



ENERGY ASSURANCE DAILY

Monday Evening, March 08, 2010

Electricity

Electrical Fault Triggers Minor Explosion, Forces Shut APS's 1,243 MW Palo Verde Nuke Unit 1 in Arizona March 7

An electrical fault "resulted in a minor explosion," damaged some bus work and forced offline the unit, the company said in a filing with the Nuclear Regulatory Commission (NRC). APS declared an unusual event, but the incident did not affect the site's other two units. The company expects to restart the unit prior to a refueling shutdown, scheduled for this spring, a spokeswoman said. The NRC reported that on the morning of March 7 the unit was operating at full power.

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

Reuters, 12:18 March 8, 2010

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

SCE's 1,080 MW San Onofre Nuke Unit 3 in California Reduced to 86 Percent by March 6

The Nuclear Regulatory Commission reported that on the morning of March 5 the unit was operating at 97 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Southern's 830 MW Farley Nuke Unit 1 in Alabama Reduced to 85 Percent by March 8

Operators reduced the unit "to investigate a condenser tube," a news source said. The Nuclear Regulatory Commission reported that on the morning of March 7 the unit was operating at full power.

Bloomberg News, 13:55 March 8, 2010

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: Exelon's 802 MW Three Mile Island Nuke Unit 1 in Pennsylvania at Full Power by March 7

Operators shut the unit on March 4 to fix small leaks on two reactor coolant pumps, a previous news source said.

The Nuclear Regulatory Commission reported that on the morning of March 6 the unit was operating at 85 percent.

<http://www.fox43.com/news/wpmt-pmnews-tmi-3-3-2010.0.5883025.story>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

AEP to Restart 558 Welsh Coal-fired Unit 2 in Texas March 7-9

The unit tripped offline by March 7, American Electric Power (AEP) said in a filing with state regulators. The company expected to restart the unit between March 7 and March 9, it said in a separate filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=136681>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=136683>

NRG to Restart 813 MW Limestone Coal-fired Unit 2 in Texas March 8-9

NRG Energy expected to fix a tube leak between March 5 and March 8, it said in a filing with state regulators. It planned to restart the unit from March 8-9, it said in a separate filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=136690>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=136631>

Delta Energy Center, LLC's 880 MW Delta Energy Center Gas-fired Unit in California Reduced by March 6

According to the California Independent System Operator, the unit reported an unplanned curtailment of 300 MW by March 6.

<http://www.caiso.com/unitstatus/data/unitstatus201003061515.html>

Mountainview Power Company LLC's 525 MW Mountainview Gas-fired Unit 3 in California Reduced by March 7

According to the California Independent System Operator, the unit reported an unplanned curtailment of 285 MW by March 7.

<http://www.caiso.com/unitstatus/data/unitstatus201003071515.html>

Reliant's 215 MW Mandalay Gas-fired Unit 2 in California Reduced by March 5

According to the California Independent System Operator, the unit reported an unplanned curtailment of 115 MW by March 5.

<http://www.caiso.com/unitstatus/data/unitstatus201003051515.html>

Update: Wolf Creek Restarts 1,165 MW Wolf Creek Nuclear Power Plant in Kansas by March 8

The plant tripped offline during the afternoon of March 2, according to a previous filing with the Nuclear Regulatory Commission (NRC). Operators had expected to return the unit to full power by last weekend, a company spokeswoman said. The unit, however, was at 44 percent power this morning, according to an NRC report.

Bloomberg News, 12:03 March 5, 2010

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

U.S. Nuclear Power Plants are Protected from Terror Attacks—NRC Official

The U.S. nuclear fleet is not vulnerable to terror attacks, and additional security measures would not—for the most part—"substantially improve overall security," according to the U.S. Nuclear Regulatory Commission's Commissioner, Dave Klein.

<http://www.newsobserver.com/2010/03/06/372935/nuclear-commissioner-says-plants.html>

Agreement on Proposed Environmental Legislation Would Require Xcel Energy to Retire, Retrofit or Repower 900 MW of Coal-fired Power Capacity in Colorado

Colorado Governor Bill Ritter, Xcel Energy and a coalition of lawmakers, energy companies and environmentalists announced agreement on proposed legislation the "Colorado Clean Air-Clean Jobs Act," that would require Xcel Energy to retire, retrofit or repower 900 MW of coal-fired power capacity by the end of 2017, and replace the shuttered/revamped facilities with gas-fired or other less-polluting units, the company, the Governor and a coalition of others announced on March 5. The plan would give "primary consideration to replacing or repowering those plants with natural gas and other lower-emitting resources," according to a news release.

<http://www.colorado.gov/cs/Satellite?c=Page&childpage=GovRitter%2FGOVRLayout&cid=1251572398732&pagename=GOVRWrapper>

FPL Plans 75 MW Solar Power Plant alongside Existing Gas-fired Facility in Florida

The project, "or Martin Next Generation Solar Energy Center," would be the world's second-biggest solar power facility, a news source said. It would span 500 acres and involve 190,000 mirrors. The company expects to construct the project alongside an existing, 3,800 MW gas-fired plant.

<http://www.nytimes.com/2010/03/05/business/05solar.html?partner=TOPIXNEWS&ei=5099>

Petroleum

Exxon Mobil Says Crude Unit Operating Normally after Weekend Fire at 348,500 b/d Beaumont, Texas Refinery

A fire caused minor damage to a crude distillation unit on March 6, but Exxon Mobil had returned the unit to normal operations by March 8, the company said. It was not clear if the incident had any impact to production.

Reuters, 09:58 March 10, 2010

Reuters, 18:44 March 7, 2010

DJN, 08:30 March 8, 2010

Colonial Slows Oil Product Pipelines after Power Failure at Maryland Substation over Weekend

Colonial Pipeline reduced throughput along its Line 3 oil product pipeline and multiple sublines after a power failure at its Dorsey substation in Woodbine, Maryland, a spokesman said. The substation remained without power and Line 3 was slightly reduced, as of March 8, according to the spokesman. The company expected to restore electricity to the substation in 2 to 3 days.

Reuters, 09:17 March 8, 2010

Bloomberg news, 17:40 March 7, 2010

Shell Warns of Flaring after “Temporary Upset” at 329,800 b/d Deer Park, Texas Refinery March 5

It was not clear what caused the upset or if the incident had any impact to production.

Bloomberg News, 16:06 March 5, 2010

Update: Canadian Natural Expects to Resolve Problems by Midyear at Oft-Reduced, 110,000 b/d Horizon Oil Sands Project in Alberta, Canada

Mechanical and other problems have kept the 110,000 b/d project at reduced rates, on average, for several months, but the company expects to resolve the issues by midyear, a news source said. The site yielded an average 71,000 b/d in October, 97,000 b/d in November, 42,000 b/d in December, 72,000 b/d in January, and 84,000 b/d in March.

<http://www.reuters.com/article/idUSN0310408220100304?type=marketsNews>

Somali Pirates Hijack UBT Ocean Oil Tanker Offshore Madagascar by March 5

The Brovingtank-owned Norwegian tanker was en route from the United Arab Emirates to Tanzania, at the time of the hijacking, the company said. The incident came just days after Somali pirates captured a Saudi Arabian oil tanker along the Gulf of Aden.

<http://www.nepalnews.net/story/609056>

<http://www.rttnews.com/ArticleView.aspx?Id=1232195&SMap=1>

BP Aims to Produce 300,000 b/d in North Sea until at Least 2020

The company plans to invest 1 billion pounds/year, and produce at least 300,000 b/d of North Sea oil until 2020, it announced by March 7.

<http://www.istockanalyst.com/article/viewiStockNews/articleid/3926098>

Nigeria Credits Amnesty Program as Oil Production Surges to 2.5 Million b/d

Nigeria is producing 2.5 million b/d of oil—a seven-year high—thanks to a militant amnesty program, according to an official with the Nigerian National Petroleum Corporation (NNPC). The program, begun in June 2009, offered amnesty to militants who turned over their weapons by October 4, 2009. More than 8,000 gunmen accepted the deal.

http://www.rigzone.com/news/article.asp?a_id=88863

Update: Alon Aims to Purchase, Restart 66,000 b/d Big West Refinery in Bakersfield, California

The facility shut in early 2009 after its owner, Flying J, filed for bankruptcy, a news source said. Alon, however, aims to purchase and restart the refinery, and “integrate” it by pipeline with a separate, Alon-owned refinery in Los Angeles County, California, the company’s CEO said. An auction is scheduled for later this month.

http://www.downstreamtoday.com/news/article.aspx?a_id=21473

Natural Gas

Update: Contango to Repair Ruptured Pipeline, Restore 42-47 MMcfe/d of Natural Gas Production in U.S. Gulf by End of March, 2010

Contango Oil & Gas Company declared force majeure early on February 24, after a rupture along a 20-inch, 125 MMcf/d natural gas pipeline forced the company to shut in production at its associated EI-11H platform in the U.S. Gulf of Mexico, a previous source said. The affected pipeline delivers natural gas from the EI-11 gathering platform to Contango's EI-63 platform. The rupture occurred as workers dredged the Atchafalaya River Channel between Louisiana and Mississippi. The incident forced offline between 42-47 MMcfe/d of production, but the company expects to repair the pipeline and restore that production by the end of March, 2010, it said in a March 5 release. http://eon.businesswire.com/portal/site/eon/permalink/?ndmViewId=news_view&newsId=20100224007097&newsLang=en
http://www.contango.com/investor/news/pr194_030510.pdf

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
March 8, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	81.46	79.70	44.15
NATURAL GAS Henry Hub \$/Million Btu	4.56	4.76	4.22

Source: Reuters

Energy Notes

SDG&E Reports 20,739 Customers without Power in California March 5

<http://www.sdge.com/outages/>

Substation Snag Cuts Power to about 10,000 Duke Energy Customers in North Carolina March 8—Utility Restores Service in about One Hour

<http://www.duke-energy.com/north-carolina/outages.asp>

<http://www2.journalnow.com/content/2010/mar/08/081351/power-failure-hits-10000-winston-salem/>

Citing Energy Yield, Environmental Benefits, Engineers Tout Thorium-Based Nuclear Power

<http://www.dispatch.com/live/content/science/stories/2010/03/07/thorium-art-gc67nvgb-1.html?type=rss&cat=&sid=101>

DOE Offers \$117 Million Conditional Commitment for Kahuku Wind Power's 30 MW Wind Energy Project in Kahuku, Hawaii—Company to Install Turbine Generators and Battery Energy Storage System

<http://www.energy.gov/news/8717.htm>

Western Wind Energy Aims to Open 50 MW Mesa Wind Repower Phase One and 11 MW Steel Power Wind and Solar Project in Arizona before June 30, 2011

http://www.westernwindenergy.com/s/News_Releases.asp?ReportID=388679& Type=News-Releases& Title=Steel-Park-and-Mesa-Project-Update

Residents Participate in Meltdown Drill at SCE's 2,254 MW San Onofre Nuclear Power Plant in California by March 4

<http://www.dailypilot.com/articles/2010/03/04/publicsafety/dpt-drill030510.txt>

FRCC to Pay \$350,000 Fine, Improve Grid Reliability after February 2008 Electric Blackout in Florida

<http://new.927thevan.com/news/articles/2010/mar/05/florida-grid-agency-fined-over-2008-blackout/>

DOE Announces \$40 Million in Awards for Westinghouse Electric Co., General Atomics' Next Generation Nuclear Plant Projects

DJN, 11:45 March 8, 2010

State Court Jury Says Exxon Mobil Did Not Warn Workers of Radioactive Contamination of Drilling Pipes in Louisiana

<http://www.abc26.com/news/local/wgno-news-story-exxon-drilling-lawsuit.0.4964063.story>

Update: Valiant Petroleum Begins 15,000 boe/d Production at Don Fields in U.K. North Sea by March 8—Company Expects to Launch Phase Two in Second Quarter, 2010

http://online.wsj.com/article/BT-CO-20100308-703646.html?mod=WSJ_World_MIDDLEHeadlinesEurope

Deliveries to Fall 11.5 Percent, from 741,935 b/d in March 2010 to 656,667 b/d in April 2010, along Baku-Tbilisi-Ceyhan, Azerbaijan-to-Turkey Oil Pipeline

Bloomberg News, 12:24 March 8, 2010

Update: Turkish Parliament Okays Planned Turkey-to-Austria Nabucco Natural Gas Pipeline

http://www.downstreamtoday.com/news/article.aspx?a_id=21476

EPA Okays Permit for Hobet Mining LLC's Planned Hobet 45 Mountaintop Removal Coal Mine in West Virginia—Agency to Continue Discussions with Mingo Logan Mining Co. Over Environmental, Water Issues at Spruce No. 1 Coal Mine in West Virginia

http://www.waterworld.com/index/display/article-display/0608701222/articles/industrial-waterworld/2010/issue-1/columns/epa-approves_mountaintop.html

Power Failure Forces Shut Wasson CO2 Removal Plant in Texas March 7

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=136686>

Update: Patriot Coal Shuts, Restarts Federal No 2. Coal Mine in West Virginia March 5-8—Company Cites Problem with Newly-Initiated Ventilation Plan

<http://phx.corporate-ir.net/phoenix.zhtml?c=216060&p=irol-newsArticle&ID=1399992&highlight=>

<http://phx.corporate-ir.net/phoenix.zhtml?c=216060&p=irol-newsArticle&ID=1399689&highlight=>

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