



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

ENERGY ASSURANCE DAILY

Wednesday Evening, March 31, 2010

Electricity

Update: DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Ramped Up to 37 Percent by March 31

The unit shut automatically for unknown reasons on March 25, the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of March 30 the unit was operating at 10 percent.

<http://www.toledoblade.com/article/20100327/NEWS16/3270369/-1/RSS10>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Reduced to 40 Percent by March 31

The company found a pinhole-sized tube leak affecting a feedwater heater, a spokeswoman said previously. The Nuclear Regulatory Commission reported that on the morning of March 30 the unit was operating at 81 percent. Bloomberg News, 07:08 March 31, 2010

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

GNPD's South Heart Coal Plans Surface Coal Mine and Associated 175 MW Power Plant in North Dakota

The mine would produce approximately 2.4 million tons of lignite coal/year. The company, in turn, would convert that lignite into synthetic gas, use the synthetic gas to produce hydrogen, and employ the hydrogen to generate 175 MW of electricity. It aims to open the project in late 2014.

<http://www.jamestownsun.com/event/apArticle/id/D9EP5I580/>

Westar Energy to Install 48,000 Smart Meters in Kansas

Westar Energy received funding from the U.S. Department of Energy (DOE) to pursue the project. It expects to begin installations in 2011 and complete the work over the next three years.

[http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/2010-3-30/\\$File/2010-3-30.pdf?openelement](http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/2010-3-30/$File/2010-3-30.pdf?openelement)

[http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/SmartStar%20Factsheet/\\$File/SmartStar%20Factsheet.pdf?openelement](http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/SmartStar%20Factsheet/$File/SmartStar%20Factsheet.pdf?openelement)

Midwest ISO to Install Smart Grid Devices that Will Monitor Electric Grid

The Midwest ISO plans to install more than 150 phasor measurement units (PMUs) – devices that will monitor the state of the electrical grid 30 times each second – in what it calls “a major step forward toward developing a smart grid system in the Midwest.” The project could increase available transmission, enhance reliability, and ease the integration of renewable-based energy onto the grid.

http://www.midwestiso.org/publish/Document/4c7d12_1278428efe4_-

[7e910a48324a/Midwest%20ISOSynchroContract_033010.pdf?action=download&_property=Attachment](http://www.midwestiso.org/publish/Document/4c7d12_1278428efe4_-7e910a48324a/Midwest%20ISOSynchroContract_033010.pdf?action=download&_property=Attachment)

Obama Administration to Expand O&G Development and Exploration on U.S. Outer Continental Shelf

The Obama Administration plans to expand oil and gas (O&G) development and production throughout the Gulf of Mexico, including portions of the Eastern Gulf of Mexico that are currently under Congressional moratorium and closed to development, Secretary of the Interior Ken Salazar announced on March 31. The United States would, under the proposal, hold 6 lease sales by 2012: four for the Gulf of Mexico, one for offshore Virginia, and another for the Cook Inlet, Alaska. After that, the nation would open up two-thirds of the oil and gas resources in the Eastern Gulf of Mexico. It would also expand exploration in the Arctic Ocean and areas of the Atlantic Ocean, and determine which other Outer Continental Shelf (OCS) areas might be appropriate for leasing under the 2012-2017 program. It would consider the Gulf of Mexico, much of the Atlantic OCS, and the Chukchi and Beaufort Seas of Alaska. It would not, however, hold any further lease sales in the Chukchi and Beaufort Seas under the 2007-2012 program. The plan would also not include any exploration or development in areas near California, Oregon, and Washington, or in the North Atlantic. It would withdraw Bristol Bay, Alaska from consideration for development through 2017.

http://www.doi.gov/news/pressreleases/2010_03_31_release.cfm

<http://www.fisheries.org/blog/secretary-salazar-announces-comprehensive-strategy-for-offshore-oil-and-gas-development-and-exploration/>

<http://www.whitehouse.gov/the-press-office/obama-administration-announces-comprehensive-strategy-energy-security>

http://www.rigzone.com/news/article.asp?a_id=90321

<http://www.nytimes.com/2010/04/01/science/earth/01energy.html?hp>

ConocoPhillips Says Obama Plans Will Allow Company to Explore Chukchi Sea, Offshore Alaska

ConocoPhillips received leases in 2008 to explore the Chukchi Sea, offshore Alaska, but a U.S. court ordered a review of the areas in 2009. The Obama administration's plans to expand domestic drilling will allow the company to explore those locations, according to a company spokesman.

Reuters, 12:48 March 31, 2010

Update: Canadian Natural Resources Expects to Produce 100,000-105,000 b/d in March 2010 at Horizon Oil Sands Project in Alberta, Canada

Canadian Natural Resources Limited plans to produce 100,000 to 105,000 b/d of Synthetic Crude Oil in March 2010 at its Horizon Oil Sands Project in Alberta, Canada, the company said. The site yielded 72,716 b/d in January 2010 and 84,217 b/d in February 2010. The company aims to raise output to 110,000 b/d by the middle of 2010.

Mechanical issues have kept the facility from operating at full capacity for several months, according to Reuters.

http://www.cnrl.com/upload/media_element/314/01/0330_update-on-horizon-oil-sands-production.pdf

<http://www.reuters.com/article/idUSN3017432720100330?type=marketsNews>

MODEC-Led Consortium Plans 100,000 b/d FPSO Offshore Brazil

The consortium is developing the floating production, storage and offloading (FPSO) for Brazil's state-oil company, Petrobras. The FPSO should begin operations at the Tupi area, offshore Brazil, in the 4th quarter of 2010. It will be able to produce 100,000 b/d of oil and 150 MMcf/d of natural gas, and store about 1.6 million barrels of oil.

http://www.modec.com/up_pdf/20100331_01en.pdf

“Significant Challenges” Will Keep Iraq from Reaching Oil Production Goals: IHS CERA

Iraq plans to boost oil production to as high as 12 million b/d over the next six to seven years, but is unlikely to reach that total amid “political, security, operational and infrastructure challenges,” according to IHS Cambridge Energy Research Associates’ (IHS CERA) new report, “Field of Dreams: The Great Iraqi Oil Rush—Its Potential, Challenges, and Limits.” Despite that, Iraq should still increase output to 4.3 million b/d in 2015 and 6.5 million b/d in 2020.

http://press.ihs.com/article_display.cfm?article_id=4223

Natural Gas

See first two stories in Petroleum section.

Other News

Ethanol-Carrying Train Car Derails in Massachusetts March 29

The car contained 20,000 gallons of ethanol, but it was not leaking, according to investigators. Six other train cars derailed. It was not clear, however, what materials those cars were carrying.

http://www.berkshireeagle.com/cj_14782680

Update: Aventine to Complete Previously-Stalled 113 MMGal/Yr. Ethanol Plant in Aurora, Nebraska by September 1, 2010

Aventine Renewable Energy declared bankruptcy and halted construction in late 2008, when the facility was about 85 percent complete. The company emerged from bankruptcy near February's end, and expects to finish the facility by September 1, 2010.

<http://ethanol-news.newslib.com/story/6938-35107/>

Update: Town Drops Talks with American Energy Enterprises for Planned 80-100 MMGal/Yr. Cellulosic Ethanol Plant in Connecticut

The town of New Milford, Connecticut dropped negotiations with American Energy Enterprises for the planned facility, saying the company "had no real business plan, no check, no contract, just missed deadlines and empty promises," according to the town's mayor. The company had proposed to begin production in mid-2010 at a rate of 15 MMGal/Yr., and eventually boost production to 80 to 100 MMGal/Yr., a previous news source said. The site would have processed wood waste.

http://www.ethanolproducer.com/article.jsp?article_id=5922

<http://www.newstimes.com/local/article/New-Milford-town-leaders-seek-alternative-427227.php#page-1>

United States to Account for More than Half of Global Ethanol Production in 2010: GRFA

The United States will produce about 11.89 billion gallons of ethanol in 2010, or more than half of the world's total output, the Global Renewable Fuels Alliance (GRFA) forecasts. Global output will grow by 16.2 percent, year-on-year, to a total 22.69 billion gallons.

http://www.globalrfa.org/pr_032110.php

Energy Prices

U.S. Oil and Gas Prices			
March 31, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	83.09	80.44	48.50
NATURAL GAS Henry Hub \$/Million Btu	3.79	4.08	3.63

Source: Reuters

Storms Knock Out Power to Between 16,000 and 19,000 National Grid Customers in Rhode Island March 30-31 – Company Requests Electricity Conservation

http://www2.turnto10.com/jar/news/local/article/super_soaker_drives_homeowners_out/33848/

http://www.boston.com/news/local/rhode_island/articles/2010/03/30/ri_gov_warns_of_worst_flooding_in_over_100_years/

Barge Collision Causes 12-Hour Shutdown along Mississippi River in Mississippi March 30

Reuters, 14:18 March 30, 2010

Update: Soil near Entergy's 563 MW Vermont Yankee Nuclear Power Plant in Vermont Turns up High Levels of Cesium-137 March 30

<http://www.wcax.com/Global/story.asp?S=12231994>

Mirant Mid-Atlantic Plans Coal Fly Ash Beneficiation Facility at 1,486 MW Coal-fired Morgantown Generating Station in Maryland

http://www.mirant.com/our_business/where_we_work/morgantown.htm

<http://somd.com/news/headlines/2010/11599.shtml>

International Panel Orders Ecuador to Pay Chevron as Much as \$700 Million, Citing Court Delays in Ruling on Chevron-Initiated Lawsuits

<http://online.wsj.com/article/SB10001424052702303601504575154533524618998.html?KEYWORDS=lawsuit>

Update: Southern Star Receives Environmental Nod for Planned 4 Million Dth Natural Gas Storage Expansion at Elk City Facility in Kansas by March 31

<http://intelligencepress.com/>

<http://www.sscgp.com/News/StorExp.htm>

Grid Petroleum's SE Jonah Prospect in Wyoming Contains between 292.4 Bcf and 1.28 Tcf of Natural Gas: Schlumberger

http://www.rigzone.com/news/article.asp?a_id=90165

Update: Nord Stream Consortium to Break Ground on Russia-to-Germany, 761-Mile Natural Gas Pipeline April 9

http://www.downstreamtoday.com/news/article.aspx?a_id=21954

Ford and Microsoft to Implement Application on Ford Electric Vehicles That Will Help Owners Determine When and How to Recharge Cars

<http://www.microsoft.com/Presspass/press/2010/mar10/03-31MSFordPR.mspx>

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>

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