



ENERGY ASSURANCE DAILY

Thursday, April 26, 2007

Electricity

DOE Designates Two Draft National Interest Electric Transmission Corridors

Secretary of Energy Bodman today announced that under authority of the Energy Policy Act of 2005, he has issued two draft National Interest Electric Transmission Corridors. The corridors are seen as crucial to modernizing the electricity grid. The two draft corridors are located in the Mid-Atlantic and the Southwest. The proposed Mid-Atlantic Area National Corridor includes counties in Ohio, West Virginia, Pennsylvania, New York, Maryland, Virginia, and all of New Jersey, Delaware, and the District of Columbia. The proposed Southwest Area National Corridor includes counties in California, Arizona, and Nevada. Because of the broad public interest in the process Secretary Bodman stated that the DOE, although not required by statute to do so, is issuing draft designations that provide additional opportunities for review and comment by affected States, regional entities, and the general public. A major objective of the effort is to improve the grid so as to avoid problems like the wide-scale blackout that affected millions of customers in the Northeastern U.S. and Canada in August of 2003 or the nation-wide outage that developed today in Columbia (see story below).

Draft Mid-Atlantic Corridor Map: <http://nietc.anl.gov/documents/docs/DraftMidAtlanticCorridor.pdf>

Draft Southwest Corridor Map: <http://nietc.anl.gov/documents/docs/DraftSouthwestCorridor.pdf>

National Interest Electric Transmission Corridors and Congestion Study: <http://nietc.anl.gov/>

Press Release: <http://www.doe.gov/news/4997.htm>

Colombia's Electrical Grid Collapses April 26, Causing Nationwide Blackout

According to CNN, an official of the state-controlled electricity distributor ISA said that the power outage began with an undetermined technical failure at a Bogota substation and quickly spread countrywide. As of 2:52 p.m. local time, power had been restored to about 20 percent of the country, including central Bogota. Full power restoration is expected in a few hours. Authorities said the blackout was caused by a technical failure and that there was no indication of a terrorist attack. Left-wing rebels have repeatedly bombed oil pipelines and electricity installations in Colombia.

Reuters, 12:19 April 26, 2007

<http://www.cnn.com/2007/WORLD/americas/04/26/colombia.blackout.ap/index.html>

CFR Paper: America's Vulnerable Energy Grid

A background paper by Eben Kaplan of the Council on Foreign Relations is available at the following link:

http://www.cfr.org/publication/13153/americas_vulnerable_energy_grid.html?breadcrumb=%2Fissue%2F135%2Fterrorism

Update: PSEG's 1,159 MW Salem Nuke Unit 1 in New Jersey Exits Outage April 26

The unit exited an outage and ramped up to 2 percent of power capacity. The unit shut on April 24 when water intake screens became clogged with marsh grass as a result of the recent storms, which caused extremely high water levels and high tides.

Bloomberg News, 10:02 April 26, 2007

Reuters, 07:27 April 26, 2007

Update: Exelon's 1,170 MW Limerick Nuke Unit 2 in Pennsylvania Exits Outage April 26

The unit exited an outage and ramped up to 4 percent after automatically shutting down on April 24 because of low water levels in the reactor.

Reuters, 07:11 April 26, 2007

Update: Entergy's 967 MW River Bend Nuke Unit in Louisiana Operating at 50 Percent April 26

The unit exited an outage and ramped up to 50 percent of power capacity after being taken offline April 25 to fix a steam leak on the secondary side of the plant.
Reuters, 07:32 April 26, 2007

Petroleum

Production at BP's 400,000 b/d Prudhoe Bay Oilfield in Alaska Likely to be Cut Until Weekend

Production was curtailed by 90,000 b/d as of April 25 following a crane accident on April 23 in which a side-boom crane used to handle pipe hit an electric power line, causing the shutdown of nearby Gathering Center 2.
Bloomberg News, 11:51 April 26, 2007
<http://www.adn.com/money/story/8827667p-8728464c.html>

Update: 55,000 b/d Catalytic Cracker Shut for 10-14 Days at BP's Toledo Refinery in Ohio

The refinery's catalytic cracking unit, which shut April 21 due to a loss of steam is expected to be down for 10-14 days. According to trading sources, the shutdown has forced BP to cutback crude oil throughput by more than 50 percent of the total capacity. The outage will cause BP to cut back the receipt of 1 million barrels of crude oil from Canada. Traders familiar with the refinery also indicate that it is likely that the 34,000 b/d coking unit has been affected by the outage.
<http://www.platts.com/Oil/News/6378703.xml?p=Oil/News&sub=Oil>

FCCU Shut at Marathon's 275,000 Garyville Facility in Louisiana

A Marathon spokesperson confirmed that a fluid catalytic cracking unit (FCCU) tripped offline and was shut, causing a heat exchanger to leak and a small fire. The fire was immediately extinguished. The company did not know how long the FCCU would be down.
OPIS Alert, 01:32 April 26, 2007

Update: Valero's 170,000 b/d McKee Refinery in Texas to Reach Nearly 90 Percent by June 2007

The refinery, damaged by a severe fire in mid-February, was partially restarted April 15 and is now running at about 85,000 b/d, according to the company. The refinery is expected to reach about 150,000 b/d by June, but will not likely reach full rates until the end of 2007.
Reuters, 09:23 April 26, 2007
Bloomberg News, 08:42 April 26, 2007

Staffing Challenges Loom for PdVSA's Heavy Crude Projects in Venezuela Following Government Takeover

Although Venezuela has gained majority control of the extra-heavy crude oil projects from the participating foreign oil companies, experts believe that PdVSA may struggle to meet staffing and technical challenges. They also anticipate that production will drop since projects such as ExxonMobil's Cerro Negro were managed entirely by employees of the foreign oil companies prior to the takeover. PdVSA is reportedly struggling to retain skilled technical staff because of pay scale issues and opposition to the socialist regime.
http://www.rigzone.com/news/article.asp?a_id=44350

Natural Gas

Small Amount of Production Shut at West Texas Gas Compressor Booster Station in Texas April 25 Due to Fire

According to West Texas Gas, Inc., a fire April 25 has shut a very small amount of gas production at the Vealmoor natural gas compressor booster station in Howard County, Texas. Some of the affected production is being rerouted around the station. Chevron was told not to send sales gas to the gathering system until repairs are completed, which is expected by April 27.
Reuters, 11:51 April 26, 2007

Other News

NRC Concerned About Staffing and Manufacturing Capability to Meet Coming Boom in Applications for New Nuke Plants

The Nuclear Regulatory Commission anticipates that within the next two years the commission will be reviewing some 17 applications for new nuclear plants. The commission is concerned both about the staffing available to address the applications and the ability of the industry to provide the necessary manufacturing capacity.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8187548

Energy Prices

U.S. Oil and Gas Prices			
April 26, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	65.73	61.92	72.10
NATURAL GAS Henry Hub \$/Million Btu	7.60	7.55	7.37

Source: Reuters

Energy Notes

AEP Says it Remains Committed to Building Coal Plants Despite Regulatory and Legal Disputes and Delays

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8187129

NRC Licensing Board begins Hearings on Dominion's Site Permit for two New Nuclear Power Plants in Virginia

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8186202

US Bureau of Land Management Approves ExxonMobil's Natural Gas Expansion Project in Colorado

<http://intelligencepress.com/subscribers/daily/news/d20070426g.html>

<http://www.platts.com/Natural%20Gas/News/6378784.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Kinder Morgan Subsidiary Holds Open Season for 10 Bcf Natural Gas Storage Capacity Expansion

<http://intelligencepress.com/subscribers/daily/news/d20070426h.html>

ConocoPhillips Still in Talks with PdVSA Regarding Switch to Venezuelan Control of Heavy Oil Interest

Oil Daily, April 26, 2007

US Environmental Protection Agency Proposes New Emission Rule for Power Plants

<http://www.platts.com/Electric%20Power/News/6378778.xml?p=Electric%20Power/News&sub=Electric%20Power>

US, Japan Unveils Joint Nuclear Energy Plan to Build New Power Plants

<http://www.platts.com/Nuclear/News/7282480.xml?p=Nuclear/News&sub=Nuclear>

Storm Leaves 20,000 CPS Energy Customers Without Power in Texas Morning of April 26
http://www.woai.com/news/local/story.aspx?content_id=a64a88eb-51c6-4354-8b80-4acde995620b

Oncor Electric Delivery in Texas Reported 16,000 Customers Without Power – Most Restored by Wednesday
http://www.wfaa.com/sharedcontent/dws/news/localnews/stories/DN-stormfolo_26met.ART0.North.Edition1.439f0c9.html#

U.S. District Court Judge Rules That BP Must Hand Over Results of Air-quality Tests from Texas City Refinery After Workers Were Hospitalized
Bloomberg News, 02:28 April 26, 2007

Washington State to Fund Study on Oil Products Pipeline Need in Pacific Northwest
<http://www.columbian.com/business/businessNews/04252007news131652.cfm>

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>.

Please direct comments and questions to: ead@oe.netl.doe.gov