Details Strategy for U.S. Offshore Drilling Plan

Secretary of the Interior Ken Salazar met February 10 with reporters for a press conference to announce his strategy for developing an offshore energy plan that includes both conventional and renewable resources. The plan calls for extending the public comment period on a proposed 5-year plan for oil and gas development on the U.S. Outer Continental Shelf by 180 days, assembling a detailed report from Interior agencies on conventional and renewable offshore energy resources, holding four regional conferences to review these findings, and expediting renewable energy rulemaking for the Outer Continental Shelf.

http://www.doi.gov/news/09_News_Releases/021009.html

Update: Offshore Oil Output Restored to 90 Percent in Gulf of Mexico after Hurricanes Gustav and Ike, MMS Reports February 11

Louisiana Department of Natural Resources Reports 86 Percent of Oil Production Restored

In its final update report on restoration activities in the Gulf of Mexico, the Minerals Management Service (MMS) reports an estimated 119,792 b/d of oil production remained shut in the Gulf of Mexico February 11. That total accounts for about 9.2 percent of the region's output. Also reporting restoration figures from the damage ensued due to Hurricanes Gustav and Ike is the Louisiana Department of Natural Resources (LADNR) which on February 9 reported that the estimated amount of oil production still shut-in is 22,744 b/d, equal to 14.6 percent of all daily oil production capacity in the region.

<http://dnr.louisiana.gov/sec/execdiv/pubinfo/weekly-onshore-prod.ssi>

<http://www.mms.gov/ooc/press/2009/press0211.htm>

Nigerian Military Seizes 22 Barges of Stolen Oil

The Nigerian military impounded 22 barges of stolen crude oil in the creeks of the Niger Delta late February 10, the largest seizure for months. A commander of the military taskforce in the area told Reuters all seized tankers were filled to capacity.

Reuters, 03:08 February 11, 2009

Natural Gas

Natural Gas Pipeline Explodes on Highway 79 Near Carthage, Texas – Fire Controlled

A pipeline carrying natural gas exploded February 11 along Highway 79 near Carthage, Texas causing a fire and evacuation of nearby residents. The pipeline, which runs to a DCP Midstream East Texas gas processing plant, is in the process of shutting down.

<http://www.ktre.com/Global/story.asp?S=9826892>

Update: Offshore Gas Output Restored to 87 Percent in Gulf of Mexico after Hurricanes Gustav and Ike, MMS Reports February 11

Louisiana Department of Natural Resources Reports 86 Percent Gas Production Restored Shut

In its final update report on restoration activities in the Gulf of Mexico, the Minerals Management Service (MMS) reports an estimated 945 MMcf/d of natural gas production remained shut in the Gulf of Mexico February 11. That total accounts for about 12.8 percent of the region's output. Also reporting restoration figures from the damage ensued due to Hurricanes Gustav and Ike is the Louisiana Department of Natural Resources (LADNR) which on February 9 reported that the estimated amount of gas production still shut-in is 258 MMcf/d, equal to 15.8 percent of all daily gas production capacity in the region.

<http://dnr.louisiana.gov/sec/execdiv/pubinfo/weekly-onshore-prod.ssi>

<http://www.mms.gov/ooc/press/2009/press0211.htm>

Other News

Energy Information Administration Releases February 'Short-Term Energy Outlook'

The Energy Information Administration's (EIA) monthly publication titled the "Short-Term Energy Outlook" was released February 10 with the following key findings;

- U.S. domestic energy consumption for all major fuels is foreseen to decrease on the expected 2.7 percent decline in the U.S. real GDP, and the overall U.S. economic downturn.
- Total petroleum products consumption in 2008 declined by almost 1.2 million b/d, a 5.8 percent decrease from 2007, representing the largest decline since 1980.
- Total natural gas consumption is projected to decline by 1.3 percent in 2009, with total U.S. marketed natural gas production expected to rise in 2009.
- Total electricity consumption is projected to decline by 0.8 percent in 2009, with the economic slowdown in 2009 to then lead to a 1.2 percent decline in electric-power-sector coal consumption.
- Coal production is expected to fall by 4.4 percent in 2009.

<http://www.eia.doe.gov/emeu/steo/pub/contents.html>

February 10, 2009 STEO Release: <http://www.eia.doe.gov/emeu/steo/pub/feb09.pdf>

Sandia National Laboratories Study Finds Ethanol Could Reach 90 Billion Gallons by 2030

A recent study released by Sandia National Laboratories and General Motors titled "The 90-Billion Gallon Biofuel Deployment Study" found that annual ethanol production from plant and waste energy crops could reach 90 billion gallons by 2030, with 75 billion gallons coming from cellulosic feedstock. The study reported that cellulosic biofuels can be produced from already identified biomass resources without displacing crop production, as well the investment in cellulosic biorefineries would be comparable to that required to expand domestic oil exploration and production to equivalent levels.

http://www.biofuelsjournal.com/articles/BIO_and_Other_Companies_Applaud_New_Sandia_Laboratories_and_General_Motors_Study_Showing_Cellulosic_Ethanol_Can_Be_Sustainably_Produced_By_2030-70591.html

Energy Prices

U.S. Oil and Gas Prices February 11, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	37.84	41.91	93.78
NATURAL GAS Henry Hub \$/Million Btu	4.84	4.76	8.06

Source: Reuters

Energy Notes

U.S. Circuit Court of Appeals Judge Orders Mine Safety and Health Administration (MSHA) to Increase Training Requirements for Mine Rescue Missions

<http://www.chron.com/disp/story.mpl/ap/business/6256880.html>

Frontier Refining of Kansas and Wyoming Refining Company Settle with EPA to Pay \$141M Total in Air Pollution Violations

Reuters, 15:55 February 10, 2009

Update: EPA Orders 90-Day Stay of Bush Administration Emissions Rule that Relaxed 'Clean Air Act' Provisions

<http://www.platts.com/Electric%20Power/News/6141007.xml?p=Electric%20Power/News&sub=Electric%20Power>

Strong Winds Knock out Power to 12,000 SWEPCO Customers in Louisiana and East Texas February 11

<http://www.ktbs.com/news/Wind-damage-as-overnight-storm-rolls-through-ArkLaTex-25535/>

<http://www.swepco.com/news/outages/default.asp>

Update: BP-ConocoPhillips Award Key Design Contracts for Planned 1,700-mile Denali Alaska Gas Pipeline

http://www.rigzone.com/news/article.asp?a_id=72790

Canadian Oilsands Company Syncrude Faces Charges and Fines Relating to Death of Wildlife at Company's Toxic Tailings Pond Near Fort McMurray, Alberta

<http://calsun.canoe.ca/News/Alberta/2009/02/10/8331311-sun.html>

Oil Tanker Carrying 270,419 bbls of Crude Condensate Collides with Container Vessel offshore Dubai, Fire Still Burning

<http://af.reuters.com/article/worldNews/idAFTRE5192KN20090210?pageNumber=1&virtualBrandChannel=0&sp=true>

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>

Please direct comments and questions to: ead@oe.netl.doe.gov