



ENERGY ASSURANCE DAILY

Monday, March 19, 2007

Electricity

Transformer Fire Knocks Out Power to 40,000 Customers in Raleigh, North Carolina

March 16

A fire at a Progress Energy substation in the Raleigh, North Carolina area on Friday night left about 40,000 customers without power. The fire began about 7:30 p.m. EST at the substation and disrupted service at four other area substations.

http://rdu.news14.com/content/top_stories/default.asp?ArID=102002

Arizona Transmission Report Sees Capacity Access Improving at Palo Verde Hub

The Biennial Transmission Assessment of the Arizona Corporation Commission found that both intrastate and interstate transmission access is expanding at the Palo Verde Hub in Arizona. The report calls for special risk assessment reviews for future interconnections to the Palo Verde Hub to determine how proposed projects will help to reduce potential outages and improve existing problems.

<http://www.platts.com/Electric%20Power/News/6366901.xml?p=Electric%20Power/News&sub=Electric%20Power>

Update: TVA's 1,127 MW Sequoyah Nuke Unit 2 in Tennessee Returns to 100 Percent of Capacity March 19

The unit was shut on March 13 when a drop in the speed of a water pump occurred.

Reuters, 07:01 March 19, 2007

Duke's 1,129 MW Catawba Nuke Unit 1 in South Carolina at 40 Percent of Capacity

March 19

Reuters, 06:56 March 19, 2007

Reuters, 13:34 March 19, 2007

NRG's 610 MW WA Parish Coal-fired Unit 8 in Texas to Restart March 19

According to a report to state regulators, the company plans to restart the unit on Monday. The unit was shut so that a new transmission line could be tied into the system.

Reuters, 08:00 March 19, 2007

Entergy's 684 MW Pilgrim Nuke Unit Began to Exit an Outage in Massachusetts March 19

Reuters, 13:14 March 19, 2007

Constellation's 490 MW Ginna Nuke Unit in New York Ramps Up to 56 Percent of Capacity March 19

Reuters, 13:14 March 19, 2007

FPL's 562 MW Duane Arnold Nuke Unit in Iowa Shut March 18

Reuters, 09:04 March 19, 2007

NGR/Dynegy's 335 MW El Segundo Gas-fired Unit in California Shut March 18

Reuters, 09:04 March 19, 2007

Calpine's 593 MW Metcalf Gas-fired Unit in California Shut March 18

Reuters, 09:04 March 19, 2007

Sempra's 625 MW Termoelectrica Gas-fired Unit in California Shut March 18

Reuters, 09:04 March 19, 2007

ATCO's 368 MW Battle River Coal-fired Unit 5 in Alberta Shut March 19

Reuters, 09:04 March 19, 2007

TransAlta's 279 MW Wabamun Coal-fired Unit 4 in Alberta Shut March 19

Reuters, 09:04 March 19, 2007

Petroleum

Power Failure at ConocoPhillips's 76,000 b/d Rodeo Refinery in California March 18

A power outage lasting approximately 45 minutes occurred at about 7:00 p.m. PST on Sunday, March 18 at ConocoPhillips's 76,000 b/d Rodeo refinery located in the San Francisco Bay area of California. A level 2 alert was issued for the duration of the outage. Level 2 is one step below a shelter-in-place alert.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2007/03/18/BAGT4ONMU54.DTL>

Update: Valero Sees Most Damaged Units Operational by May at Its 170,000 b/d Sunray Refinery in Texas

On March 16, the CEO of Valero said that with the exception of a destroyed crude distillation unit, all of the damaged units at its Sunray refinery in Texas should be operational by May. Valero anticipates that the refinery, which was damaged in a fire on February 16, will begin production the first week in April. While the company expects all units will be running by May, initial production will be in the range of 85,000 to 115,000 b/d.

Reuters, 17:59 March 17, 2007

DOE Seeks Bids to Purchase 4 Million bbls of Oil for SPR Beginning May 1

DOE is seeking bids to deliver 4 million barrels of crude oil to two of the Strategic Petroleum Reserve (SPR) locations. The bids must be received by April 3 and delivery of the crude is to take place between May 1 and May 31. Although the DOE plans to eventually fill the SPR's four sites to their total maximum capacity of 727 million barrels during the year, the initial four million barrels are to replace crude oil loaned from the SPR following the destruction to oil industry infrastructure caused by Hurricane Katrina in 2005. In the long term, DOE plans to expand the SPR's maximum capacity to 1.5 billion barrels.

<http://www.platts.com/Oil/News/6367091.xml?p=Oil/News&sub=Oil>

Oil Daily, March 19, 2007

Update: Shell Preparing to Send Second Team to Determine Cause of Nigerian Pipeline Problem

Shell appears about to send a second team of investigators to Nigeria in an effort to determine the cause of a rupture to a pipeline that led the company to shut down 187,000 b/d of crude oil production. The leak was discovered on March 4, but because of unrest in the area, the company gained access to the site only on March 16.

Reuters, 09:36 March 19, 2007

Oil Exports from Ecuador Fall by 17 Percent in January

According to the latest data available, exports of crude oil from Ecuador dropped 17 percent for the month of January. Crude oil exports averaged 332,258 b/d, down from 400,967 b/d achieved in January of 2006. Crude oil production has been in decline at some of country's key fields for some time.

Oil Daily, March 19, 2007

Natural Gas

Major Natural Gas Producing Countries to Meet to Discuss Formation of Natural Gas Export Group

According to Qatar's energy minister, Russia, Iran, Qatar, Algeria and Venezuela, have agreed to meet to consider development of a natural gas export group. The oil minister indicated that he would wait for the results of the meeting before making any decision as to whether it would be in the best interest of his country to coordinate gas policies with other nations or not. Further, Russia has indicated that it will respond to the proposals for the creation of an organization of gas producing nations. Observers tend to downplay a structure that would be like that of OPEC in part, because long-term contracts play a more important role in gas sales than is the case with oil.

<http://www.platts.com/Natural%20Gas/News/8942917.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Bloomberg, 03:07 March 19, 2007

Bloomberg, 06:45 March 19, 2007

Reuters, 12:13 March 19, 2007

Other News

DOE Submits 2007 Budget Request to Congress Asking for \$23.598 Billion

The US Department of Energy (DOE) has submitted to Congress its proposed budget for fiscal year 2007. The request is for approximately the same amount as for fiscal year 2006 and some \$650 million less than the request for 2008. The budget places emphasis on items enumerated by President Bush in his State of the Union address: reducing gasoline consumption, increasing the use of renewable and alternative fuels, boosting vehicle fuel economy, clean coal research, carbon sequestration, and nuclear research and development.

Link to DOE Budget Request: <http://www.energy.gov/news/4884.htm>

Oil Daily, March 19, 2007

<http://www.platts.com/Nuclear/News/6367090.xml?p=Nuclear/News&sub=Nuclear>

Arizona Co-ops Concerned About Potential Rail Delivery Disruptions of Coal Supplies

According to Platts, executives of Arizona Electric Power Cooperative and Trico Electric Cooperative have expressed apprehension about the potential for rail disruptions causing supply problems like those that struck deliveries of Powder Basin coal from Wyoming in 2005. The co-ops are concerned that disruptions could wipe out their stocks of coal and force them to seek replacement electricity at higher cost.

<http://www.platts.com/Coal/News/6366988.xml?p=Coal/News&sub=Coal>

Energy Prices

U.S. Oil and Gas Prices			
March 19, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.			
\$/Barrel	56.65	58.94	62.81
NATURAL GAS			
Henry Hub			
\$/Million Btu	6.70	6.81	7.17

Source: Reuters

Energy Notes

Squirrel Damages Substation, 13,000 Customers Lose Power in Tucson, Arizona for Five Hours March 18

<http://www.azstarnet.com/metro/174265>

10,000 Customers Lose Power in Nampa, Idaho on March 17

<http://www.idahopress.com/articles/2007/03/19/news/news2.txt>

Increased Shipments to Europe Set to Boost Russian Crude Oil Exports by 40,000 b/d for Second Quarter 2007

Energy Intelligence Briefing, March 19, 2007,

http://www.energyintel.com/PublicationHomePage.asp?publication_id=4

Strike by Tug Boat Operators in Rotterdam Backs up 12 Vessels March 16

Reuters, 11:25 March 19, 2007

FERC Holds that Proposed Electric Transmission Lines in Texas Will Not Result in ERCOT Coming Under FERC Jurisdiction

Reuters, 15:20 March 16, 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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