



ENERGY ASSURANCE DAILY

Thursday Evening, May 06, 2010

Major Developments

Update: Responders to Lower Containment Dome into U.S. Gulf of Mexico May 6 Leak Continues but BP Chief Cites Progress

Responders planned to lower a 40x24x14 feet steel vessel - a containment dome - onto the seabed of the Gulf of Mexico on May 6, BP said in a release. The dome is expected to capture oil as it leaks from the sunken oil well, and re-route that oil to a drill ship above. BP's CEO said yesterday, May 5, that the company was considering a new method, known as "top kill," in a bid to halt the oil leak. The method, unused in deep waters, would involve adjusting a piece of equipment on top of the wellhead; the adjustment would, in theory, enable the pumping of heavy fluids through the wellhead and into the well. The company could complete the work within two weeks. Responders performed a successful controlled burn operation yesterday amid favorable weather conditions. As of May 6, the Deepwater Horizon Response website reported that about 6,700 personnel were responding to the incident, 270 vessels were on-site, more than 788,000 feet of boom had been deployed, more than 1.2 million gallons of an oil-water mix had been recovered, and more than 190,000 gallons of dispersant had been deployed. Salons and groomers had donated at least 400,000 pounds of human hair and animal fur to Gulf Coast warehouses, according to the New York Times. Volunteers are expected to fashion homemade booms with these materials, and use those booms to capture spilt oil.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7061866>

<http://www.deepwaterhorizonresponse.com/go/doc/2931/540115/>

<http://www.deepwaterhorizonresponse.com/go/doc/2931/540207/>

<http://www.nytimes.com/2010/05/07/science/07container.html?hp>

<http://www.nytimes.com/2010/05/06/us/06hair.html?emc=tnt&tntemail=y>

<http://www.marinelog.com/DOCS/NEWSMIX/2010may00062.html>

http://www.rigzone.com/news/article.asp?a_id=92872

<http://www.deepwaterhorizonresponse.com/go/doc/2931/537391>

Electricity

Progress Energy's 872 MW Brunswick Nuclear Unit 1 in North Carolina Shut May 5

The unit shut automatically due to a "reactor feed pump trip," the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of May 5 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100506en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Exelon's 855 MW Quad Cities Nuclear Unit 2 in Illinois Reduced to 85 Percent by May 6

The Nuclear Regulatory Commission reported that on the morning of May 5 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: SCE's 1,070 MW San Onofre Nuclear Unit 2 in California Ramped Up to 98 Percent by May 6

The Nuclear Regulatory Commission reported that on the morning of May 5 the unit was operating at 85 percent. Information derived from the NRC Power Reactor Status Reports:

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

AEP Shuts 558 MW Welsh Coal-Fired Unit 1 in Texas May 5

American Electric Power (AEP) shut the unit after a pump failure led to a “loss of water to the condenser,” the company said in a filing with state regulators. The incident lasted only one minute, but operators shut the unit “to prevent damage to equipment.”

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=139320>

Update: PSO to Restart 720 MW Oklaunion Coal-Fired Unit 1 in Texas May 6-7

Public Service Co. of Oklahoma (PSO) planned to restart the unit from May 6-7 after fixing a “Hot Reheat steam leak,” the company said in a filing with state regulators. Operators shut the unit by May 3, according to a previous filing.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=139154>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=139153>

California Water Regulators Approve Policy that Could Force Changes or Shutdowns at 19 In-State Power Plants

The California Water Resources Control Board approved a policy that would require most in-state, coastal power plants to phase out once-through cooling systems that use large quantities of ocean water, and install equipment with less impact on aquatic life. The rules apply to 19 power plants – a combined 23,000 MW of capacity – and include both of the state's nuclear power plants. Dynegy said the regulations would force it to shut its South Bay power plant by 2013 and its Morro Bay power plant by 2015.

http://online.wsj.com/article/SB10001424052748703961104575226041502104432.html?mod=WSJ_latestheadlines

<http://www.reuters.com/article/idUSN0517507120100505>

Petroleum

Update: FCC Shuts, Restarts at Chevron's 279,000 b/d El Segundo, California Refinery May 4-6: Traders

Chevron is operating a 75,000 b/d gasoline-producing fluid catalytic cracker unit (FCC) at 50 percent capacity after a May 4 shutdown, traders said by May 6. The company reported an unspecified malfunction on May 4, but it was not clear which units were affected or whether the incident had any impact to production.

DJN, 10:02 May 6, 2010

Reuters, 19:21 May 4, 2010

Update: ExxonMobil to Restart 20,500 b/d Hydrocracker at 150,000 b/d Torrance, California Refinery May 6

ExxonMobil shut the hydrocracker on April 28 after the “loss of the compressor,” a refinery spokeswoman said previously.

DJN, 10:02 May 6, 2010

Reuters, 16:09 May 5, 2010

Bloomberg News, 12:16 April 29, 2010

Reuters, 11:24 April 29, 2010

Alon Shuts Compressor at 67,000 b/d Big Spring, Texas Refinery May 5

Alon shut an off-compressor “to perform repairs on the lube oil system,” the company said in a filing with state regulators. It was not clear when the unit might return to service, or whether the shutdown had any impact to production.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=139339>

Update: Crews Contain Fire at AGE Refining's 14,021 b/d San Antonio, Texas Refinery May 5

Firefighters controlled a fire at AGE Refining's 14,021 b/d San Antonio, Texas refinery by 5 PM local time, about five-and-a-half hours after a truck exploded at the facility's loading dock, news sources reported. It was not clear what caused the explosion, or the subsequent “minor explosions,” a fire department spokeswoman said. Two workers were injured; one was hospitalized and the other was treated on-scene. Residents within a mile of the refinery were evacuated but were able to return to their homes that evening.

http://www.downstreamtoday.com/news/article.aspx?a_id=22566

Shell Shuts Oil Output after Pipeline Fire in Niger Delta, Nigeria by May 6

Shell shut some oil production after a fire along its Trans Niger oil pipeline in Rivers State, Nigeria, a company spokesman said on May 6.

Reuters, 10:05 May 6, 2010

Update: Russian Navy Ship Frees Hijacked Oil Tanker Offshore Somalia May 6

A Russian navy ship freed the hijacked, Liberian-flagged Moskovsky Universitet oil tanker offshore Somalia on May 6, the Russian Defence Ministry said. The news came one day after pirates captured the tanker in the Gulf of Aden, offshore Yemen. The ship was en route to China at the time of the incident, carrying about 631,000 barrels of oil.

http://www.downstreamtoday.com/news/article.aspx?a_id=22565

Iraq Applying New Security Measures to Guard Oilfields

Security forces are working with both Iraqi oil companies, and with foreign companies licensed to work in the area to protect Iraq's oilfields.

http://www.rigzone.com/news/article.asp?a_id=92819

Brazil Seeks to Boost Oil Production by 3.1 Million b/d by 2020

Brazil plans to invest \$540 billion over the next nine years to increase its oil production by 3.1 million b/d, according to the state-owned Energy Research Corporation. The nation expects to boost output from 2 million b/d, at present, to 5.1 million b/d by 2020.

http://www.thaindian.com/newsportal/business/brazil-to-invest-540-bn-in-energy-projects_100359150.html

Natural Gas

Update: NorthernStar Natural Gas Drops Plans for 1.3 Bcf/d Bradwood Landing LNG Terminal in Oregon, Citing Permit Delays

NorthernStar Natural Gas abandoned plans to construct the Bradwood Landing LNG terminal along the Columbia River, in Oregon, citing state-and-federal permit delays. The facility was expected to have a peak sendout capacity of 1.3 Bcf/d, according to a project website.

<http://www.bradwoodlanding.com/content1020>

http://www.seattlepi.com/local/6420ap_or_lng_plant_halted.html

Williams Reports 10 Percent Dip in U.S. Natural Gas Production during First Quarter of 2010, Compared to Same Quarter in 2009

Williams produced 1,102 MMcf/d of natural gas at its U.S. locations during the first quarter of 2010, compared to 1,225 MMcf/d in the first quarter of 2010, the company said on May 5. The company said it had reduced drilling in 2009 amid lower natural gas prices. The company, however, plans to boost production throughout 2010; it expects to raise output about 7-10 percent by the fourth quarter of 2010, compared to the first quarter.

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?ResLibraryID=37859&GoTopage=1&Category=1799&BzID=630>

Devon's Produces 226.5 Bcf of North American Natural Gas during First Quarter of 2010, Compared to 244.5 Bcf during First Quarter of 2009

<http://www.devonenergy.com/Newsroom/Pages/NewsRelease.aspx?id=1422451#terms?disclaimer=yes>

Consol Energy to Increase Production by More than 200 Bcf/Year over Next Five Years in Marcellus Shale, Pennsylvania

Consol Energy plans to raise production to 350 Bcf/year or more in the Marcellus Shale, Pennsylvania over the next five years, compared to about 141 Bcf/year at present, the company's CEO said on May 4.

http://www.pittsburghlive.com/x/pittsburghtrib/news/breaking/s_679465.html

Other News

Enterprise Products Partners Plans 85,000 b/d Expansion at Existing 230,000 b/d Mont Belvieu NGL Fractionation Facility in Texas

The company expects to open the expansion in the first quarter of 2011.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1422586&highlight=>

Energy Prices

U.S. Oil and Gas Prices			
May 6, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	79.20	84.91	56.30
NATURAL GAS Henry Hub \$/Million Btu	4.00	4.19	3.62

Source: Reuters

Energy Notes

Underground Cables Cause Manhole Fire in New York City, New York May 3

<http://www.npr.org/templates/story/story.php?storyId=126481358>

Update: Pepco Holdings Proposes Choptank Route through Dorchester County, Maryland for Proposed Virginia-to-Delaware Mid-Atlantic Power Pathway (MAPP) Transmission Project

<http://www.pepcoholdings.com/about/news/archives/2010/article.aspx?cid=1420>

Vermont Plans Emergency Exercise near Entergy's 563 MW Vermont Yankee Nuclear Power Plant

<http://www.rutlandherald.com/article/20100505/THISJUSTIN/5050364>

U.S. Interior Department Announces Virginia Offshore Drilling Delay – Unclear When Drilling Might Start

<http://voices.washingtonpost.com/local-breaking-news/virginia/feds-delay-drilling-off-va-coa.html?wprss=local-breaking-news>

Washington State Department of Labor & Industries Fines BP \$69,200 for Safety Violations at 225,000 b/d Cherry Point, Washington Refinery May 5 – BP Given 15 Days to Appeal

Reuters, 19:28 May 5, 2010

Despite Challenges, Deepwater O&G Drilling Will Remain Crucial to Global Energy Supply: Industry Panelists at 41st Annual Offshore Technology Conference in Texas

http://www.ogi.com/index/article-display/2382547484/articles/oil-gas-journal/exploration-development-2/2010/05/otc-panel_weighs/QP129867/cmpid=EnIEDMay62010.html

Russia Proposes Banning Oil Tankers from Bosphorus and Dradanelles Straits, Citing Traffic – Plan Calls for Oil Deliveries along Two, Under-Construction Pipelines

<http://en.rian.ru/russia/20100506/158895373.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>

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