



# ENERGY ASSURANCE DAILY

Tuesday Evening, April 27, 2010

## ***Electricity***

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### **Luminant to Shut 793 MW Monticello Coal-Fired Unit 3 in Texas April 27**

The company expected to shut the unit "to repair a leaking boiler control valve," it said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138938>

### **Xcel to Shut 346 MW Harrington Coal-Fired Unit 1 in Texas April 27-30**

The company planned to shut the unit "for a short outage for minor maintenance items," it said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138624>

### **Update: PPL's 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Ramped Up to 73 Percent by April 27**

PPL shut the unit "to repair a heat exchanger tube in a heating system" on April 23, it said in a previous press release. The Nuclear Regulatory Commission reported that on the morning of April 26 the unit was operating at 15 percent.

<http://www.pplweb.com/newsroom/newsroom+quick+links/news+releases/Susquehanna+Unit+2+shut+down+safely+for+planned+repairs+042310.htm>

<http://www.pplweb.com/newsroom/newsroom+quick+links/news+releases/Unit+2+at+PPL+Susquehanna+nuclear+power+plant+returns+to+service+042610.htm>

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: Duke Energy's 846 MW Oconee Nuclear Unit 3 in South Carolina Ramped Up to 59 Percent by April 27**

Operators shut the unit by April 19 to repair a feedwater heater leak, Bloomberg News said previously. The Nuclear Regulatory Commission reported that on the morning of April 26 the unit was operating at 1 percent.

Bloomberg News, 09:47 April 19, 2010

Information also derived from the NRC Power Reactor Status Reports:

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

### **DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Reduced to 85 Percent by April 27**

The Nuclear Regulatory Commission reported that on the morning of April 26 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: Entergy's 836 MW Arkansas Nuclear Unit 1 in Arkansas Ramped Up to 22 Percent by April 27**

The unit shut automatically on April 25 due to shutdowns of "2 of 4 Reactor Protection System (RPS) Channels," Entergy said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of April 26 the unit was not operating.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100426en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

### **AES's 495 MW Alamitos Gas-fired Unit 6 in California Shut by April 26**

According to the California Independent System Operator, the unit reported an unplanned outage by April 26.

<http://www.caiso.com/unitstatus/data/unitstatus201004261515.html>

### **Update: Sycamore Cogeneration's 360 MW Sycamore Cogeneration Gas-fired Unit in California Ramps up by April 26**

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 210 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201004261515.html>

### **DTE Energy to Install 600,000 Smart Meters in Michigan**

Detroit Edison and MichCon – DTE Energy subsidiaries – plan to install 600,000 smart meters during 2010 and 2011. The installations are part of DTE Energy's "SmartCurrents" initiative. The company finalized a nearly \$84 million grant with the U.S. Department of Energy for the program.

<http://dteenergy.mediaroom.com/index.php?s=43&item=506>

### **EDP Renováveis S.A. Orders Up To 2,100 MW of Wind Turbines for Delivery to North America, South America and Europe**

EDP Renováveis S.A. (EDPR) signed a supply agreement with Vestas Wind Systems A/S for the delivery of up to 2,100 MW of wind turbines. EDPR's initial order calls for the supply, installation and commissioning of 1,500 MW in 2011 and 2012. The company has options to order up to 600 MW more in 2010 and 2011.

[http://bo.edprenovaveis.pt/upload/Site\\_1/Files/TurbineContractEN.pdf](http://bo.edprenovaveis.pt/upload/Site_1/Files/TurbineContractEN.pdf)

### **TransAlta and Washington State to Discuss Emissions-Reduction Plan at 1,376 MW Centralia Coal-Fired Power Plant in Washington**

TransAlta Corporation and Washington Governor Chris Gregoire signed a memorandum of understanding (MOU) to enter discussions on an agreement to significantly reduce greenhouse gas emissions from the Centralia coal-fired power plant and provide replacement capacity by 2025.

<http://www.transalta.com/facilities/plants-operation/centralia>

<http://www.transalta.com/newsroom/news-releases/2010-04-27/transalta-and-washington-state-agree-formal-talks-transitioning-ce>

### **New England's Electric Supply Sufficient to Meet Summer Demand: ISO New England**

New England's electric demand should, under normal conditions, peak at 27,190 MW this summer, but extreme weather could boost that figure to 29,310 MW, ISO New England forecasted in its Summer Outlook. The region, however, has capacity resources totaling 32,670 MW and should be able to meet that demand. The 32,670 MW total includes 30,380 MW from generators, 1,330 MW from demand response, 390 MW in electricity imports, and another 570 MW reduction from energy efficiency measures.

[http://www.iso-ne.com/nwsiss/pr/2010/summer10\\_04262010.pdf](http://www.iso-ne.com/nwsiss/pr/2010/summer10_04262010.pdf)

### **FPL's NextEra Energy Resources Scales Back Wind-Power Plans, Citing Market Conditions**

NextEra Energy Resources expects to install between 600 and 850 MW of new wind power in 2010, compared to its previously-planned 1,000 MW. The company said it had "re-evaluated the impact of current market conditions on its wind pipeline."

<http://www.fplgroup.com/news/contents/pdf/1Q%202010%20Earnings%20Announcement%20.pdf>

### **Update: AEP Receives \$334 Million Federal Funding for Commercial-Scale Carbon Capture and Storage System at Mountaineer Coal-Fired Power Plant in West Virginia**

American Electric Power (AEP) plans to expand an existing 20 MW carbon capture and storage system to full commercial scale at its Mountaineer coal-fired power plant in West Virginia. The company received \$334 million in stimulus funding from the U.S. Department of Energy (DOE) to advance the system by 2015.

<http://www.aep.com/newsroom/newsreleases/?id=1601>

## **AEP to Invest About \$2 Billion in Electric Power System during 2010 and 2011**

American Electric Power (AEP) plans to spend about \$2 billion on its system in 2010 and 2011, the company said on April 27. Included in its plans:

- The company expects to continue construction on its planned 600 MW, coal-fired John W. Turk Jr. power plant in Arkansas. It plans to complete that facility in 2012.
- The company plans to complete its planned 500 MW J. Lamar Stall gas-fired power plant in Louisiana in mid-2010.
- The company expects to invest about \$120 million in new transmission.

<http://www.aep.com/newsroom/newsreleases/?id=1601>

## **Petroleum**

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### **Update: Crews Battle 1,000 b/d Leak at Site of Sunken Oil Rig in Gulf of Mexico April 27**

Responders were using remotely-operated vehicles in a bid to activate a blow-out preventer on the head of the sunken well - a move that could, in theory, seal the well - but had not been successful, as of latest reports. The news came about one week after an explosion onboard Transocean's Deepwater Horizon oil rig injured at least 17 and left another 11 missing. Crews were expected to begin drilling a relief well on April 27, but that effort could take as long as three months, according to BP. In the interim, responders planned to place a large dome over the leaking area to capture and re-direct any spills. The leaked oil covered a 48 mile by 80 mile area on April 27, the Houston Chronicle reported.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7061537>

<http://www.chron.com/disp/story.mpl/chronicle/6978148.html>

[http://www.forbes.com/feeds/ap/2010/04/27/general-energy-us-louisiana-oil-rig-explosion\\_7552722.html?boxes=Homepagebusinessnews](http://www.forbes.com/feeds/ap/2010/04/27/general-energy-us-louisiana-oil-rig-explosion_7552722.html?boxes=Homepagebusinessnews)

<http://www.nytimes.com/2010/04/26/us/26rig.html>

### **Update: Shell Restarts 75,000 b/d Nakika Oil Pipeline and Associated Platform in Gulf of Mexico by April 27**

Shell shut the pipeline and its associated oil platform last week - citing precautionary reasons - after an explosion onboard Transocean's nearby Deepwater Horizon oil rig, the company said. Operators restarted both the pipeline and the platform by April 27, according to a Shell spokesman.

<http://www.reuters.com/article/idUSN2725289620100427?type=marketsNews>

### **Valero Sees No Impact to Production after Wet Gas Compressor Trip at 287,000 b/d Port Arthur, Texas Refinery April 26**

The wet gas compressor was related to a 75,000 b/d fluid catalytic cracker (FCC), but a Valero spokesman said the incident had "no material impact to production."

Bloomberg News, 09:55 April 27, 2010

### **Valero to Run U.S. Gulf Coast Refineries at 1.275-1.325 Million b/d during Second Quarter of 2010, Compared to 1.137 Million b/d in Previous Quarter**

Valero expects to operate its U.S. Gulf Coast refineries between 1.275 million b/d and 1.325 million b/d during the second quarter of 2010, it said by April 27. The totals are still below capacity, but mark a 138,000-188,000 b/d increase from the first quarter of 2010. The company plans to operate its mid-continent refineries between 380,000 b/d and 390,000 b/d, up from 363,000 b/d in the previous quarter. It expects to run its northeast refineries between 330,000 b/d and 340,000 b/d, compared to 333,000 b/d in the prior quarter.

[http://phx.corporate-ir.net/phoenix.zhtml?c=100647&p=irol-newsArticle\\_print&ID=1418332&highlight=](http://phx.corporate-ir.net/phoenix.zhtml?c=100647&p=irol-newsArticle_print&ID=1418332&highlight=)

Reuters, 11:30 April 27, 2010

### **Update: Valero to Complete Hydrocracker Projects in 2012 and 2013 at Texas and Louisiana Refineries**

Valero expects to complete a hydrocracker improvement project at its 287,000 b/d Port Arthur, Texas refinery in late 2012, and a similar project at its 185,000 b/d at its St. Charles, Louisiana refinery in 2013. The company had postponed both projects, but said it revived the plans amid increased diesel demand.

Bloomberg News, 12:33 April 27, 2010

### **Update: PdVSA Eyes Early-May Restart for 320,000 b/d Isla Refinery in Curacao, Netherlands Antilles**

The refinery shut in March due to power-supply issues, according to Reuters. PdVSA had expected to resume production in April, company officials said previously. The company, however, now hopes to restart the facility in early May, according to a refinery spokesman.

Reuters, 11:18 April 27, 2010

### **Nexen to Boost Output to 40,000-60,000 b/d by End of 2010 at Existing 25,000 b/d Long Lake Oil Sands Project in Alberta, Canada**

Nexen increased output at its Long Lake oil sands project from 14,000 b/d in the fourth quarter of 2009 to an average 19,000 b/d in the first quarter of 2010, the company said on April 27. The site is currently yielding 25,000 b/d, and should produce 40,000-60,000 b/d by the end of 2010.

[http://www.nexeninc.com/MediaCentre/NewsReleases.aspx?year=2010&release\\_id=1154012](http://www.nexeninc.com/MediaCentre/NewsReleases.aspx?year=2010&release_id=1154012)

<http://www.theglobeandmail.com/globe-investor/nexens-oil-sands-output-on-the-rise/article1548140/>

### **Update: Statoil and LUKOIL to Produce 120,000 b/d in 2012 at West Qurna 2 Oilfield in Iraq**

The companies plan to boost output to 1.8 million b/d in 2017, according to a previous news source. They expect to maintain that figure for 13 years. The field holds about 13 billion barrels of oil.

[http://www.rigzone.com/news/article.asp?a\\_id=86682](http://www.rigzone.com/news/article.asp?a_id=86682)

Reuters, 09:50 April 27, 2010

### **Iraqi Basra Oil Exports Dip by 552,000 b/d due to Low Storage April 27**

Crude exports from the Basra terminal in southern Iraq dipped from 1.512 million b/d on April 26 to 960,000 b/d on April 27, a shipping source said. The source said "problems in the pumping process" had led to a decline in oil storage.

Reuters, 07:07 April 27, 2010

### **Kuwait and Saudi Arabia Increase Shared Oil Production by about 60,000 b/d**

Kuwait and Saudi Arabia increased output to 610,000 b/d – from 550,000 b/d – in their shared territory, but dropped plans to increase that figure to 700,000-900,000 b/d by 2030, a Kuwait official said on April 27. The focus was "sustainability," he said. The countries completed a project in March to raise production to 350,000 b/d at the previously 300,000 b/d Khafji offshore oilfield, according to the official.

Reuters, 06:46 April 27, 2010

### **Ghana to Begin Production at 120,000 b/d at Jubilee Field in Fourth Quarter of 2010**

Ghana expects to produce 120,000 b/d in the fourth quarter of 2010, and boost output to 240,000 b/d from 2013, a Deputy Minister of Energy said on April 23.

<http://www.ifeyinka.com/2010/04/minister-mr-emmanuel-armah-kofi-buah.html>

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## **Natural Gas**

### **Transcontinental Isolates Leaky Section along 24-Inch Natural Gas Pipeline in Texas**

Transcontinental isolated the affected pipeline segment "to access damage and determine repair plans," it said in a notice on April 26. The company asked seven sites "to shut in immediately and remain shut in until further notice."

Bloomberg News, 09:06 April 27, 2010

### **NiSource and Markwest Plan Natural Gas Gathering, Processing, and Transmission Projects in Marcellus Shale, West Virginia**

NiSource Gas Transmission & Storage (NGT&S) and MarkWest Liberty Midstream & Resources plan to develop new natural gas gathering and processing services in coordination with NGT&S assets near its Smithfield, West Virginia compressor station. MarkWest Liberty plans to construct a 120 MMcf/d cryogenic processing facility in Smithfield; it could open the facility as soon as mid-2011 and increase capacity to about 240 MMcf/d by mid-2012. The companies could open a portion of the transmission capacity as soon as November 2010, and the remaining space by April 2011.

<http://www.markwest.com/files/MWE/NI%20MWE%20Smithfield%20Project%20FINAL.pdf>

## **Nextraction's Devonian Shale Prospect in Kentucky and Tennessee Contains Estimated 419 Bcf-2.5 Tcf of Natural Gas**

Nextraction's Appalachian Basin Chattanooga (Devonian) Shale prospect contains an estimated 419 Bcf-2.5 Tcf of original gas in place, according to a consultant. The most likely/best estimate is 903 Bcf.

[http://www.nextraction.com/news/index.php?&content\\_id=48](http://www.nextraction.com/news/index.php?&content_id=48)

## **Other News**

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### **Update: Massey Energy Says MSHA Forced Company to Enact Changes that Complicated Ventilation System at Upper Big Branch Coal Mine in West Virginia**

The Mine Safety & Health Administration (MSHA) forced Massey Energy to change the longwall ventilation system at its Upper Big Branch coal mine in West Virginia, even though the company's engineers opposed the changes, a company official said on April 26. The changes occurred after September 2009 but prior to an early-April explosion that killed 29 miners. The work, according to Massey, "made the ventilation in this area significantly more complex" and significantly reduced "the volume of fresh air to the face." The company's engineers opposed the measures "in one instance to the point of shutting down production for two days, before agreeing to MSHA's ventilation plan changes." Separately at Upper Big Branch, investigators say high levels of ethylene and acetylene are preventing them from accessing the inside of the mine. It could be a month before they establish the cause of the explosion.

<http://phx.corporate-ir.net/phoenix.zhtml?c=102864&p=irol-newsArticle&ID=1417899&highlight=>  
<http://www.washingtonexaminer.com/breaking/gas-still-keeping-investigators-out-of-wva-coal-mine-where-explosion-killed-29-workers-91924009.html>

### **Update: Clean Burn Fuels to Begin Production at Planned 60 MMGal/Yr. Corn-Based Ethanol Plant in Raeford, North Carolina May 1**

Clean Burn Fuels had planned to open the facility in January 2010, but construction issues pushed back that date. The company later sought to begin production in April 2010, but weather issues forced a second delay. It now expects to start output on May 1. It plans to ramp up production over the next few years.

[http://cleanburnfuels.com/what\\_we\\_do.html](http://cleanburnfuels.com/what_we_do.html)  
[http://www.biofuels-news.com/industry\\_news.php?item\\_id=2019](http://www.biofuels-news.com/industry_news.php?item_id=2019)

### **Pacific Ethanol Seeks to Restart 60 MMGal/Yr. Stockton and 40 MMGal/Yr. Madera Ethanol Plants in California**

Pacific Ethanol, its wholly owned subsidiary Pacific Ethanol Holding (PEH), and PEH's four wholly-owned ethanol production facilities filed an Amended Plan of Reorganization and related draft Disclosure Statement with the U.S. Bankruptcy Court in Delaware, the company said on April 19. The company expects PEH and the four facilities to emerge from bankruptcy near the end of the second quarter of 2010. The plan would allow the company to resume production at its 60 MMGal/Yr. Stockton, California ethanol plant and its 40 MMGal/Yr. Madera, California ethanol plant.

[http://www.pacificethanol.net/site/index.php/facilities/facilities\\_article/149/](http://www.pacificethanol.net/site/index.php/facilities/facilities_article/149/)  
[http://www.pacificethanol.net/site/index.php/facilities/facilities\\_article/106/](http://www.pacificethanol.net/site/index.php/facilities/facilities_article/106/)  
<http://www.pacificethanol.net/site/documents/news/PEIXAmendedPORReleaseFinal.pdf>

### **GM to Invest More Than \$890 Million to Produce Fuel-Efficient Engines**

General Motors (GM) plans to invest more than \$890 million in five North American plants to produce fuel efficient small block truck and car engines. Two plants will support the engine production and the remaining three will support engine casting and component production.

[http://media.gm.com/content/media/us/en/news/news\\_detail.print.GMCOM.html/content/Pages/news/us/en/2010/Apr/0427\\_plants](http://media.gm.com/content/media/us/en/news/news_detail.print.GMCOM.html/content/Pages/news/us/en/2010/Apr/0427_plants)



## Energy Prices

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U.S. Oil and Gas Prices April 27, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	82.43	83.29	48.73
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.18	4.02	3.31

Source: Reuters

## Energy Notes

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### **Early Warning System Siren Sounds Spuriously Six Times over 20-Minute Span at Dominion's 1,695 MW Surry Nuclear Power Plant in Virginia April 25**

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100426en.html>

[http://www2.timesdispatch.com/rtd/business/energy/article/SURRYGAT26\\_20100426-112801/340127/](http://www2.timesdispatch.com/rtd/business/energy/article/SURRYGAT26_20100426-112801/340127/)

### **DOE Removes Document from Website after Consultant Claims Terrorist Could Use Information to Target Nuclear Power Plants**

<http://www.pottsmmerc.com/articles/2010/04/25/news/srv0000008122579.txt>

### **SDG&E to Pay \$14.8 Million to State after Investigation into Alleged Utility Errors that May Have Contributed to 2007 Wildfires – SDG&E Does not Admit Fault for Fires, but Admits Errors During Subsequent Investigation**

<http://www.signonsandiego.com/news/2010/apr/22/sdge-reaches-accord-in-wildfires/>

### **Update: Citing Pilot Projects, British Scientists Reject Researchers' Claims that Cast Doubt on Potential of Carbon Capture and Storage**

<http://www.reuters.com/article/idUSTRE63P4FQ20100426>

### **Update: California Appellate Court Rejects Chevron's Bid to Overturn Lower Court Ruling Regarding Proposed Expansion at Richmond, California Refinery – Court Says Company Must Conduct Wider Environmental Review Prior to the Build**

<http://www.reuters.com/article/idUSN2622425620100427>

### **Update: State Panel Okays \$20 Million Loan to PBF Energy Partner's in Company's Bid to Reopen Delaware City, Delaware Refinery**

<http://www.delmarvanow.com/article/20100427/NEWS01/100427011/1002/DELAWARE--Panel-OKs--50M-in-loans-to-Fisker--PBF-Energy->

### **Officials Evacuate Diamond Offshore Drilling's Ocean Endeavor Drilling Rig in U.S. Gulf of Mexico, Citing an "Abundance of Caution" after the Explosion and Sinking of Nearby Deepwater Horizon Rig**

Reuters, 18:32 April 26, 2010

### **Unit Shutdown Triggers Flaring at Keystone Gas Plant in Texas April 26-27**

<http://www11.tceq.state.tx.us/oce/eei/index.cfm?fuseaction=main.getDetails&target=138932>

**High Discharge Temperature Forces Shut Compressor at Lehman Compression Station in Texas April 26**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138888>

**Motor Drive Snag Causes Compressor Shutdown at Cedar Lake Booster Station in Texas April 26**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138915>

**Operators to Repair Compressor Turbo Vibration at Salt Creek Gas Plant in Texas April 27-28**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138919>

**Kuwait to Boost Natural Gas Production to More than 4 Bcf/d by 2030, up from 1.145 Bcf/d at Present**

Reuters, 10:37 April 27, 2010

**Joule Closes \$30 Million Funding Round – Company Expects to Spur Development of Solar-Based Diesel Production Technology**

<http://www.jouleunlimited.com/news/2010/joule-closes-30-million-funding-round>

**Update: State Panel Approves \$21.5 Million Loan for Fisker Automotive's Proposed Hybrid-Car Production Facility in Delaware**

<http://www.delmarvanow.com/article/20100427/NEWS01/100427011/1002/DELAWARE--Panel-OKs--50M-in-loans-to-Fisker--PBE-Energy->

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## 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](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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## ENERGY ASSURANCE DAILY

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

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