



ENERGY ASSURANCE DAILY

Wednesday Evening, March 04, 2009

Electricity

Update: Fewer than 11,000 Customers Remain Without Power in Virginia, Georgia and North Carolina Following Snow Storm

An estimated 10,743 customers remained without power in Georgia, Virginia and North Carolina March 4, based on latest available reports. Dominion Power reported 4,970 customers still without power in Virginia, down from a peak of 137,442 customers. The Georgia Electric Membership Corporation reported 4,200 customers still without power, while Duke-Energy North Carolina reported 1,482 customers remaining without power. Snow accompanied by strong winds knocked out power to more than 500,000 U.S. customers March 1-2. Scattered outages remain among several neighboring states.

Dominion Power: http://www.dom.com/news/outage_sos.jsp

Duke-Energy: <http://www.duke-energy.com/outages/stats/>

Georgia Electric Membership Corporation:

<http://www.georgiaemc.com/backdoor/pdfs/March%201%20Winter%20Storm%20Advisory%2014.pdf>

Entergy's 1,207 MW Grand Gulf Nuke Unit 1 in Mississippi Reduced to 88 Percent by March 3

The Nuclear Regulatory Commission reported that on the morning of March 2 the unit was operating at full power. Information derived from the NRC Power Reactor Status Reports:

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

Entergy's 836 MW Arkansas Nuclear Unit 1 in Arkansas Reduced to 62 Percent by March 3

The company reduced the unit due to a request by the region's grid operator, a spokesperson for the plan said today. The Nuclear Regulatory Commission reported that on the morning of March 2 the unit was operating at full power.

<http://uk.reuters.com/article/governmentFilingsNews/idUKN0454760820090304>

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Ameren's 1,125 MW Callaway Nuke Unit in Missouri Ramped Up to 60 Percent by March 3

The unit is ramping up after Ameren declared an "unusual event" on February 19, when flammable gases were discovered. The plant was shut down earlier February 19 after a power supply failed. The Nuclear Regulatory Commission reported that on the morning of March 2 the unit was operating at 8 percent.

Bloomberg News, 08:12 March 4, 2009

Information also derived from the NRC Power Reactor Status Reports:

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

Update: FPL Restarts 618 MW Duane Arnold Nuclear Power Plant in Iowa March 4

The company shut the reactor on March 2 as it was returning from a planned refueling outage when turbine bearings reached higher than normal temperatures, a company representative said. The Nuclear Regulatory Commission reported that the unit is operating at 1 percent of capacity.

Bloomberg News, 08:23 March 4, 2009

<http://uk.reuters.com/article/oilRpt/idUKN0452859920090304>

Update: Westar Energy and BP Wind Energy Complete Construction of 100 MW Flat Ridge I Wind Farm in Kansas

Westar Energy and BP Wind Energy will conduct a ribbon-cutting ceremony March 5, at the 100 MW Flat Ridge Wind Farm site in Nashville, Kansas. Flat Ridge I utilizes 40 Clipper 2.5 MW C-96 wind turbine generators, the largest wind turbines built by a U.S. manufacturer.

[http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/2009-3-3/\\$File/2009-3-3.pdf?openelement](http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/2009-3-3/$File/2009-3-3.pdf?openelement)

Petroleum

Update: BP to Restart FCCU, Ultraformer at 475,000 b/d Texas City, Texas Refinery March 4

According to filings with state regulators, BP will restart its fluid catalytic cracker unit (FCCU) today at its Texas City refinery. The unit, which was shut for maintenance, was initially due to restart at the end of December, but the start-up was delayed to January when the company hit a snag when the FCCU experienced mechanical trouble. A separate filing with state regulators said that BP is also restarting Ultraformer #3 at its Texas City refinery following a leak that forced its shutdown in January.

Reuters, 01:30 March 4, 2009

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=120860>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=120861>

Update: Valero Restarts Crude Unit March 4 Following Fire at 325,000 b/d Port Arthur, Texas Refinery

Valero reported its Crude Unit 146 at its Port Arthur refinery was in restart following a shutdown due to an exchanger fire on February 27. A spokesman for Valero said the start-up of the crude unit continues and the process is to take a couple of days.

Reuters, 10:21 March 4, 2009

Reuters, 15:40 March 3, 2009

Total Shuts Unnamed Unit at its 232,000 b/d Port Arthur, Texas Refinery March 4

According to a filing with state regulators, Total shut down an unnamed unit to repair a cooling water supply leak at its Port Arthur refinery.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=120519>

Eni Delays Nikaitchuq Oil Project on Alaska's North Slope due to Low Oil Prices

The Italian oil company, Eni, is delaying work on its Nikaitchuq oil development project located on the North Slope of Alaska. The project was on track to start producing oil late in 2009 or early in 2010 but work has been scaled back, likely resulting in a delay of six months to a year. The Nikaitchuq project is an offshore field with an estimated 180 MMbbls barrels of recoverable oil in which the company had planned to drill numerous wells this winter and construct facilities that would allow production of 40,000 b/d. An official with the Alaska Division of Oil and Gas said Eni's decision is likely due to the decrease in crude prices and poor economic conditions but that the company remains committed to the project.

<http://uk.reuters.com/article/oilRpt/idUKN0337426820090304>

Oil Leak, Fire Reported on Transneft Pipeline in Central Russia Novorossiisk Exports Halted March 4

An accident that led to a leak and subsequent fire on a major Transneft oil pipeline in central Russia was reported March 4. The affected pipeline serves Russia's Black Sea port of Novorossiisk which typically exports 840,000 b/d of oil. Transneft officials have confirmed the accident and said oil flows have been halted with exports unlikely to resume in the next four days. Consequentially, the port of Novorossiisk is closed due to bad weather conditions with operations unlikely to resume before March 8.

<http://in.reuters.com/article/oilRpt/idINL437953620090304?sp=true>

Crude Futures Increase \$3 on NYMEX March 4

On the New York Mercantile Exchange (NYMEX) April crude futures were up \$3.05, or 7.3 percent, at \$44.70 a barrel, trading from \$41.04 to \$44.84. Analysts note the increase was caused by better economic news from China and expectations that OPEC may cut output targets again at a meeting later this month.

Reuters, 10:04 March 4, 2009

Alaska Governor Proposes \$4 Billion In-State Gas Pipeline to Precede Construction of Planned 1,700-Mile North Slope Gas Pipeline

Governor Palin of Alaska recently announced plans to encourage the development of an 24-inch, 800-mile in-state pipeline to carry 500 MMcf/d of natural gas from the North Slope to the population centers along southern Alaska's Cook Inlet. Currently, there are no specific proposals pending before state regulators but the Governor has appointed a state project manager and said the development of said "bullet line" is to precede construction of the proposed 1,700-mile pipeline from the North Slope to Alberta that would send natural gas to Canadian and U.S. mainland markets.

Reuters, 20:27 March 3, 2009

http://www.rigzone.com/news/article.asp?a_id=73617

Other News

RETAC Discusses Difficulty of Rail Capacity Planning During Recession and with Uncertainties about Future of Coal

The Rail Energy Transportation Advisory Committee (RETAC), an industry advisory group to the U.S. Department of Transportation's Surface Transportation Board, held a public meeting on March 4. Topics covered included subcommittee updates and reports, i.e., Capacity Planning, Performance Measures, Best Practices, and Communications. In addition, William Brennan of the Office of Economics summarized a new study on rail rates, Stephen Gardner from the Senate Commerce Committee provided a transportation legislation update, and there was an open discussion of the impacts of the economic downturn. Key points and facts from the presentations include: rail traffic was down 15%, coal production was up 2%, and coal consumption was down 0.5% in 2008 (As a result, there are record stockpiles of coal at electric power plants); there is little if any economic recovery act money going for freight railroad infrastructure, coal and ethanol producers: railroads and electricity generating companies all agree that tax credits to encourage investment in railroads could be beneficial; and all stakeholders are worried about uncertainty in the coal and ethanol markets and the negative impact this will have on railroad infrastructure investment.

Source: DOE/OE representative in attendance

President Obama Signs Memorandum to Allow the Administration to Regulate Greenhouse Gas Emissions by way of the Endangered Species Act

President Obama signed a presidential memorandum which could allow the administration to regulate greenhouse gas emissions using the Endangered Species Act (ESA), by ordering all agencies to consult with the Department of Interior and the Department of Commerce when their actions may affect a threatened or endangered species. A ruling last year that deemed the polar bear a threatened species because of global climate change opened up the possibility that the Department of the Interior could use ESA to regulate the greenhouse gases widely blamed for rising global temperatures. The ruling could affect the construction of new power plants in the United States.

<http://www.platts.com/Electric%20Power/News/7703193.xml?p=Electric%20Power/News&sub=Electric%20Power>

Carbon Sequestration and Storage Face Pipeline Siting Issues, INGAA Study Finds

According to a new study by the INGAA Foundation titled "Carbon Sequestration and Storage: Developing a Transportation Infrastructure," the pipeline industry could be called on to build more than 66,000 miles of pipeline in connection with recent developments and initiatives to ship and store carbon dioxide emissions out of U.S. power plants. One of the study's major concerns is that while carbon capture and sequestration (CCS) technologies are relatively well defined, challenges remain in the form of regulatory and siting concerns that thwart gas pipeline and gas import terminal development in the U.S.

INGAA Report found here: <http://www.ingaa.org/cms/31/7306/7626/8230.aspx>

<http://www.platts.com/Electric%20Power/News/7703172.xml?p=Electric%20Power/News&sub=Electric%20Power>

Energy Prices

U.S. Oil and Gas Prices			
March 4, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	43.91	40.99	100.18
NATURAL GAS Henry Hub \$/Million Btu	4.43	4.21	9.07

Source: Reuters

Energy Notes

PetroChina Cuts 2009 Output Targets by 10-20 Percent on Falling Demand

http://www.rigzone.com/news/article.asp?a_id=73613

DOE Intends to Solicit Proposals for Smart Grid Grants within Deadlines Set by Stimulus Bill – Pat Hoffman, Acting Assistant Secretary for OE.

<http://www.easybourse.com/bourse-actualite/marches/smart-grid-stimulus-money-can-be-released-before-standards-627033>

EU Imposes New Tariff on US Biodiesel – Aims to Erase Advantage from U.S. Tax Credit

http://www.nytimes.com/2009/03/04/business/worldbusiness/04biodiesel.html?_r=1

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>

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