



ENERGY ASSURANCE DAILY

Thursday Evening, February 28, 2008

Electricity

High Evening Demand, Dip in Wind Power Generation Prompt ERCOT to Declare Electric Grid Emergency in Texas February 26

The Electric Reliability Council of Texas (ERCOT) implemented emergency procedures February 26, as high evening demand and lower-than normal wind power generation squeezed the electricity grid. For unspecified reasons, wind power generation dipped from 1,700 MW to 300 MW in just a few hours. Within 10 minutes of its emergency declaration, ERCOT curtailed 1,100 MW of power to the grid's interruptible customers. The event lasted about three hours, and did not affect any non-interruptible customers.

Reuters, 08:21 February 28 2008

http://www.ercot.com/news/press_releases/2008/nr02-27-08.html

Update: Entergy's 1,373 MW Grand Gulf Nuke Unit 1 in Mississippi Ramped Up to 35 Percent February 28

The company unit shut the unit February 23 to repair a feedwater heater. According to the Nuclear Regulatory Commission (NRC), the unit was operating at 1 percent on February 27.

Reuters, 08:07 February 28, 2008

Information also derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

OPG's 515 MW Pickering 1 Nuke-fired Unit in Ontario Shut February 28

Reuters, 12:13 February 28, 2008

Calpine's 250 MW Calgary Gas-fired Unit in Alberta Shut February 27

Reuters, 12:13 February 28, 2008

Update: BP to Break Ground at 150 MW Sherbino Wind Farm in Texas February 28

PRN 09:25 February 28, 2008

TransCanada Plans 575 MW Coolidge Gas-Fired Peaking Plant in Arizona

It would be the first power facility connected to both the El Paso and Transwestern natural gas pipeline systems.

<http://intelligencepress.com/>

Basin Electric Plans 115 MW Wind Farm in North Dakota

Basin Electric Power Cooperative plans to build a 77-tower, 115 MW wind farm south of Minot, in North Dakota.

The company expects to file plans by September, begin construction in April, 2009, and open the project for service by January, 2010.

<http://www.iii.co.uk/news/?type=afxnews&articleid=6573928&subject=economic&action=article>

Petroleum

Update: ExxonMobil Retaliates—Company Refuses to Process Venezuelan Heavy Crude at PDVSA, ExxonMobil Jointly-Owned 200,700 b/d Chalmette, Louisiana Refinery

ExxonMobil is declining to purchase Venezuelan crude at the Chalmette refinery in Louisiana, and is instead processing Mexican Maya and other crude, according to a news source. The move comes weeks after Venezuela cut off oil exports to ExxonMobil, as ExxonMobil sought to freeze billions in Venezuelan assets. The dispute is part of Venezuela's larger effort to nationalize its oil assets. ExxonMobil's denial of Venezuelan crude at Chalmette is, according to sources, a direct retaliation to Venezuela's cutoff. An ExxonMobil spokeswoman did not comment on the decision.

OPIS 11:35 February 28, 2008

Power Failure Halts Units at Pasadena Refining's 100,000 b/d Pasadena, Texas Refinery February 27

Pasadena Refining safely idled and isolated all units running at the time of the outage, a spokesperson told OPIS. Multiple units were already shut for planned maintenance. The company is working to restore the fluid catalytic cracker (FCC) and reformer, OPIS said.

Reuters, 16:56 February 27, 2008

OPIS, 05:42 February 27, 2008

Update: Shell Restarts 130,000 b/d Nembe Creek Oil Pipeline in Nigeria

The pipeline connects Niger Delta oilfields to the Bonny Light oil terminal in Nigeria. Shell declared force majeure on exports from Bonny Light earlier in February, according to a news source, to fix three pipeline leaks.

Reuters, 07:53 February 28, 2008

Reuters, 03:04 February 7, 2008

OPEC Oil Exports to Fall 430,000 b/d in Four Weeks Ending March 15

OPEC oil exports, not including Angola and Ecuador, will dip from 24.82 million b/d to 24.39 million b/d in the four weeks ending March 15, an Oil Movements analyst said.

Reuters, 11:30 February 28, 2008

As Pipelines and Oilfields Resume Service, Nigerian Oil Exports to Rise in April Predicted March Decline Still Dwarfs Forecasted April Boost

Nigerian oil exports will surge in April, according to traders' reports, after a significant March decline. March exports will dip by 420,000 b/d, and total 1.72 million b/d, based on the month's loading schedule. April exports will recover some of that loss, rising by 280,000 b/d to around 2.00 million b/d. The April jump will occur as companies repair pipelines and recover from field maintenance, a news source said.

Reuters, 12:42 February 28, 2008

Natural Gas

Update: Safety at Issue—Coast Guard Says Baltimore County, Maryland Is Not Ready for AES's Proposed Sparrow Point LNG Terminal

AES has not properly tackled potential safety issues surrounding its proposed liquefied natural gas (LNG) terminal in Maryland, a US Coast Guard report said February 27. Sparrow Point, if in service, would necessitate armed LNG escorts and air, shore, and divers' patrols, according to the report. With improvements, however, the report added, the facility could be raised to standards.

<http://www.baltimoresun.com/business/realstate/bal-lng0227.0.6962976.story>

Other News

Fatal Accident Halts Amfire Mining's 636,918 Ton/Year Nolo Coal Mine in Pennsylvania

A shuttle car hit and killed a mine surveyor on Monday, February 25. The mine remained closed as of February 26.

<http://www.wjactv.com/news/15415391/detail.html>

Energy Prices

U.S. Oil and Gas Prices February 28, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	101.50	99.00	61.68
NATURAL GAS Henry Hub \$/Million Btu	9.21	9.08	7.23

Source: Reuters

Energy Notes

Update: Entergy Files COL for New Nuclear Reactor at 1,373 MW Grand Gulf Nuclear Power Plant in Mississippi—Company Still Unsure if it Will Go Forward With Plans

<http://www.platts.com/Nuclear/News/7842178.xml?p=Nuclear/News&sub=Nuclear>

**Substation Failures Cut Power to 12,000 APS Customers in Arizona
Company Restores All Power in About an Hour and a Half**

http://www.zwire.com/site/news.cfm?newsid=19333794&BRD=1817&PAG=461&dept_id=222089&rft=6

Update: NRC Okays Duke Energy's Nuclear License Application for Proposed 2,234 MW William States Lee III Nuclear Power Station in South Carolina

<http://www.duke-energy.com/news/releases/2008022701.asp>

Duke Energy Plans Peaking Units at 276 MW Dan River Coal-fired Power Plant in North Carolina

<http://www.duke-energy.com/news/releases/2008022701.asp>

Valero Delays Hydrocracker Maintenance at 144,000 b/d Benicia, California Refinery

Bloomberg, 11:09 February 28, 2008

Flaring at Paramount Petroleum's 50,000 b/d Paramount, California Refinery February 27

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/7c28d9af99efcb7388257fc00732926?OpenDocument>

Natural Gas Explosion Wrecks Building, Injures Seven in Michigan February 26

http://blog.mlive.com/chronicle/2008/02/chronicle_news_servicedave_rac.html

<http://www.platts.com/Natural%20Gas/News/6790053.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Gas Explosion Injures Four in Illinois February 28

North Shore Gas Working to Turn Off Gas

<http://www.chicagotribune.com/news/local/chi-waukegan-explosion-webfeb29.0.7829128.story>

Technical Fault Shuts Northern Iraqi Oil Pipeline February 27 — Had Been Moving 350,000 b/d from Kirkuk, Iraq to Ceyhan, Turkey — Officials Plan to Restart by Morning, February 29

<http://www.guardian.co.uk/feedarticle?id=7343981>

Saboteurs Damage Agip Oil Pipeline in Nigeria, Cut 20,000 b/d Throughput February 24 or 25—Company Repairs Leak, Resumes Service February 27

Reuters, 08:38 February 28, 2008

Reuters, 08:02 February 28, 2008

Update: Mexico Reopens Coatzacoalcos, Dos Bocas and Cayo Arcas Oil Exporting Ports February 28—Harsh Weather Shut Ports on February 27

Reuters, 11:17 February 28, 2008

Update: Sempra Energy Postpones In-Service Date for Costa Azul LNG Terminal in Mexico—Possible Two-Month Delay Pushes Opening to Second Quarter, 2008

<http://www.bloomberg.com/apps/news?pid=20601086&sid=aggUoxjFuN7Y&refer=news>

Nido Petroleum Eyes April Start Date for 17,500 b/d Galoc Oilfield in the Philippines

Reuters, 03:26 February 28, 2008

Total Gabon to Boost Anguille Oilfield Output from 7,500 b/d to 30,000 b/d by 2013-2014

Reuters, 10:55 February 28, 2008

Oil Prices Top \$102 per Barrel on Weaker Dollar February 27

<http://money.cnn.com/2008/02/27/markets/oil.ap/index.htm?postversion=2008022704>

Bodman: “For Their Own Sake,” OPEC Members Should Raise Oil Output, Ease Prices

Bloomberg, 12:09 February 28, 2008

**Experts Concerned when Firefighters Fight Ethanol Fires
Fires Demands Unique, Alcohol-Resistant Foam—Water No Use at All**

http://www.downstreamtoday.com/News/Articles/200802/Ethanol_Transport_Adds_Fire_Safety_Deman_8942.aspx

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/index.aspx>.

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