



# ENERGY ASSURANCE DAILY

Tuesday Evening, March 15, 2011

## ***Electricity***

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### **Update: FPL's 693 MW Turkey Point Nuclear Unit 3 in Florida Ramped Up to 60 Percent by March 15**

FPL shut the unit by March 7 after "secondary sodium concentrations" exceeded "chemistry limits," the company said previously in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of March 14 the unit was operating at 2 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110307en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **AES's 225 MW Huntington Beach Gas-Fired Unit 3 in California Shut by March 14**

According to the California Independent System Operator, the unit reported an unplanned outage by March 14.

<http://www.caiso.com/unitstatus/data/unitstatus201103141515.html>

### **SMUD's 102 MW Solano Wind Farm in California Shut by March 14**

According to the California Independent System Operator, the unit reported an unplanned outage by March 14.

<http://www.caiso.com/unitstatus/data/unitstatus201103141515.html>

## ***Petroleum***

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### **Update: Department of Interior Authorizes BHP Billiton to Restart Drilling at Shenzi Facility in Deepwater U.S. Gulf of Mexico**

The Department of Interior issued a permit late last week authorizing BHP Billiton to restart drilling at its Shenzi facility in the deepwater U.S. Gulf of Mexico, company and official sources confirmed. The news marked the second deepwater permit issued by Interior since last year's Deepwater Horizon explosion and oil spill. BHP Billiton launched the Shenzi facility – located approximately 120 miles south of Houma, Louisiana – in March 2009. The company halted production in the summer of 2010 after the Deepwater Horizon disaster led the federal government to impose a moratorium on deepwater drilling.

<http://www.nytimes.com/gwire/2011/03/14/14greenwire-interior-approves-second-deepwater-drilling-pe-24013.html>

### **Update: Damage, Sanctions Could Keep Libyan Oil Exports Offline for Months: IEA**

"War-inflicted damage... and international sanctions" could keep Libya's oil exports offline "for many months," the International Energy Agency (IEA) said in its newly-released monthly oil market report. Libya exported 1.3 million b/d of crude, on average, in 2010. IEA, however, said Saudi Arabia had increased its oil production enough to compensate for most of Libya's lost output; OPEC's oil production, as a consequence, dropped by just 95,000 b/d from January to February 2011. Forces loyal to Libyan leader Moammar Gadhafi, meanwhile, forced shut the nation's primary export location – the Es Sider terminal – after they bombed an important associated pipeline, according to IEA.

<http://omrpublic.iea.org/>

[http://online.wsj.com/article/SB10001424052748704662604576202003885712300.html?mod=googlenews\\_wsj](http://online.wsj.com/article/SB10001424052748704662604576202003885712300.html?mod=googlenews_wsj)

## **Valero Reports Exchanger Leak, Emissions at 315,000 b/d Corpus Christi, Texas Refinery March 14**

Valero isolated the exchanger within hours, it said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=151957>

## **Update: After January Fire, Tesoro Returns Alkylation Unit to Normal Rates at 58,000 b/d Mandan, North Dakota Refinery**

Tesoro finished repairing a fire-damaged alkylation unit and returned both the unit and the refinery to planned rates, a company spokesman said on March 14.

Reuters, 16:47 March 14, 2011

## **Gas Leak Leads to Shutdown of AGE's 14,500 b/d Refinery in San Antonio, Texas March 12**

A gas leak forced shut a local road and led to the shutdown of AGE's 14,500 b/d San Antonio, Texas refinery on March 12. It was not clear if the facility remained offline, as of latest reports.

<http://www.ksat.com/news/27177354/detail.html>

<http://www.agerefining.com/>

## **Fire Forces Shut 1 Million Barrels of Capacity at Kinder Morgan's 7.833 Million Barrel Oil Products Terminal in Carteret, New Jersey March 14**

The fire did not affect the facility's loading dock or pipelines. It was unclear how long the affected capacity would remain offline.

[http://www.tankterminals.com/news\\_detail.php?id=1147](http://www.tankterminals.com/news_detail.php?id=1147)

## **Explosion Slows PdVSA's 645,000 b/d Amuay, Venezuela Refinery March 15**

The explosion triggered a fire and slowed a 104,000 b/d catalytic cracking unit, according to officials and a refinery source. The fire was extinguished within hours, but the catalytic cracking unit was expected to remain reduced for several days. There were no injuries.

Reuters, 12:46 March 15, 2011

## **Shell Aims to Produce 3.5 Million boe/d of Oil and Gas in 2012 and 3.7 Million boe/d in 2014, Compared to about 3.3 Million boe/d in 2010**

The company is currently constructing 20 upstream projects, representing more than 800,000 boe/d of planned capacity.

<http://www.rttnews.com/Content/TopStories.aspx?Id=1575675&SM=1>

## ***Natural Gas***

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### **Update: Qatar Petroleum-Led Venture Starts Commercial Operations at Planned 2.6 Bcf/d Golden Pass LNG Terminal near Sabine Pass, Texas by March 14**

The Golden Pass LNG Terminal LLC and Golden Pass Pipeline LLC – joint venture companies formed by affiliates of Qatar Petroleum, ExxonMobil, and ConocoPhillips – commissioned an associated 69-mile pipeline earlier in 2011, and commissioned the terminal's first phase in early March 2011. The facility is expected to eventually receive up to 15.6 million metric tons of LNG (2 Bcf/d of natural gas) and send out up to 2.6 Bcf/d of natural gas. The first phase will enable it to deliver 1 Bcf/d of natural gas. The second phase is scheduled to begin commercial operations in the May/June timeframe.

<http://www.prnewswire.com/news-releases/golden-pass-announces-in-service-date-for-commercial-operations-117930624.html>

[http://www.gpterminal.com/terminal/terminal\\_why.aspx](http://www.gpterminal.com/terminal/terminal_why.aspx)

### **Praxair to Double Capacity at Memphis, Tennessee Air Separation Complex – Facility to Supply Nucor, Valero with Oxygen and Nitrogen**

Praxair, Inc. plans to double the capacity of its Memphis, Tennessee air separation complex to produce oxygen and nitrogen for Nucor Corporation and Valero Energy Corporation, Praxair said on March 14. Praxair expects to open a new plant in the third quarter of 2011. It aims to add 400 tons per day of new liquid production capacity.

<http://www.praxair.com/praxair.nsf/AllContent/1CC8F9AA8F1BDD5B8525785300583D1C?OpenDocument>

### **BioStreet Canada Plans 63 MMGal/Yr. Oilseed-Based Biodiesel Refinery in Alberta, Canada**

The company expects to open the facility – the Vegreville Energy biodiesel plant – in 2012.

[http://www.biostreetcanada.com/vegreville\\_energy.php](http://www.biostreetcanada.com/vegreville_energy.php)

<http://www.vancouversun.com/business/Seeds+energy+industry/4439383/story.html>

### **BFuel Canada Plans 13 MMGal/Yr. Oilseed-Based Biodiesel Refinery in Alberta, Canada**

<http://www.vancouversun.com/business/Seeds+energy+industry/4439383/story.html>

## ***Japanese Earthquake/Tsunamis***

### **Update: Workers Fight to Avert Meltdown as Two Explosions Strike Tokyo Electric Power's Fukushima Daiichi Nuclear Power Station in Japan March 15**

Japanese workers fought to prevent a nuclear meltdown at the earthquake-and-tsunami-damaged Fukushima Daiichi nuclear power facility on March 15, news and official sources reported, after separate explosions affected two of the facility's reactors. An early-morning explosion damaged equipment inside the primary containment building at reactor No. 2, and a storage pond explosion appeared to have torn a hole in the secondary containment building at reactor No. 4, Japanese official said. The blast at reactor No. 2 triggered a radiation release that was "800 times more intense than the recommended hourly exposure limit in Japan," according to the New York Times. Workers continued to inject seawater into reactor No. 2 (along with two other reactors at the facility), and by early afternoon, the International Atomic Energy Agency (IAEA) said radiation levels had fallen. Reactor Nos. 4, 5, and 6 were offline at the time of last week's earthquake and tsunamis, but after the storage pond explosion at reactor No. 4, officials were concerned about the potential for further problems at reactor No. 4 and/or issues at reactor Nos. 5 and 6. Japanese officials, meanwhile, urged local residents who have not already evacuated – more than 100,000 people are thought to be within approximately 18 miles of the facility – to stay in their homes. While the situation at the Fukushima Daiichi Nuclear Power Station appeared to be the most serious nuclear emergency in Japan, as of latest reports, emergencies have also been declared at the Fukushima Daini and Onagawa nuclear power facilities

[http://www.nytimes.com/2011/03/16/world/asia/16nuclear.html?\\_r=1&hp](http://www.nytimes.com/2011/03/16/world/asia/16nuclear.html?_r=1&hp)

<http://www.cnn.com/2011/WORLD/asiapcf/03/15/japan.nuclear.reactors/index.html?hpt=TI>

[http://www.usatoday.com/news/world/2011-03-14-japan-nuclear-graphic\\_N.htm?loc=interstitialskip](http://www.usatoday.com/news/world/2011-03-14-japan-nuclear-graphic_N.htm?loc=interstitialskip)

### **Update: Japan Releasing Approximately 8 Million Barrels of Stored Oil Products March 15**

The Japanese energy ministry was releasing approximately 8 million barrels of oil products from private-sector inventories, Argus Media said on March 15, after last week's earthquake and tsunamis led to supply concerns throughout the nation. The disaster forced offline an estimated 1.2 million b/d of Japanese refining capacity, according to media sources. JX Nippon Oil and Energy Corp, one of the affected refineries, said today that a fire had been extinguished at its refinery in Sendai.

<http://www.argusmedia.com/pages/NewsBody.aspx?frame=yes&id=743982>

<http://wallstreetpit.com/66835-u-s-refiners-gain-on-japan-crisis>

Reuters, 02:26 March 15, 2011

### **Secretary Chu Confirms Obama Administration's Commitment to Nuclear Power**

The Obama Administration "is committed to learning from Japan's experience," Energy Secretary Steven Chu said on March 15, ensuring that "the United States has rigorous safety regulations in place to ensure that our nuclear power is generated safely and responsibly."

DJN, 11:45 March 15, 2011

## Energy Prices

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U.S. Oil and Gas Prices March 15, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	98.62	104.55	79.67
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.90	3.73	4.35

Source: Reuters

## Energy Notes

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**Balloon Hits Transmission Line, Knocks Out Power for Approximately Two Hours to about 12,000 PG&E Customers in San Jose, California March 14**

[http://www.mercurynews.com/news/ci\\_17611741?source=rss&nclink\\_check=1](http://www.mercurynews.com/news/ci_17611741?source=rss&nclink_check=1)

**Update: Governor Vetoes Two Bills that Would Have Supported Two Coal Gasification Plants in Illinois March 14 – Facilities Proposed by Leucadia National and Power Holdings of Illinois**

<http://www.chicagotribune.com/business/ct-biz-0315-coal-bills-20110315.0.1665886.story>

**Black Hills to Retire 42 MW W.N. Clark Coal-Fired Power Plant, 29 MW of Coal-Fired Capacity at Pueblo Airport Generation Station in Colorado – Company to Install 88 MW of Gas-Fired Capacity at Pueblo Location**

<http://www.blackhillscorp.com/news11/031411a.pdf>

**Ormat Technologies Plans 51 MW Geothermal Power Project near Dixie, Nevada**

<http://nvenergy.mediaroom.com/index.php?s=8838&item=30357>

**Fotowatio Renewable Ventures Plans 30 MW Solar Power Project East of North Las Vegas, Nevada**

<http://nvenergy.mediaroom.com/index.php?s=8838&item=30357>

**NextEra Energy Plans 20 MW Solar Power Project in North Las Vegas, Nevada**

<http://nvenergy.mediaroom.com/index.php?s=8838&item=30357>

**Citing Market Conditions, Adage LLC Cancels Plans to Construct 55 MW Biomass-Based Power Plant near Shelton, Washington March 14**

<http://www.theolympian.com/2011/03/15/1579348/biomass-plan-hits-end-of-road.html>

<http://adagebiopower.com/washington/home/adage-mason-biopower/>

**NRC Sends Special Inspection Team to Global Nuclear Fuel-Americas, LLC's Nuclear Fuel Manufacturing Facility in Wilmington, North Carolina by March 14 - Inspectors to Investigate Event in Which Company Failed to Maintain Required Process Control over Small Quantity of Enriched Uranium**

<http://www.nrc.gov/reading-rm/doc-collections/news/2011/11-007.ii.pdf>

**Suncor Sees No Production Impact after Fire near Oil Sands Location near Alberta, Canada by March 15**

Reuters, 13:12 March 15, 2011

**Electric Motor Malfunction Causes Three Oil Storage Tanks to Catch Fire near Gillette, Wyoming March 11**

[http://www.seattlepi.com/national/1110ap\\_us\\_oil\\_tank\\_fire.html](http://www.seattlepi.com/national/1110ap_us_oil_tank_fire.html)

**Explosion Forces Shut Love's Bulk Plant near Winslow, Arizona March 2**

<http://www.azjournal.com/2011/03/11/no-injuries-reported-in-explosion-at-bulk-plant/>

**Tribesmen Suspected to Blame for Explosion along Yemeni Oil Pipeline March 14 – Tribesmen Block Technicians from Fixing Line March 15**

<http://af.reuters.com/article/energyOilNews/idAFLDE72E02S20110315>

**Quantity and Intensity of Earthquakes Declines after Natural Gas Drillers Shut Injection Wells in Central Arkansas by March 14**

[http://articles.kspr.com/2011-03-14/earthquakes\\_28689974](http://articles.kspr.com/2011-03-14/earthquakes_28689974)

**Consol Energy to Pay \$5.5 Million Civil Penalty for Clean Water Act Violations at Six West Virginia Mines – Company to Spend Estimated \$200 Million in Pollution Controls**

<http://yosemite.epa.gov/opa/admpress.nsf/0/16876ff1c4fafa4385257853005cf373?OpenDocument>

## **Links**

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***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](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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