



ENERGY ASSURANCE DAILY

Wednesday Evening, March 09, 2011

Electricity

Amid Storms, Entergy Reports over 75,000 Customers without Power in Louisiana and Mississippi March 9

After severe weather hit the region, Entergy reported a peak of 70,629 customers without power in Louisiana and 5,133 customers without power in Mississippi. As of latest reports, only 828 Louisiana customers and 668 Mississippi customers remained without electricity.

<http://www.entergy-louisiana.com/outages/la.aspx>

<http://www.entergy-neworleans.com/outages/nola.aspx>

<http://entergy-mississippi.com/outages/ms.aspx>

http://www.nola.com/weather/index.ssf/2011/03/power_outages_in_st_john_jeffe.html

<http://www2.wjtv.com/news/2011/mar/09/storm-causes-power-outages-ar-1557242/>

<http://www.clarionledger.com/article/20110309/NEWS/110309001/1001/news/Power-outages-heavy-damage-left-tornado-s-wake>

High Winds and Transformer Explosions Knock Out Power to about 65,000 SCE Customers in California March 8

According to one Southern California Edison (SCE) representative, several transformers exploded at a substation near Torrance, California, causing some of the local outages. High winds also toppled power lines, causing most of the outages, for a total of about 65,000 customers without power. It was not clear from reports whether the transformer explosions were related to the wind storm. According to another company representative, all but 4,400 customers were restored by the afternoon of March 8.

http://www.contracostatimes.com/california/ci_17568169?nclick_check=1

http://www.mercurynews.com/breaking-news/ci_17568273?nclick_check=1

About 60,000 PSE&G Customers Briefly Lose Power in New Jersey after Substation Failure Causes Multiple 230 kV Transmission Lines to Trip March 9

According to a company report, a "potential transformer" failed during routine switching at the Ridgefield Substation, shutting down both the Ridgefield and Leonia Substations, tripping multiple 230 kV transmission lines, and knocking out power to about 60,000 PSE&G customers in Southern Bergen County, New Jersey the morning of March 9. All customers were restored about an hour later.

<http://www.pseg.com/info/media/newsreleases/2011/2011-03-09.jsp>

Update: PG&E's 1,150 MW Diablo Canyon Nuclear Unit 1 in California Returns to Service by March 8

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment by March 8. However, the Nuclear Regulatory Commission (NRC) had previously reported that the unit was operating at full power on the mornings of March 7 and March 8.

<http://www.caiso.com/unitstatus/data/unitstatus201103081515.html>

Update: Calpine's 751 MW Pastoria Gas-Fired Unit in California Returns to Service by March 8

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment by March 8.

<http://www.caiso.com/unitstatus/data/unitstatus201103081515.html>

Watson Cogeneration's 417 MW Watson Cogeneration Gas-Fired Unit in California Reduced by March 8

According to the California Independent System Operator, the unit reported an unplanned curtailment of 202 MW.
<http://www.caiso.com/unitstatus/data/unitstatus201103081515.html>

CDWR's 210 MW Pine Flat Hydro Aggregate Hydro Unit in California Reduced by March 8

According to the California Independent System Operator, the unit reported an unplanned curtailment of 100 MW.
<http://www.caiso.com/unitstatus/data/unitstatus201103081515.html>

PPL Electric Utilities Plans to Invest Over \$450 Million in 2011 on Infrastructure Improvements in Pennsylvania

The capital investments will be focused on the company's transmission and distribution system to improve reliability.

<http://stage2.mediaroom.com/pplweb/index.php?s=12270&item=30011>

Petroleum

Update: Fighting Damages Oil Infrastructure in Libya while Sanctions Paralyze Trade

Both the Libyan government and rebels have accused each other of blowing up oil facilities in eastern Libya on March 9. The rebels claim that government forces bombed an oil pipeline connecting to Es Sider and storage tanks near Ras Lanuf, while the Libyan government in turn blamed al-Qaida. Rebels informed Reuters on March 9 that they now control Es Sider. Waha Oil Company workers have indicated that no ships are loading at the 447,000 b/d port there since looters damaged the facilities – one Very Large Crude Carrier (VLCC) chartered by Unipet, the Gulf Sheba, is docked there but unable to load. The 51,000 b/d Marsa El Brega port is also apparently controlled by rebels, and has been completely shut along with the 195,000 b/d Ras Lanuf port since March 8 due to violence. One source indicates that the 51,000 b/d Tobruk port is operational, while another indicates that the 199,000 b/d Zawiyah port is also believed to be open. Western countries, including the United States, European Union, and Japan, have imposed sanctions on Libya and frozen government assets. These sanctions have affected shipping since freight payments are transacted in dollars and banks are declining to clear payments in dollars. ExxonMobil and ConocoPhillips have ceased trade with Libya, while ENI's CEO announced that the turmoil has reduced its production in Libya from 270,000 boe/d to 100,000 boe/d. Kuwait's oil minister said that members of the Organization of Petroleum Exporting Countries (OPEC) are considering a production boost to make up for the disruption of supply in Libya, and the government of Saudi Arabia has promised to make up for any supply gap, although its crude oil contains more sulfur than Libya's.

<http://www.haaretz.com/news/international/libya-rebels-gadhafi-forces-trade-blame-over-attack-on-oil-port-1.348163>

http://www.rigzone.com/news/article.asp?a_id=104936

Reuters, 01:54 March 9, 2011

Reuters, 02:46 March 9, 2011

Reuters, 08:03 March 9, 2011

Reuters, 10:51 March 9, 2011

Update: ExxonMobil's CEO Indicates Company Has Had No Trouble Replacing Libyan Crude Supplies

Reuters, 12:55 March 9, 2011

Blast Halts Iraq-Turkey Oil Export Pipeline March 9

According to sources, the blast occurred early on Wednesday forcing closure of the line. Although there was a report that the line was attacked, according to sources at Iraq's North Oil Company, no determination as to the cause had been made. Prior to the blast, the line had been carrying approximately 450-490,000 b/d of Iraqi crude oil from Kirkuk to the Turkish port of Ceyhan.

<http://www.djnewsplus.com/ge/al?rnd=8VChBhdmMHQdBaWRcImUcg%3D%3D>

Reuters, 12:52 March 9, 2011

ExxonMobil to Increase Spending to Boost Oil Production by 1.4 MM BOE/D by 2016

ExxonMobil announced a major development plan to boost oil production sharply over the next five years by 1.4 MM boe/d. The plan calls for increasing the annual capital spending by between \$8 and \$12 billion with the goal of achieving some 80 percent of planned production additions from oil. The efforts will focus on additions from more unconventional sources like Canadian oil sands and from other major projects as well, such as fields in Angola. Reuters, 13:00 March 9, 2011

Boiler Failure Shuts Four Processing Units at PDVSA's 335,000 b/d Refinery in Curacao by March 7

According to sources at the refinery, the incident occurred over the weekend. The four affected units were not identified but a union official indicated they should be returned to service in a week. Reuters, 09:06 March 9, 2011

Two Fires Break out in North Dakota's Oil Patch over the Past Week

Homes were evacuated after an oil well caught fire on March 7 about eight miles north of Amegard. As of latest reports, the fire is still burning. A fire and explosion also occurred on March 3 in an oilfield near Bowbells, North Dakota. During that incident, several oil tanks caught fire and three tanks (containing about 400 barrels of oil each) exploded at a facility owned by Energy Equity. The March 3 fire was likely caused by an electrical short.

<http://www.businessweek.com/ap/financialnews/D9LQOB1O0.htm>

Apache Restarts Its Van Gogh Oil Project Offshore Western Australia after Four Months of Repairs March 6

Van Gogh was shut down in October for repairs to the Nigaloo Vision floating production, storage, and offloading (FPSO) vessel. The restoration of the project, planned for January, was delayed due to cyclones. According to a company representative, Apache aims to produce 35,000 to 40,000 b/d at Van Gogh.

http://www.rigzone.com/news/article.asp?a_id=104908

Natural Gas

Algeria Announces 1,000 Trillion Cubic Feet of Natural Gas Reserves March 9

According to a government minister, Algeria holds up to 1,000 trillion cubic feet of natural gas reserves trapped in shale rock about 1,000 meters beneath the ground.

Reuters, 13:22 March 9, 2011

Other News

Lynas Currently Building World's Largest Rare Earth Refinery near Kuantan, Malaysia

The Australian company will soon complete the world's first rare earth metals refinery outside of China in nearly 30 years. The plant will refine ores that are mined from Mount Weld in Australia and then shipped to Malaysia. The company says that the refinery will be able to supply one third of the world's demand for rare earths (not including China) within two years.

http://www.nytimes.com/2011/03/09/business/energy-environment/09rare.html?_r=1&scp=1&sq=%2b%22radioactive+waste%22&st=nyt

Supertankers Sailing at Slowest Speeds in Three Years to Cope with High Fuel Costs

Fuel bills can drop "exponentially" when tankers sail at slower speeds. Supertankers sailed at an average of 10.7 knots last month, one knot slower than a year ago according to Bloomberg.

<http://www.bloomberg.com/news/2011-03-09/oil-tanker-rates-doubling-on-lower-speeds-libya-uprising-freight-markets.html>

Energy Prices

U.S. Oil and Gas Prices			
March 9, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	104.66	102.50	81.73
NATURAL GAS Henry Hub \$/Million Btu	3.83	3.79	4.47

Source: Reuters

Energy Notes

Federal Judge Declines to Order ExxonMobil to Pay an Extra \$92 Million to the U.S. Government and Alaska for the 1989 Exxon Valdez Oil Spill

<http://www.wtvr.com/sns-rt-usreport-us-exxon-vatre7272w5-20110308.0,4510466.story>

Energy Fuels Receives Final State Approval for Proposed 500 Tons/Day Uranium Mill in Colorado March 7, but Awaits Federal Permits – Facility Would Be First New Uranium Mill in the U.S. Since the Cold War

<http://www.reuters.com/article/2011/03/08/us-energyfuels-idUSTRE7270D620110308>

Update: CEO Tells Congressional Panel on March 7 that a Leak Could Have Developed in the One Day between an Inspection and a Deadly Early-February Explosion along UGI Utilities' 12-Inch Gas Main in Allentown, Pennsylvania

<http://pottsmmerc.com/articles/2011/03/07/news/doc4d753c23ceebe244282476.txt>

Update: Texas Railroad Commission Determines Natural Gas Wells Operated by Range Resources Were Not Responsible for Methane Gas Contamination in Residential Water Wells in Parker County, Texas March 7

<http://www.star-telegram.com/2011/03/07/2903191/hearing-examiners-say-gas-driller.html>

Update: Navajo Nation President Signs Agreement to Extend Lease to 2041 for APS' 2,040 MW Coal-Fired Four Corners Power Plant in New Mexico by March 8

<http://finance.yahoo.com/news/Navajos-approve-lease-apf-3983204244.html?x=0&.v=1>

PGE Contracting with Eastern Oregon Growers to Supply Giant Cane Grass as Potential Replacement for Coal at its Boardman Coal-Fired Power Plant in Oregon

<http://www.sustainablebusinessoregon.com/articles/2011/03/pge-moving-forward-on-biomass-testing.html>

Pennsylvania Governor Issues Executive Order Creating a Marcellus Shale Advisory Commission

http://www.governor.state.pa.us/portal/server.pt/community/governor%27s_web_site/2985

http://www.portal.state.pa.us/portal/server.pt?open=512&objID=708&PageID=224602&mode=2&contentid=http://pubcontent.state.pa.us/publishedcontent/publish/cop_general_government_operations/oa/oa_portal/omd/p_and_p/execute_orders/2010_2019/items/2011_01.html

DCP's Targa Facility Stops Accepting Gases, Leading to Flaring and Emissions Events at the West Seminole San Andres Unit Central Tank Battery and Tract 3 Satellite, and at XTO Energy's Russell Compressor Station and Univ N Tank Battery in Texas March 9

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=151701>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=151706>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=151717>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=151725>

SRU Briefly Shuts Due to Acid Gas Low Flow at Sneed Booster Station in Texas March 8

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=151687>

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>

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