



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

ENERGY ASSURANCE DAILY

Wednesday, March 15, 2006

Electricity

Surge of Projects Could Double U.S. Geothermal Electricity Output

Some 45 projects are under way that could nearly double geothermal power output in the US, the Geothermal Energy Association said Tuesday. The U.S. had 2,828 MW of geothermal power capacity online in 2005. New projects will add between 1,818 and 2,095 MW of new capacity.

<http://www.platts.com/Electric%20Power/News/7334907.xml?p=Electric%20Power/News&sub=Electric%20Power>

Construction to Begin on 550 MW Quail Run Energy Center in Texas

Navasota Odessa Energy has received an air permit from the Texas Commission on Environmental Quality for its gas-fired plant in Odessa, Texas. Site preparation is underway and the plant should be ready for operation by May 1, 2007. Once finished, the facility will be able to transport power to Houston or Dallas markets on existing grids. Reuters, 08:57 March 15, 2006.

[http://www.cleancoalfoundation.org/press/Odessa%20wins%20\\$200%20million%20Power%20Plant.doc](http://www.cleancoalfoundation.org/press/Odessa%20wins%20$200%20million%20Power%20Plant.doc)

OPG's 490 MW Coal-fired Nanticoke 2 Returns to Service in Ontario March 15

The unit shut for a short-term forced outage on March 14.

Reuters, 07:53 March 15, 2006.

Petroleum

Norway's Oil Exports Fall 16 Percent to Lowest Level in Five Years

According to Statistics Norway, Norway's February oil exports fell 16 percent to the lowest level in more than five years. Oil exports dropped to 58.9 million barrels, or 2.1 million b/d, a drop of approximately 410,000 b/d from February a year ago. Analysts indicated that the drop confirmed a downward trend in production from mature fields.

Reuters, 07:08 March 15, 2006.

Update: Petroecuador Output Still 5 Percent Below Pre-Strike Level

Petroecuador, Ecuador's state oil producer, said output is about 190,000 b/d, 5 percent below normal, as the company recoups more production lost during last week's strike. Daily oil production is expected to reach pre-strike levels of about 200,000 b/d by the end of next week, up from a low of 50,000 b/d last week. Ecuador shipped about 340,000 b/d to the U.S. in December.

Bloomberg, 12:19 March 15, 2006.

Natural Gas

Update: Gulf South to Increase East Texas and Mississippi Expansion Projects to 1.5 Bcf/d

The 500 MMcf/d increase in capacity was prompted by the signing of long-term agreements with shippers. As previously announced, the East Texas Expansion capacity will extend from Carthage in East Texas to the Perryville area in Richland Parish, Louisiana transporting natural gas from East Texas to interstate pipelines linked to markets in the Midwest and Northeast. The Mississippi Expansion will continue eastward from the Perryville area to the Jackson, Mississippi. Gulf South's parent, Boardwalk Energy Partners, LP anticipates completion of the project during the second half of 2007.

<http://biz.yahoo.com/bw/060314/20060314006126.html?v=1>

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6452439

FERC Approves Midwestern Gas Transmission's Eastern Expansion Project in Tennessee

On March 10, the Federal Energy Regulatory Commission approved a 30 mile extension proposed by Midwestern Gas Transmission Co to its existing system. The Eastern Extension Project will add 100,000 decatherms per day of capacity.

http://www.nashvillecitypaper.com/index.cfm?section_id=9&screen=news&news_id=48478

Anadarko Halts Construction on 1 Bcf/d Bear Head LNG Terminal in Nova Scotia

Anadarko announced that it will slow the pace of work and minimize cost at its Bear Head LNG project on Cape Briton, Nova Scotia while it continues to work to secure a source of supply.

Oil Daily, March 15, 2006.

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6451123

Update: Woodside Selects Offshore Site for 800 MMcf/d OceanWay Secure Energy LNG Project in California

The LNG project will not require a re-gasification terminal; instead gas will be delivered from specially designed ships that will regasify the LNG on-board and then move the gas through a 28-mile undersea pipeline to existing gas pipeline facilities near Los Angeles International Airport. Woodside has selected a site, more than 20 miles offshore from Los Angeles, for the underwater buoy that will facilitate a secure connection from the ships to the pipeline. The OceanWay project will receive LNG mainly from Australia and the first delivery is planned for 2010.

Reuters, 13:30 March 15, 2006.

Reuters, 13:24 March 15, 2006.

California Regulators: Proposed 800 MMcf/d Cabrillo Port LNG Project Unsafe

A report from the California State Lands Commission concludes that BHP Billiton's proposed LNG terminal, off the coast of Ventura County, poses a threat to public safety in the event of a collision at the terminal, damage to pipelines or a "significant" spill of LNG. If the project is approved, operation at the facility would begin in 2010.

The terminal would receive LNG produced at BHP Billiton's proposed Pilbara LNG project in Western Australia. Bloomberg, 20:11 March 15, 2006.

<http://www.cabrilloport.ene.com/description.htm>

Other News

Low Water Levels Could Affect Mississippi Barge Availability Later this Year

Low water levels on the Mississippi River coupled with an inconsequential amount of snow this winter season along the Ohio and Missouri rivers are likely to adversely affect barge availability this year, raise freight rates and mean that barges could be unable to carry full loads, according to a speech by Thomas Torretti, managing director of Cooper/Consolidated Cooper at the SBB Steel Markets North America 2006 in Chicago.

<http://www.platts.com/Coal/News/7334766.xml?p=Coal/News&sub=Coal>

Energy Prices

U.S. Oil and Gas Prices			
March 15, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	62.11	60.06	55.05
NATURAL GAS			
Henry Hub \$/Million Btu	7.10	6.47	7.16

Source: Reuters

Energy Notes

Close Call: Blackouts Narrowly Avoided in Wisconsin on March 11 Highlight Need for Transmission Upgrade

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6453158

Exelon Being Sued for Radioactive Tritium Leaks at Braidwood Nuclear Plant in Illinois

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6452088

Proposed 700 MMcf/d Port Westward LNG Terminal Gets Land Lease in Oregon

Natural Gas Intelligence, March 14, 2006.

Vermont Senate Votes on Preliminary Approval to Require Legislative Okay to Extend Vermont Yankee License

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6452350

South Carolina Senate to Vote on Bill Allowing New Nuclear Plant at Santee Cooper Site

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6452883

Update: Work Resumes at Site of West Virginia Mine Deaths

Reuters, 12:24 March 15, 2006.

Idaho House to Vote on Two Year Moratorium on New Coal-fired Generation

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6452857

U.S. Energy Secretary Says Suppliers Can Count on Healthy U.S. Import Market

Reuters, 08:37 March 15, 2006.

RFA: Refiners Phasing Out MTBE in 'Stages,' Not Rapidly

<http://www.platts.com/Oil/News/7334784.xml?p=Oil/News&sub=Oil>

Energy Secretary to Highlight Energy Security at G8 Meeting in Moscow

<http://www.doe.gov/news/3346.htm>

<http://www.platts.com/Oil/News/7335377.xml?sub=Oil&p=Oil/News>

OPEC President Says Cartel Could Meet in April if Prices ‘Misbehave’

<http://www.platts.com/Oil/News/8328735.xml?p=Oil/News&sub=Oil>

Venezuela to Hike Taxes on Oil Companies from 34 to 50 Percent

http://biz.yahoo.com/ap/060314/venezuela_oil_taxes.html?v=4

Nigerian Militants Separate Oil Hostages for Strategic Reason

Reuters, 11:20 March 15, 2006.

Iraq Neighbors Drawing up Plans to Prevent Civil War from Spreading

<http://www.alertnet.org/thenews/newsdesk/L15769347.htm>

Brazil Will Delay Ethanol Export Licenses If Domestic Shortages Arise

Reuters, 17:50 March 14, 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.

Visit *Energy Assurance Daily* Online!

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 PM EST. For more information, visit us online at:

<http://www.oe.netl.doe.gov/ead.aspx>