



ENERGY ASSURANCE DAILY

Thursday Evening, February 24, 2011

Major Developments

Update: Unrest Knocks Offline 1.2 Million b/d of Libyan Oil Production by February 24: ENI

Unrest forced offline 75 percent, or 1.2 million b/d, of Libyan oil production, Italy's ENI said on February 24. Sources said previously that far less – more than 400,000 b/d – of production was shut, and it remained unclear, as of latest reports, how ENI arrived at the 1.2 million b/d figure. Regardless of the total, and despite Saudi Arabia's assurances that it was equipped to compensate for any lost supplies, oil prices continued to climb in both the United States and Europe. Sources also continued to offer conflicting reports as to the status of Libya's oil ports. Despite orders from Libyan leader Col. Moammar Gadhafi to shut the ports, the chief executive of a major tanker company said yesterday that it expected to load a suezmax vessel in Libya on February 25.

<http://www.bloomberg.com/news/2011-02-24/oil-advances-to-29-month-high-on-libyan-unrest-goldman-sees-upside-risk-.html>

<http://af.reuters.com/article/libyaNews/idAFN2317678220110224>

<http://af.reuters.com/article/investingNews/idAFJOE71N0G620110224>

<http://www.prnewswire.com/news-releases/saudi-oil-minister-says-oil-supply-losses-will-be-offset-116770174.html>

http://www.downstreamtoday.com/news/article.aspx?a_id=25796

Reuters, 07:03 February 24, 2011

Electricity

Update: After Winter Storm, about 25,000 Consumers Energy Customers Remain without Power in Michigan February 24

The storm began on February 20, knocking out power to some 200,000 FirstEnergy customers in Ohio and 195,000 Consumers Energy customers in Michigan, as reported previously. Fewer than 500 FirstEnergy customers remained without power, as of latest reports. To see a full list of affected utilities, please see yesterday's Energy Assurance Daily.

<http://www.consumersenergy.com/News.aspx?id=4332&year=2011>

http://www.firstenergycorp.com/outages/outages.do?state_code=OH

Update: Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Ramped Up to 95 Percent by February 24

A leak led to a technical specification that forced Entergy to begin shutting the unit on February 20, it said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of February 23 the unit was operating at 1 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110222en.html>

<http://www.enterpriseneews.com/business/x678656094/Pilgrim-nuclear-plant-shut-down-due-to-leakage>

Information derived from the NRC Power Reactor Status Reports:

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

Update: AES's 179 MW Redondo Gas-Fired Unit 5 in California Returns to Service by February 23

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

<http://www.caiso.com/unitstatus/data/unitstatus201102231515.html>

Update: AES's 227 MW Huntington Beach Gas-Fired Unit 4 in California Ramps up by February 23

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 136 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201102231515.html>

Update: Citing Wildlife Concerns, Solar Millennium Withdraws Application to Construct 250 MW Ridgecrest Solar Power Project in California

Solar Millennium withdrew its application in late January amid concerns over what affect the project might have on the Mohave ground squirrel.

http://www.energy.ca.gov/sitingcases/solar_millennium_ridgecrest/

<http://www.nytimes.com/2011/02/24/business/energy-environment/24solar.html?src=busln>

New Generation Power Michigan Plans 200 MW of Solar/Wind Power Projects in Michigan

New Generation Power Michigan, LLC is bidding 100 MW of solar power projects and 100 MW of wind power projects for Detroit Edison Company's RFP.

<http://www.prnewswire.com/news-releases/new-generation-power-michigan-team-a-complementary-arrangement-between-new-generation-power-michigan-patriot-solar-group-martifer-solar-usa-wanxiang-america-windmuller-electric-starr-commonwealth-solar-street-lights-usa--116808063.html>

GWF Energy Breaks Ground on Conversion and 155 MW Expansion at Existing 170 MW Gas-Fired Tracy Peaker Power Plant in California February 22

The company expects to convert the plant to operate as a combined-cycle facility. It plans to complete the project in 18 months.

http://www.recordnet.com/apps/pbcs.dll/article?AID=/20110223/A_NEWS/102230316/-1/NEWSMAP

http://www.gwfpower.com/news_item.asp#news10

Update: NRG to Permanently Close 120 MW Somerset Coal-Fired Power Plant in Massachusetts – Company Had Planned to Convert and Reopen Facility

NRG Energy does not expect to convert and reopen its already-offline, 120 MW Somerset coal-fired power plant in Massachusetts, the company said recently, citing legal challenges and market conditions. NRG shut the facility in January 2010. It had planned to convert the plant to run on a plasma gasification system. Instead, the facility will remain offline.

<http://finance.yahoo.com/news/Massachusetts-power-plant-to-apf-2425546691.html?x=0&.v=1>

http://www.tauntingazette.com/news/business_news/x235896745/Somersets-NRG-power-plant-closing

Contractor Breaks Ground on Granite Reliable Power, LLC's Proposed 99 MW Granite Reliable Wind Farm in Coos County, New Hampshire by February 23

The project is scheduled to enter service by the end of 2011. Granite Reliable Power LLC is a partnership between Brookfield Renewable Power, Inc. and Freshet Wind Energy, LLC.

http://www.rmtinc.com/press_granite_reliable.php

NHEC to Deploy More than 84,000 Smart Meters in New Hampshire

New Hampshire Electric Cooperative (NHEC) plans to deploy more than 84,000 smart meters in New Hampshire by the end of 2012.

<http://www.prnewswire.com/news-releases/elster-powers-smart-grid-project-for-new-hampshire-electric-cooperative-116807013.html>

Petroleum

Compressor Trips at ExxonMobil's 344,500 b/d Beaumont, Texas Refinery by February 24

It was not clear if the shutdown impacted production.

Reuters, 00:13 February 24, 2011

Flint Hills Halts Feed to FCC after Compressor Shutdown at 305,000 b/d Corpus Christi, Texas Refinery February 23

Flint Hills Resources halted feed to a fluid catalytic cracking (FCC) unit after a snag forced shut the unit's wet gas compressor on February 23, the company said in a filing with state regulators. The incident triggered flaring, but workers fixed the issue and restarted the FCC on February 24, according to the filing.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=151141>

FCC Snag Leads to Emissions at ConocoPhillips' 213,162 b/d Ponca City, Oklahoma Refinery February 23

Mechanical issues with the facility's fluid catalytic cracker (FCC) No. 4 led to flaring, state regulators said. It was not clear if the incident had any impact on production.

<http://www.bloomberg.com/news/2011-02-24/conoco-ponca-city-refinery-has-cat-cracker-problems-state-says.html>

Power Failure Causes Hazardous Leak, Injures Workers at Imperial Oil's 121,000 b/d Sarnia, Ontario Refinery February 24

One worker was taken to the hospital and four others were burned after a power outage caused an unknown chemical compound to leak at Imperial Oil's 121,000 b/d Sarnia, Ontario refinery on February 24, multiple news, official, and company sources reported. The company said by late-morning that it thought the leak was contained. It was not clear if the incident had any impact on production. An Imperial spokesman, however, did say that the company was working to return the facility to normal operations.

<http://www.torontosun.com/news/canada/2011/02/24/17393171.html>

<http://www.lfpres.com/news/london/2011/02/24/17391606.html>

Reuters, 12:53 February 24, 2011

Leak Leads Magellan Midstream to Shut 18-Inch, 40-Mile Refined Products Pipeline in Texas February 24

The line spilled 6,000 barrels of gasoline in Texas City, Texas, according to the U.S. Coast Guard. The incident triggered local evacuations. The line delivers refined products from Texas City to Pasadena, Texas. Magellan was investigating the incident, as of latest reports.

DJN, 12:22 February 24, 2011

Natural Gas

Chesapeake Shuts Natural Gas Drilling Wells after Tank Fire in Avella, Pennsylvania February 23-24

A fire broke out in natural gas liquids (NGL) storage tanks at Chesapeake Energy's Powers well site in the Marcellus Shale of Pennsylvania on February 23, injuring three people and leading the company to shut all wells at the location, news and company sources said. The blaze did not directly impact the drilling wells; it was extinguished in three hours.

<http://www.reuters.com/article/2011/02/24/energy-chesapeake-explosion-idUSN2426114720110224>

<http://online.wsj.com/article/BT-CO-20110224-714504.html>

Update: After Weekend Explosion, TransCanada Unable to Accept Spot Deliveries along Canadian Mainline Natural Gas Pipeline System in Canada February 23

An explosion forced shut two of three parallel pipelines along TransCanada's Canadian Mainline natural gas pipeline system in Ontario over the weekend, and the remaining line was delivering 1.8 Bcf of natural gas on February 23, compared to 2.1-2.9 Bcf/d last week on the three lines, company sources said. TransCanada was unable to "accept discretionary volumes" along the "bottlenecked area," a spokesman said on February 22. One of the lines sustained damage and could remain offline for weeks. TransCanada shut a second line for safety reasons; it expected to restart that line in days.

<http://af.reuters.com/article/energyOilNews/idAFN2315889620110223>

<http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=201102221533dowjonesdjonline000361&title=gas-flow-rates-reduced-on-transcanada-mainline-due-to-explosion>

<http://online.wsj.com/article/SB10001424052748703498804576156942433784616.html>

Superior Appalachian Pipeline to Break Ground in March 2011 on Proposed 220 MMcf/d Natural Gas Gathering Pipeline in West Virginia and Pennsylvania

The 16-mile pipeline would connect Marcellus Shale producers to a Columbia Gas pipeline in Pennsylvania. Superior Appalachian expects to open the line by the end of June 2011.

<http://www.dailymail.com/ap/ApTopStories/201102230401>

Murphy Oil Opens 180 MMcf/d Tupper West Natural Gas Processing Facility in British Columbia, Canada by February 23

The facility is located in northeastern British Columbia

<http://www.murphyoilcorp.com/ir/modal.aspx?ID=855>

Other News

Fog Postpones Bid to Resume Boarding along Houston Ship Channel February 24

Fog postponed pilots' plans to reboard vessels along the Houston Ship Channel this morning, but the pilots expected to resume boarding later in the morning, a U.S. Coast Guard official said. It was the third consecutive day that fog disrupted traffic. Some 77 vessels were waiting to enter the channel, as of latest reports. Fog also forced pilots to stop boarding along the Galveston Ship Channel on February 24, the Coast Guard official said. Three inbound and two outbound vessels were waiting to traverse that channel, as of latest reports.

<http://www.bloomberg.com/news/2011-02-24/houston-ship-channel-pilots-prepare-to-resume-vessel-boarding.html>

Energy Prices

U.S. Oil and Gas Prices			
February 24, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	98.03	84.95	79.40
\$/Barrel			
NATURAL GAS			
Henry Hub	3.83	3.90	4.91
\$/Million Btu			

Source: Reuters

Energy Notes

Cops Charge Man for Attempting to Steal Copper in November from Met-Ed Substation in Spring Garden Township, Pennsylvania – Man Severely Shocked in Incident

http://www.yorkdispatch.com/news/ci_17467922

Thieves Take Multiple Copper Products from PP&L Power Plant in Perry County, Pennsylvania February 21-22

http://www.whptv.com/news/local/story/Cops-looking-for-copper-thief-who-took-from-a-PP/GeVJY1_QB0mEOdwYm9_ESg.csp

Copper Wire Stolen from Light Poles in Dixon, California by February 22

<http://dixon.patch.com/articles/dixon-police-log-feb-22-23>

U.S. Geothermal Secures \$96.8 Million Loan Guarantee from DOE for Proposed 23 MW Geothermal Power Plant at Neal Hot Springs in Oregon by February 24

<http://www.usgeothermal.com/NewsReleases/February-24-2010.pdf>

DOE, NRC, and NEI Call for More Research to Examine Issues Associated with Nuclear Power Plants Operating Beyond 60 Years – Researchers Have Not Yet Discovered a Reason that Would Preclude Facilities from Operating

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/ElectricPower/8578886>

Underground Explosion Leaves Portland General Electric Worker Burned in Oregon February 22

<http://www.kptv.com/news/26956777/detail.html>

Mexican Oil Production Surges to 2.584 Million b/d in January 2011, Marking Highest Total since May 2010: Pemex, Government Data

Reuters, 10:23 February 24, 2011

None Injured after Oil Truck Explosion in Anderson County, Texas February 22

<http://palestineherald.com/local/x62853130/Explosion-destroys-oil-trucks-near-Brushy-Creek>

Noble Corporation Secures Letter of Intent with Shell Subsidiary to Operate Ultra-Deepwater Noble Jim Day Rig in U.S. Gulf of Mexico February 23

<http://phx.corporate-ir.net/phoenix.zhtml?c=98046&p=irol-newsArticle&ID=1532153&highlight=>
<http://www.bloomberg.com/news/2011-02-23/noble-leases-deep-water-rig-boosts-rates-in-shell-agreement.html>

Chevron Expects to Be Ready to Restart Deepwater Drilling in United States before Second Half of 2011

<http://online.wsj.com/article/BT-CO-20110223-716948.html>

Freezing Weather Leads to Shutdown of Cargray Gas Plant in Texas February 23

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=151129>

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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