



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

ENERGY ASSURANCE DAILY

Wednesday, March 01, 2006

Electricity

Update: Storm Knocked out Power to 110,000 in Northern California

The blustery rainstorm with wind gusts of nearly 100 mph on Feb. 27 knocked out power to 80,000 customers in the Bay Area alone.

<http://www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2006/02/28/MNG63HFU751.DTL&type=printable>

Sacramento Municipal Utility Opens 500 MW Gas-fired Plant in California

The Sacramento Municipal Utility District on Tuesday declared the 500-megawatt combined-cycle, gas-fired Cosumnes power plant to be in commercial operation. SMUD estimates the plant will power 450,000 homes. Reuters, 13:03 March 1, 2006.

Allegheny Plans 500-kV Power Line from West Virginia to Central Maryland

Utility Allegheny Energy plans to build a 330-mile 500-kV transmission line from West Virginia to central Maryland. Engineering and planning is expected to begin in 2007, with the first segment of the line in place in 2013. Last month, American Electric Power said it plans to build a 765-kV transmission line stretching from West Virginia to New Jersey.

Reuters, 17:21 February 28, 2006.

TXU's 750 MW Coal-fired Martin Lake Unit 3 Shut in Texas Feb. 28

Reuters, 16:42 March 1, 2006.

Mirant's 312 MW Gas-fired Pittsburg Unit 5 Shut in California Feb. 27

Reuters, 16:42 March 1, 2006.

Petroleum

EIA: U.S. Faces Transportation Bottleneck for Ethanol, Will See More Brazilian Imports

The United States could have a hard time finding enough rail cars, trucks and truck drivers to move ethanol this year as demand for the fuel additive grows, the U.S. Energy Information Administration said Feb. 28. Many U.S. oil companies are planning to start using ethanol this summer as an alternative to MTBE, an additive banned in several states for polluting water. But ethanol, typically made from corn or sugar, can't be transported in pipelines because it absorbs water, meaning that the oil industry will need to rely heavily on trains, trucks, and barges to get it to fuel terminals. Current U.S. ethanol production averages 275,000 barrels per day, but the EIA says another 130,000 barrels a day of ethanol may be needed to replace MTBE. The EIA expects imports from Brazil, a major ethanol producer, to fill the demand gap despite a 2.5 percent ad valorem tariff and a second duty of 54 cents per gallon.

Reuters, 16:49 February 28, 2006.

Reuters, 15:52 February 28, 2006.

Update: Giant Delays Full Restart of 62,000 b/d Yorktown, Virginia Refinery

The refinery, which is currently running at 40,000 b/d, will be fully restarted in April instead of March as planned. The facility was shut by a fire on Nov. 25 and partially restarted in January.

Reuters, 09:58 March 1, 2006.

Venezuela Threatens to Cut Oil Exports to U.S.

Venezuela's oil minister, Rafael Ramírez, has warned Washington that it could steer oil exports away from the United States and toward other markets, according to blunt comments published in a Caracas newspaper. Ramírez said that Venezuela, which supplies more than 10 percent of U.S. oil imports, could act in the face of aggression by the Bush administration. The comments, coupled with the increasing sale of Venezuelan oil to China, are seen by oil experts and political analysts as a signal that Venezuela is serious about finding new buyers.

http://www.iht.com/bin/print_ipub.php?file=/articles/2006/02/27/news/venezuela.php

Update: Chevron Closes Oil Facility in Nigeria; Shuts 13,000 b/d of Crude

On Feb. 25 an unexplained pressure drop in an oil pipeline crossing southern Nigeria caused Chevron to shut off 13,000 of its 117,000 b/d production in the country. The pipeline feeds the Makaraba flow station in the Niger Delta which feeds into the Escravos crude export system. The company has not confirmed reports in the local media that the facility was blown up by militants. Nearly 20 percent of Nigeria's oil production, 455,000 b/d, has already been shut from other attacks.

<http://www.platts.com/Oil/News/8310521.xml?S=n>

[http://www.andnetwork.com/app?service=direct/0/Home/\\$StorySummary\\$0.\\$DirectLink\\$1&sp=121191](http://www.andnetwork.com/app?service=direct/0/Home/$StorySummary$0.$DirectLink$1&sp=121191)

Another Oil Pipeline Blown Up, Oil Spilled in Nigeria

An explosion in the oil-rich Niger Delta blew up oil pipelines on March 1, spilling a massive but unspecified volume of oil. A spokesman for the Movement for the Emancipation of the Niger Delta has denied knowledge of the attack and local reports claim the explosion was from an un-detonated bomb used by government forces destroying barges belonging to illegal oil bunkers. Royal Dutch Shell's local subsidiary, SPDC, a major oil company operating in the area, made no confirmation on whether the affected pipelines belonged to it.

http://news.xinhuanet.com/english/2006-03/01/content_4243981.htm

http://english.people.com.cn/200603/01/eng20060301_247063.html

Natural Gas

Nothing to report.

Other News

Another Explosion Rocks Shoal Creek Coal Mine in Alabama

Another explosion rocked the Shoal Creek coal mine near Birmingham, Alabama on Feb. 28, the fourth such methane-fueled blast since Feb. 24 when the mine was shut after the first explosion and a roof fall. No one was hurt in any of the blasts at the Drummond Co. mine which reaches 1,200 feet underground and produced 3.1 million tons of coal last year.

<http://www.al.com/news/birminghamnews/index.ssf?/base/news/1141209673276620.xml&coll=2>

Pennsylvania Inspections Find No Security Lapses at Nuke Plants

Surprise inspections at five Pennsylvania nuclear plants by the state's Department of Environmental Protection found "no instances of inattentiveness on the part of control room operators or plant security." At least one inspection was completed at FirstEnergy Nuclear Operating's Beaver Valley, PPL Susquehanna's Susquehanna, and Exelon's Limerick, Peach Bottom and Three Mile Island-1 plants.

<http://www.platts.com/Nuclear/News/6177329.xml?S=n>

Energy Prices

U.S. Oil and Gas Prices			
March 1, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	62.01	59.03	51.67
NATURAL GAS			
Henry Hub \$/Million Btu	6.62	7.55	6.63

Source: Reuters

Energy Notes

Update: Nigerian Militants Release Oil Hostage on Medical Grounds

<http://www.platts.com/Oil/News/8310521.xml?S=n>

Militants Threaten New Oil Targets in Niger Delta

Reuters, 13:54 March 1, 2006.

National Intelligence Director Says Iraq Civil War Could Lead to a Broader Sectarian Conflict in Middle East

http://www.helenair.com/articles/2006/03/01/national/a05030106_01.txt

OPEC's President Says Bush Comments on Cutting U.S. Oil Imports from Middle East Put Cartel in a "Bind"

Reuters, 13:26, March 1, 2006.

Saudi Arabia Sees 1.2 Million b/d from Khurais Project by June 2009

Reuters, 10:41 March 1, 2006.

Iraq's Oil Exports Rose 310,000 b/d to 1.42 million b/d in February

Reuters, 08:19 March 1, 2006.

Ecuador to Give Money to Provinces to Avert Protests that Threaten Oil Sector

Reuters, 15:26, February 28, 2006.

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 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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