



ENERGY ASSURANCE DAILY

Thursday, March 15, 2007

Electricity

FERC Approves 83 NERC Reliability Standards

FERC acted today to assure the reliability of the nation's bulk power system by finalizing 83 reliability standards proposed by North American Electric Reliability Corp (NERC). In July 2006, FERC certified NERC as the electric reliability organization (ERO) under section 215 of the Federal Power Act, a new provision added by the Energy Policy Act of 2005 to establish a system of mandatory, enforceable reliability standards under FERC's oversight. Today's final rule approves 83 of 107 proposed reliability standards, as well as six of the proposed eight regional differences and the Glossary of Terms submitted by NERC. These mandatory reliability standards apply to users, owners and operators of the bulk power system designated by NERC through its compliance registry procedures. Both monetary and non-monetary penalties may be imposed for violations of the standards. While approving the mandatory reliability standards, FERC observed, "much work remains to be done." The Commission noted that many of the reliability standards "need significant improvement." Necessary improvements would address, among other things, the recommendations of the U.S.-Canada report on the August 2003 Northeast blackout that affected an estimated 50 million people and 61,800 megawatts of electric load in the U.S. and Canada.

Approved Reliability Standards: <http://www.ferc.gov/industries/electric/indus-act/reliability/standards.asp>

Full Press Release: <http://www.ferc.gov/press-room/press-releases/2007/2007-1/03-15-07-E-12.asp>

Update: Cal-ISO Forecasts Sufficient Power Supply for Summer 2007 Despite Tightness

California Independent System Operator's (ISO) annual operations load and resource assessment reports that despite tight supply conditions that could appear in southern California, the state should have enough power supply to meet its summer demand this year. During a heat wave in July 2006, California power demand hit a record peak of 50,270 megawatts, which was 4,000 megawatts higher than expected under normal weather conditions.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7981548

Update: TVA's 1,127 MW Sequoyah Nuke Unit 2 in Tennessee Ramps Up to 50 Percent March 15

The unit ramped up to about 50 percent this morning after TVA completed repairs. The unit was shut March 13 due to a drop in the speed of a water pump.

Bloomberg News, 10:01 March 15, 2007

Duke's 1,100 MW McGuire Nuke Unit 2 in N. Carolina Returns to Full Power March 15

The unit ramped up to full capacity this morning. The unit had been reduced because of a water-pump control problem. The unit was listed operating at 55 percent of capacity yesterday morning.

Bloomberg News, 10:43 March 15, 2007

Update: TXU's 545 MW Sandow Coal-fired Unit 4 to Restart March 15-16

The company plans to restart the unit on March 15-16. The company shut the unit March 13 to fix a boiler tube leak.

Reuters, 07:22 March 15, 2007

AEP's 528 MW Welsh Coal-fired Unit 1 in Texas to Restart March 15-19

The company plans to shut the unit March 14-16 to fix a boiler tube leak. The company said that the unit would return March 15-19.

Reuters, 07:15 March 15, 2007

Petroleum

Update: Production Returning to Full Capacity at Imperial Oil's 118,000 b/d Nanticoke Refinery in Ontario March 15

According to a press release issued Thursday repairs to the Imperial Nanticoke refinery have been completed and the refinery is returning to full capacity as planned. The supply situation in Ontario continues to improve as the system rebalances. Esso retail service stations continue to be restocked and diesel supply to industrial and commercial customers is improving. According to Bloomberg News, all units were up and the refinery was operating at as much as 80 percent of capacity late Wednesday night. Production at the refinery had been curtailed since February 15, when a fire damaged an oil-processing unit. The curtailment caused fuel shortages in parts of Ontario.

<http://www.newswire.ca/en/releases/archive/March2007/15/c1331.html>

Bloomberg News, 12:17 March 14, 2007

Regenerator Restarts at Valero's 83,000 b/d Houston Refinery March 14

According to a filing with Texas regulators, Valero began restarting a regenerator at its Houston refinery Wednesday night. It is unclear from the filing whether the unit restart is related to two sulfur recover unit (SRU) shutdowns that have occurred at the refinery since late February.

Reuters, 07:52 March 15, 2007

Bloomberg News, 18:13 March 14, 2007

Update: Shell Has Access to Ruptured Oil Pipeline in Nigeria – Oil Minister

According to Nigeria's oil minister, Royal Dutch Shell has gained access to ruptured crude oil pipeline that has cut production in the country by 187,000 b/d. Access to the spill area had been blocked by community groups since March 4, when the spill occurred. The oil minister said he couldn't say how long repairs will take.

Bloomberg News, 04:02 March 15, 2007

Nigerian Oil Minister Sees Most Shut Oil Production Back by End of Year

Militant attacks have disrupted about a fifth of Nigeria's oil production.

Reuters, 04:23 March 15, 2007

Natural Gas

GAO Study Concludes Additional Research Needed on LNG Safety

A recent Government Accountability Office (GAO) study concluded that additional research is needed to determine what kind of threat a liquefied natural gas (LNG) spill would pose to the public as well as the effects of terrorist attacks on LNG tankers. GAO is urging DOE to conduct more thorough research, specifically on the heat effects from large pool fires and on cascading failures. The study included concerns about the distance needed to protect the public from LNG fires, particularly since there are no data on large LNG fires. DOE's Sandia National Labs is already conducting research, which will be completed in 2008, on the heat impacts from large LNG pool fires.

<http://www.latimes.com/news/nationworld/politics/wire/sns-ap-lng-safety.1.5239950.story?coll=sns-ap-politics-headlines&ctrack=1&cset=true>

Oil Daily March 15, 2007

MapleLNG Receives Environmental Approval for LNG Facility in Nova Scotia; Will Serve U.S. Natural Gas Markets by 2010

MapleLNG received environmental approval from the province of Nova Scotia for a liquefied natural gas (LNG) terminal to be located adjacent to the Maritimes and Northeast Pipeline intake station at the Sable Offshore Energy Gas Plant in Goldboro, Nova Scotia. The location will enable MapleLNG to serve the North Eastern United States and Canadian natural gas markets. The company plans to submit an application for construction by May 2007. Estimated start date for production is 2010.

<http://www.newswire.ca/en/releases/archive/March2007/14/c2516.html>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices March 15, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	58.10	61.63	62.11
NATURAL GAS Henry Hub \$/Million Btu	6.95	7.14	7.10

Source: Reuters

Energy Notes

Preliminary Agreement Reached Between TXU and Mitsubishi Heavy Industries for Two Nuclear Reactors

<http://www.bloomberg.com/apps/news?pid=20601087&sid=a6QIDGj3qp0A&refer=home>

<http://www.dispatch.com/business-story.php?story=dispatch/2007/03/15/20070315-F2-06.html>

OPEC Keeps Oil Output Restraints in Place

http://money.cnn.com/2007/03/15/news/international/bc.opec.deal.reut/index.htm?source=yahoo_quote

Update: Niger Delta Militants Release 3 Kidnapped Italian Oil Workers

Reuters, 21:18 March 14, 2007

Shell to Stay in Nigeria Despite Ongoing Violence in Niger Delta

<http://www.upi.com/Energy/view.php?StoryID=20070314-085005-1961r>

Algerian President Plays Down Islamic Terrorist Attacks Against Country's Energy Industry

Reuters, 07:31 March 15, 2007

Brazil Ethanol Industry Facing Price Pressure – Analyst

Reuters, 17:27 March 14, 2007

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/index.aspx>.

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