



# ENERGY ASSURANCE DAILY

Friday Evening, April 02, 2010

## *Electricity*

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### **Black Hills Corporation Begins Commercial Operation of Wygen III 110 MW Coal-Fired Generation Facility in Wyoming April 1**

Black Hills Power, a subsidiary of Black Hills Corporation, announced April 1 in a press release it has begun operations at its Wygen III coal-fired power plant in Wyoming, three months earlier than planned. The plant is the State's first coal-fired plant to be completed since early 2008.

<http://www.blackhillscorp.com/news10/040110a.pdf>

<http://www.google.com/hostednews/ap/article/ALeqM5jaVtbqC2cFVFywcDKO9xMhAsvMKgD9EQC6482>

### **NRG's 864 MW Limestone Coal-fired Unit 2 in Texas Shut by April 1**

In a filing to state regulators, the unit was brought offline in order to repair a boiler tube.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=137819>

Reuters, 19:17 April 1, 2010

### **Luminant's 545 MW Sandow Coal-fired Unit 4 in Texas Shut by April 1**

In a filing to state regulators, the unit was shut to perform repairs on the electrostatic precipitator sets.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=137818>

Reuters, 19:17 April 1, 2010

### **Update: AES's 506 MW Redondo Gas-fired Unit 7 in California Returns to Service by April 1**

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus201004011515.html>

### **PSE&G's 1,092 MW Salem Nuclear Unit 2 in New Jersey Reduced to 82 Percent by April 2**

The Nuclear Regulatory Commission reported that on the morning of April 1 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

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

### **Update: Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Ramped Up to 98 Percent by April 2**

Operators reduced the unit after they found a pinhole-sized tube leak affecting a feedwater heater over the weekend, a plant spokeswoman said. The Nuclear Regulatory Commission reported that on the morning of April 1 the unit was operating at 62 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **Fatal Fire Shuts Hydroprocessing Units at 120,000 b/d Tesoro's Anacortes, Washington Refinery April 2**

A fire broke out early morning April 2 in the naphtha unit of Tesoro's Anacortes refinery as workers were performing maintenance, causing the death of three employees and fire related injuries to four other employees. Tesoro reports all hydroprocessing are shut at the refinery due to the fire. A company spokesperson also said that the units could be shut for several weeks. The company is planning to make up any lost production at its California refineries. The Anacortes refinery produces gasoline, jet fuel and diesel for markets in Washington and Oregon.  
[http://www.downstreamtoday.com/news/article.aspx?a\\_id=22022](http://www.downstreamtoday.com/news/article.aspx?a_id=22022)

Reuters, 12:06 April 2, 2010

Bloomberg News, 12:41 April 2, 2010

Reuters, 12:29 April 2, 2010

### **EPA Grants Permit to Shell for Planned Exploratory Oil Drilling in Alaska's Chukchi Sea**

Shell has received the final air-quality permit necessary to begin exploratory drilling in the Chukchi Sea of Alaska. Shell reported the area of the Chukchi Sea holds approximately 15 billion barrels of recoverable oil and 77 trillion cubic feet of natural gas.

<http://www.reuters.com/article/idUSN0114553320100401>

### **U.S. Drilling Reaches 14-Month High with 1,465 Units Drilling the Week of April 1: Baker Hughes**

The number of rigs currently drilling in the United States has increased to 1,465 units as of April 1, up 21 from the previous week marking a 14-month high. The most recent count is the highest since the week of January 30, 2009 when a total of 1,472 rigs were in operation in the U.S.

[http://www.ogj.com/index/article-display/3608222891/articles/oil-gas-journal/drilling-production-2/drilling-operations/2010/04/us-drilling\\_activity/QP129867/cmpid=EnlDailyApril12010.html](http://www.ogj.com/index/article-display/3608222891/articles/oil-gas-journal/drilling-production-2/drilling-operations/2010/04/us-drilling_activity/QP129867/cmpid=EnlDailyApril12010.html)

[http://www.rigzone.com/news/article.asp?a\\_id=90440](http://www.rigzone.com/news/article.asp?a_id=90440)

### **Drum Malfunction Causes Flaring at Valero's 245,000 b/d Texas City, Texas Refinery April 1**

In a filing to state regulators, Valero reported a malfunction of a drum in Complex 1 of its Texas City refinery that led to flaring. A company spokesperson said the flaring had no impact to production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=137825>

Reuters, 17:55 April 1, 2010

### **Update: Suncor Energy Completes Maintenance on Fire Damaged Oil Sands Upgrader at its Fort McMurray, Alberta Location**

Suncor Energy reported it has completed maintenance work and repairs necessitated by damage caused by a February 2010 fire at one of the two oil sands upgrader units at its Fort McMurray, Alberta location. The oil sands facility is now producing at normal rates of 245,000 b/d.

<http://www.suncor.com/en/newsroom/2418.aspx?id=1142046>

## **Natural Gas**

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### **KernRiver Pipeline Expansion Project Seeking FERC Approval**

Kern River Transmission Co. is seeking FERC approval for its Apex Expansion Project, which would expand capacity on its Kern River natural gas pipeline from 1.76 Bcf/d to 2.1 Bcf/d. The Kern River pipeline extends from gas-producing fields in Wyoming to customers in Utah, Nevada, and Southern California. The project involves adding a second pipeline in a mountainous part of central Utah and adding compression to the system. Nevada electric utility, NV Energy, has signed a preliminary agreement for additional gas deliveries of 266 MMcf/d to serve the 500 MW gas-fired unit it is building at the Harry Allen power plant outside Las Vegas.

[http://www.tradingmarkets.com/news/stock-alert/nve\\_operator-seeking-expansion-to-gas-pipeline-serving-valley-887601.html](http://www.tradingmarkets.com/news/stock-alert/nve_operator-seeking-expansion-to-gas-pipeline-serving-valley-887601.html)

### **CIG Declares Force Majeure, Shuts Section of Line 5A to Repair Leak in Wyoming April 1**

Colorado Interstate Gas (CIG) has taken out of service a section of its Line 5A (part of Wyoming Mainline Segment 920) to investigate and repair a leak. CIG estimates that the line segment will be out of service from April 1 through April 7, 2010. During this outage, capacity through the Laramie East Constraint (LRC) will be reduced from 770 to 660 MMcf/d. Current flows through the station are approximately 438 MMcf/d. Unless there is a significant increase in nominations, CIG does not anticipate an impact to shippers during this outage.

<http://ebb.cigco.com/ebbCIG/Notices/NoticeView.asp?sPipelineCode=CP&sSubCategory=Critical&sNoticeId=1091>

### **Virginia Governor, Virginia Natural Gas, and Nestle Purina PetCare Break Ground on Gas Pipeline Project in King William, Virginia—Project to be Completed by End of 2010**

<http://www.wtkr.com/news/dp-va--gaspipeline0401apr01.0.6978889.story>

### **Columbia Gas of Virginia Building 5 Miles of New Pipeline to Enhance Capacity in and Around Churchland, Virginia—Project to be Completed in June**

<http://hamptonroads.com/2010/03/gas-pipeline-boost-capacity-churchland>

## **Other News**

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### **Renewable Energy Group Inc. Idles Two Biodiesel Production Plants in Iowa on Expiration of Biodiesel Tax Credit: CEO Says**

Renewable Energy Group Incorporated idled two biodiesel distilleries located in Iowa with a combined capacity of 42 MMgal/yr. The company shut the two plants due to the expiration of the biodiesel tax credit which expired at the end of 2009. The credit paid refiners \$1 per gallon for biodiesel blended into conventional diesel.

<http://www.bloomberg.com/apps/news?sid=abkNshOw4iJE&pid=20601087>

<http://blogs.desmoinesregister.com/dmr/index.php/2010/04/01/biodiesel-firm-appeals-to-d-c/>

### **Update: EPA Issues Comprehensive Guidance to Protect Appalachian Communities from Harmful Environmental Impacts of Mountaintop Mining**

The Environmental Protection Agency (EPA) announced a set of actions to further clarify and strengthen environmental permitting requirements for Appalachian mountaintop removal and other surface coal mining projects, in coordination with federal and state regulatory agencies. EPA's actions include; improved guidance and clarity, strong science, and increased transparency. To read supporting reports, policy and other documents, follow this link: <http://www.epa.gov/owow/wetlands/guidance/mining.html>.

<http://yosemite.epa.gov/opa/admpress.nsf/0/4145C96189A17239852576F8005867BD>

### **Update: Canada to Adopt New U.S. Standards on Fuel Efficiency and Greenhouse Gas Emissions**

The Environment Minister of Canada announced that Canada has also adopted the new standards on fuel efficiency and greenhouse gas emissions for automobiles as those announced in the U.S. on April 1.

Reuters, 17:52 April 1, 2010

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b>			
April 2, 2010			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	85.06	79.81	52.25
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	3.72	4.01	3.56
\$/Million Btu			

Source: Reuters

## Energy Notes

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### Thunderstorms and High Winds Knock out Power to Over 21,000 Kansas City Power & Light Customers Early April 2

<http://www.kansascity.com/2010/04/02/1852333/high-winds-hit-kc-toppling-trucks.html>

### Alaska Crude Oil Output Fell 8.6 Percent in March 2010 to 687,514 b/d Compared to 751,955 b/d in March 2009: Alaska Tax Division

<http://www.bloomberg.com/apps/news?pid=20601207&sid=aAS2fTJp5FXM>

### ExxonMobil Corporation Drills World Record Breaking Well with Measured Depth of 37,165 Feet at its Heritage Platform in California's Santa Barbara Channel

<http://www.ogj.com/index/article-display/9042587631/articles/oil-gas-journal/exploration-development-2/area-drilling/2010/04/california.html>

### U.S. Has a "Huge Need" to Boost Fuel Efficiency: President Obama

Bloomberg News, 12:46 April 2, 2010

### Rats Chew through Power Cable, Causing Short that Ignites Gas Leak in West Philadelphia, Pennsylvania – Two Explosions in Past Week

<http://www.philly.com/philly/news/breaking/89694947.html>

### United Arab Emirates-Owned MV Evita Crude Tanker Vessel Successfully Evades Pirates in Somali Basin March 31

[http://beforeitsnews.com/news/29127/Piracy\\_Attack\\_Warning\\_INDIAN\\_OCEAN\\_off\\_Somalia.html](http://beforeitsnews.com/news/29127/Piracy_Attack_Warning_INDIAN_OCEAN_off_Somalia.html)

<http://e-ships.net/index/E7.shtml>

## 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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