



ENERGY ASSURANCE DAILY

Thursday Evening, April 22, 2010

Major Developments

Update: Deepwater Horizon Oil Rig Sinks in Gulf of Mexico April 22: Coast Guard – Search Continues for 11 Missing Workers

The Transocean owned-and-operated Deepwater Horizon oil rig sunk into the Gulf of Mexico at 10:20 AM on April 22, a Coast Guard spokesman said. The incident came 36 hours after an explosion onboard injured at least 17 and left another 11 missing. The Coast Guard's website had not confirmed the sinking, as of latest reports. The most recent Coast Guard posting, however, said the fire was still burning. The rig was leaking about 8,000 b/d of oil, and the Coast Guard was preparing for it to leak as much as 700,000 gallons of diesel fuel, according to a Coast Guard Petty Officer. A pressure surge – or blowout – may have been to blame for the explosion and subsequent fire, a Transocean official said on April 21. "There was undoubtedly some abnormal pressure buildup," he said. To read more about the incident, the rig, and the initial response, see yesterday's Energy Assurance Daily.

<http://www.d8externalaffairs.com/go/doc/425/525655/>

<http://www.d8externalaffairs.com/go/doc/425/525715/>

<http://www.deepwater.com/fw/main/News-748.html?c=113031&p=irol-news&nyo=0>

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7061443>

<http://www.cnn.com/2010/US/04/22/oil.rig.explosion/index.html?hpt=T1>

<http://www.chron.com/dispatch/story.mpl/business/6968685.html>

<http://www.nytimes.com/2010/04/23/us/23rig.html?hp>

Bloomberg News, 06:02 April 22, 2010

Electricity

Reliant's 320 MW Etiwanda Gas-Fired Unit 4 in California Shut by April 21

According to the California Independent System Operator, the unit reported an unplanned outage by April 21.

<http://www.caiso.com/unitstatus/data/unitstatus201004211515.html>

Update: AES's 226 MW Huntington Beach Gas-Fired Unit 2 in California Ramps up by April 21

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 116 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201004211515.html>

Update: Exelon's 855 MW Quad Cities Nuclear Unit 2 in Illinois Ramped Up to 99 Percent by April 22

The unit shut for planned reasons in mid-March, according to Bloomberg News. Operators began restarting the unit by mid-April, but halted that effort on April 16 due to a higher temperature in a turbine bearing. The Nuclear Regulatory Commission reported that on the morning of April 21 the unit was operating at 86 percent.

Bloomberg News, 07:22 April 21, 2010

Information also derived from the NRC Power Reactor Status Reports:

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

Update: FPL Restarts 839 MW Saint Lucie Nuclear Unit 2 in Florida

FPL returned the unit to 2 percent power by this morning, April 22, according to a Nuclear Regulatory Commission report. The company shut the unit "due to lifting of the 2B moisture separator reheater relief valve," it said in a previous filing with the NRC. The NRC reported that on the morning of April 21 the unit was not operating.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100416en.html>

Bloomberg News, 07:02 April 22, 2010

Information also derived from the NRC Power Reactor Status Reports:

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

Update: With Eye on New State Law, Xcel Evaluating Colorado Coal-Fired Power Plants for Shutdowns or Conversions

Xcel Energy must, under new state law, submit plans in August to cut nitrogen dioxide emissions from its coal-fired power units by as much as 80 percent – compared to 2008 totals – by 2017. With that law in mind, the company is considering retiring or converting to natural gas several of its existing coal-fired power facilities. The potential coal-fired sites include: four units with a combined 717 MW of capacity at the Cherokee power plant, a 505 MW unit at the Pawnee plant, and a 186 MW unit at the Valmont plant.

<http://www.reuters.com/article/idUSN2010698620100420>

Department of Interior Issues Request for Interest in Renewable Energy Development Offshore Delaware

The Department of the Interior referred to the move as "the first step for leasing a wind energy project on the Outer Continental Shelf." Bluewater Wind Delaware, LLC has already received state approval for its plan to generate up to 200 MW of wind-based power offshore Delaware, but the company must still apply to the Minerals Management Service (MMS) for an offshore lease. The Request for Interest covers federal waters between the shipping routes for the Delaware Bay. The closest point to shore is about 7.5 miles.

<http://www.doi.gov/news/pressreleases/Interior-Initiates-Leasing-Process-for-Commercial-Wind-Development-on-US-Outer-Continental-Shelf-off-Delaware.cfm>

Petroleum

Update: BP Restarting Units after Steam System Malfunction at 467,720 b/d Texas City, Texas Refinery

BP began "restarting a couple of units" after a steam system snag at its 467,720 b/d Texas City, Texas refinery, a company spokesman said on April 21. The spokesman referred to the incident as "pretty short-lived," but did not say which units were affected. A source familiar with the site's operations, separately, said that the facility had resumed normal operations by April 22.

Reuters, 10:25 April 22, 2010

<http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=201004211532dowjonesdjonline000632&title=bp-texas-city-plant-restoring-operations-at-units-hit-by-power-trip>

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=138729>

Bomb Attack Forces Shut Iraq-to-Turkey Oil Pipeline by April 22

Unknown assailants bombed and forced shut the Kirkuk, Iraq-to-Ceyhan, Turkey oil pipeline by April 22, according to police and oil company officials. North Oil Co. expected to complete repairs and resume exports within one week. The line can deliver up to 1.6 million b/d of oil, but throughput was far less – about 450,000 b/d – over the first three months of 2010, Reuters said.

<http://www.businessweek.com/news/2010-04-22/iraq-oil-pipeline-explodes-north-of-mosul-police-say-update1-.html>

<http://uk.reuters.com/article/idUKLDE63L0WJ20100422>

<http://www1.voanews.com/english/news/middle-east/Bomb-Damages-Iraqi-Oil-Pipeline--91814604.html>

Natural Gas

ONEOK Partners, L.P. Plans Multiple Natural Gas Projects in North Dakota and Oklahoma

ONEOK Partners plans to spend about \$405-470 million through 2011 on projects in the Bakken Shale in the Williston Basin of North Dakota and the Woodford Shale in Oklahoma.

In the Bakken Shale, the company plans to:

- Construct the 100 MMcf/d Garden Creek natural gas processing plant in McKenzie County, North Dakota. It expects to complete the project in the fourth quarter of 2011.
- Expand and upgrade existing natural gas gathering system.
- Connect more than 300 wells in 2010 and about 400 wells in 2011 to its Williston Basin gathering system.

In the Woodford Shale of Oklahoma, the company plans to:

- Connect its Oklahoma natural gas gathering system to its existing Maysville natural gas processing facility in the central part of the state. The company aims to complete the work during the fourth quarter of 2010.
- Connect new wells in 2010 and 2011.
- Complete a new natural gas processing plant in the fourth quarter of 2010 and expand its existing natural gas liquids (NGLs) gathering system to accommodate the new plant.

<http://ir.oneok.com/ReleaseDetail.cfm?ReleaseID=462148&ReleaseType=ONEOK%20General>

Bulldozer Strikes Enbridge's Line 8000 in Texas, Causing Release of Natural Gas VOCs April 21

A third-party contractor struck the line with a bulldozer, causing the release of natural gas volatile organic compounds (VOCs), Enbridge said in a filing with state regulators. The company de-pressured the affected segment.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=138734>

Bloomberg News, 12:34 April 22, 2010

Other News

Point Bio Energy Plans 450,000 Metric Tons/Year Wood Pellet Manufacturing Facility at Port of Greater Baton Rouge in Louisiana

Point Bio Energy expects the site to make wood pellets for fuel generation. It plans to break ground in the summer of 2010 and start delivering products in the fourth quarter of 2011.

http://www.pbioen.com/index.php?option=com_content&view=article&id=51:point-bio-energy-announces-new-wood-pellet-facility-at-the-port-of-greater-baton-rouge&catid=28:cat1&Itemid=50

DOE to Make Available \$4 Billion in Federal Loan Guarantees for Uranium Enrichment Projects

The Department of Energy (DOE) plans to make available \$4 billion in federal loan guarantees for uranium enrichment projects, instead of the previously planned \$2 billion, according to the Columbus Dispatch. The move should enable DOE to provide \$2 billion grants to two projects: USEC's proposed facility in Piketon, Ohio and Areva's planned site in Idaho.

http://www.dispatch.com/live/content/local_news/stories/2010/04/22/4billion-may-help-piketon-project.html?sid=101

POET to “Have a Hand” in Producing 3.5 Billion Gallons/Year of Cellulosic Ethanol by 2022

POET expects to produce 1 billion gallons/year by employing the company's cellulosic technology at its 26 existing corn-based facilities. It plans to help derive another 1.4 billion gallons/year by licensing that technology to other corn-based companies. It expects other feedstocks to yield another 1.1 billion gallons of production; the company plans to directly produce those gallons or offer logistics support to other companies.

<http://www.poetenergy.com/discovery/releases/showRelease.asp?id=207>

Energy Prices

U.S. Oil and Gas Prices April 22, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	82.30	85.45	46.46
NATURAL GAS Henry Hub \$/Million Btu	3.96	4.15	3.43

Source: Reuters

Energy Notes

Winds Cut Power to about 12,000 PG&E and Customers in California April 21 – Company Restores Service to Most within Just Over One Hour

http://www.times-standard.com/localnews/ci_14934802

Pacific Blue Energy and Foresight Wind Energy Plan 60 MW Sunshine Wind Park in Arizona

<http://www.prnewswire.com/news-releases/pacific-blue-energy-corp-wind-project-part-of-bid-to-major-arizona-utility-91748139.html>

Rollcast Energy Plans 53.5 MW Biomass-Based Piedmont Green Power Project in Georgia – Company Aims to Complete Facility in 2012

<http://www.prnewswire.com/news-releases/rollcast-energy-selects-zachry-to-construct-piedmont-green-power-plant-91739419.html>

Algonquin Power & Utilities Corp. Breaks Ground on 26.4 MW Phase I Red Lily Wind Project in Saskatchewan, Canada by April 21

<http://www.algonquinpower.com/newsroom/2010.asp#APR21-2010>

Pacific Blue Energy Corp Plans 20 MW Solar Power Project in Flagstaff, Arizona

<http://www.azocleantech.com/Details.asp?newsID=9821>

Minnesota Power Completes Air Pollution-Reduction Project at 375 MW Boswell Energy Center Coal-fired Unit 3 in Minnesota by April 22

<http://www.mnpower.com/earthfriendly/faq.htm>

<http://www.duluthnewtribune.com/event/article/id/166554/group/homepage/>

Update: NRC Says Groundwater Initiative Helped Entergy Quickly Find Source of Tritium Leak at Vermont Yankee Nuclear Power Plant in Vermont

<http://www.istockanalyst.com/article/viewiStockNews/articleid/4048721>

Orion Energy Systems' Efficiency Technologies Have Displaced 500 MW of Electric Utility Capacity

<http://www.orionenergy.com/news.php?n=188>

GE and APS Studying Ways to Integrate Large-Scale, Solar-Based Power into U.S. Electric Grid

<http://www.genewscenter.com/Press-Releases/GE-to-Study-Impact-of-High-Solar-Energy-Penetration-on-the-Grid-2793.aspx>

BGE and DOE Finalize \$200 Million Federal Stimulus Grant for Company's Smart Grid Project in Maryland

http://www.bge.com/vcmfiles/BGE/Files/ALERTS/DOE_final.pdf

Citing Potential Regulations, AEP CEO Says Company May Shut Coal-Fired Power Plants and Construct Gas-Fired Facilities

<http://insiderinterviews.nationaljournal.com/2010/04/michael-morris-chairman-presid.php>

Ash Pond Leaking into Ohio River from LG&E's 645 MW Cane Run Coal-Fired Power Plant in Kentucky: Kentucky Division of Waste Management

<http://www.courier-journal.com/article/20100421/NEWS01/4210413/1003/BUSINESS/LG&E+ash+pond+leaking+into+Ohio+River++state+says>

Wisconsin Could Generate 11.9 Million Mwh/Year of Solar-Based Power via Rooftop Installations: Wisconsin Environment

<http://www.wisconsinenvironment.org/news-releases/new-energy-solutions/new-energy-solutions-news/wisconsin-is-ready-to-shine-with-solar-energy>

Pressure along Corroded Segment Likely to Blame for 2,000-Barrel, April 5 Oil Spill from Bridger Lake LLC's Pipeline through Wyoming: State DEQ Official

http://www.trib.com/news/state-and-local/article_338cfcb2-e7ba-5057-adaf-eeb5871a11e5.html

Motor Oil-Carrying Tanker Crashes in Mississippi, Slowing Traffic on I-55 April 21

<http://www.wreg.com/news/wreg-tanker-crash-interstate-desoto.0.6671339.story>

Environmentalists Claim Oil Spill from Enbridge Pipeline Caused Wildfire near Deer River, Minnesota – Company Admits Spill, but Says Cause of Fire Remains Uncertain

<http://www.northlandsnewscenter.com/news/local/91763714.html>
<http://minnesota.publicradio.org/display/web/2010/04/21/oil-leak/>

Iran Says its Navy Thwarted Recent Pirate Attack to Hijack Oil Tanker in Gulf of Aden

<http://in.reuters.com/article/oilRpt/idINDAH23231020100422>

Ecopetrol, Meta Petroleum to Produce 30,000 b/d of Oil by 2011 at Southwest Quifa Field in Colombia

<http://www.ecopetrol.com.co/english/contenido.aspx?conID=44308&catID=382>

Compressor Shutdown at Big Spring Booster Station in Texas April 21

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=138747>

Developers File County Land-Use Application for Proposed Pacific Connector Gas Pipeline in Oregon – Line Associated with Planned Coos Bay LNG Terminal

<http://www.pacificconnectorgp.com/>
http://www.theworldlink.com/articles/2010/04/21/news/lng_project_129d.txt

Illinois Department of Agriculture Delays by One Year Standardized Blending Rules for In-State Ethanol-Based Fuel Sales – Rules to Become Effective May 1, 2011

<http://www.sj-r.com/business/x1042543840/Rules-on-ethanol-blends-postponed-for-a-year>

Compliance Energy Corporation Says Raven Coal Deposit in British Columbia, Canada Contains Measured and Indicated Resources of about 72 Million Tonnes

<http://www.prnewswire.com/news-releases/compliance-energy-announces-updated-resource-on-raven-coal-deposit-91803519.html>

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.

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<http://www.oe.netl.doe.gov/ead.aspx>

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