ENERGY ASSURANCE DAILY

Friday Evening, May 20, 2011

Electricity

Transmission Problem Leaves 37,000 Alabama Power Customers Temporarily in the Dark in Alabama May 19

All customers had their power restored within hours. Various traffic lights in Mobile, Alabama were affected by the outage.

http://www.fox10tv.com/dpp/news/local_news/mobile_county/several-traffic-lights-out-in-mobile

Luminant's 1,150 MW Comanche Peak Nuclear Unit 2 in Texas Shut May 19-20

According to a filing with the Nuclear Regulatory Commission (NRC), plant operators reported that the unit had a manual reactor trip after a main condenser tube leak on May 19. The NRC reported that on the morning of May 19 the unit was operating at full power.

Reuters, 11:31 May 20, 2011

 $\frac{http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110520en.html}{Information also derived from the NRC Power Reactor Status Reports:}$

http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/

Update: Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Ramped Up to 80 Percent by May 20

The unit was shut on May 13. It had previously tripped offline on May 9 while powering up from a refueling outage. The Nuclear Regulatory Commission reported that on the morning of May 19 the unit was operating at 38 percent. Information derived from the NRC Power Reactor Status Reports:

http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/

Update: Constellation's 565 MW Nine Mile Point Nuclear Unit 1 in New York at Full Power by May 20

The unit was shut on May 3 after running at 47 percent capacity since April 27 for feedwater pump system repairs. The Nuclear Regulatory Commission reported that on the morning of May 19 the unit was operating at 60 percent. Information derived from the NRC Power Reactor Status Reports:

http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/

Update: FPL's 839 MW Saint Lucie Nuclear Unit 2 in Florida Ramped Up to 95 Percent by May 20

The unit was shut on May 16 while coming out of a refueling outage. The Nuclear Regulatory Commission reported that on the morning of May 19 the unit was operating at 75 percent.

Information derived from the NRC Power Reactor Status Reports:

http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/

Update: FPL's 693 MW Turkey Point Nuclear Unit 4 in Florida Ramped Up to 91 Percent by May 20

The unit was shut for refueling and maintenance from March 21 to May 2, then was shut again on May 6. The Nuclear Regulatory Commission reported that on the morning of May 19 the unit was operating at 71 percent. Information derived from the NRC Power Reactor Status Reports:

http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/

Update: TVA's 1,065 MW Browns Ferry Nuclear Unit 1 in Alabama Ramped Up to 1 Percent by May 20

All three units at the Tennessee Valley Authority (TVA) plant were shut on April 27 after losing outside power due to thunderstorms throughout the U.S. South.

Reuters, 07:54 May 20, 2011

Information also derived from the NRC Power Reactor Status Reports:

http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/

Cabrillo Power's 110 MW Encina Gas-Fired Unit 3 in California Shut by May 19

According to the California Independent System Operator, the unit reported an unplanned outage by May 19. http://www.caiso.com/unitstatus/data/unitstatus/201105191515.html

NRC, USACE Say Luminant's Plans for Two New Reactors at 2,300 MW Comanche Peak Nuclear Plant in Texas Will Not Impact Environment

Luminant plans to build two new reactors with an expected capacity of 1,700 MW each. The Nuclear Regulatory Commission (NRC) and U.S. Army Corps of Engineers (USACE) have completed the Final Environmental Impact Statement (FEIS) for the proposed Comanche Peak Units 3 and 4. According to the NRC and USACE, there are no environmental concerns which would preclude granting a license to Luminant for the two units. Luminant plans to bring the units online in 2022 if it can secure funding.

http://www.nbcdfw.com/news/local/Comanche-Peak-Expansion-Cleared-by-Army-Corps-of-Engineers-122027544.html

http://nuclearstreet.com/nuclear_power_industry_news/b/nuclear_power_news/archive/2011/05/18/nrc-says-no-environmental-impact-from-comanche-peak_1920_s-proposed-units-051803.aspx

Update: Entergy Still Working to Repair Transmission Lines Downed by Last Month's Storms in Arkansas

Company linemen are working to reconstruct an important transmission line between Keo and West Memphis among others.

http://www.todaysthv.com/news/article/157961/377/Entergy-still-working-to-restore-Ark-power-lines

Update: DOE Offers SolarReserve a Conditional \$737 Million Loan Guarantee to Build 110 MW Crescent Dunes Solar Energy Project in Tonopah, Nevada May 19

Power will be generated at the facility by deploying arrays of mirrors around a tower which will have a boiler filled with molten salt. The company is due to begin construction in summer 2011 and start operations in late 2013. The electricity produced will be provided to NV Energy.

 $\underline{http://solarreserve.com/pressReleases/SolarReserveLGPConditionalCommitmentAnnoucement_Macquarie051911.pdf}$

http://blogs.forbes.com/toddwoody/2011/05/19/obama-administration-grants-737-million-for-a-247-solar-power-plant/

Google and Other Companies' Proposed 250-Mile, New Jersey-to-Virginia Transmission Line Clears FERC Regulatory Hurdle May 19

The Federal Energy Regulatory Commission (FERC) ruled that Google and its partners may earn a 12.59 percent return on their equity investment. The proposed project consists of two parallel transmission lines which would run along the U.S. mid-Atlantic, connecting New Jersey, Delaware, Maryland, and Virginia. The lines would be able to transport up to 6,000 MW of electricity. The line is backed by Google, Good Energies, and Marubeni Corp. http://www.reuters.com/article/2011/05/20/us-ferc-google-project-

idUSTRE74I5D520110520?feedType=RSS&feedName=GCA-GreenBusiness

Ameren Planning Two Transmission Line Projects as Part of Grand Rivers Phase 1 Project

The company is planning to build the 331-mile, 345 kV Illinois Rivers Project from northeast Missouri to the Mississippi River and across north central Illinois to the Indiana border. The company also plans to construct the 185-mile, 345 kV Big Muddy River Project, which will consist of four line segments in southern Illinois, with one segment crossing the Mississippi River into southern Missouri. On May 19, the company announced that the Federal Energy Regulatory Commission (FERC) has approved rate treatments for the projects. http://ameren.mediaroom.com/index.php?s=43&item=934

Magellan Midstream Partners Reports Low Gasoline Stocks May 20

According to the company, stocks of N-grade gasoline on its Midwestern system are below normal. It was not clear what is responsible for the lack of supply.

Reuters, 12:14 May 20, 2011

Update: Alon USA Shutting Units at 80,000 b/d Krotz Springs, Louisiana Refinery Due to Rising Flood Waters May 19-20

According to a source, the refinery's crude unit is scheduled to be the last one shut down, sometime May 20. The refinery is in the path of rising flood waters which are being released by the U.S. Army Corps of Engineers from the Mississippi River into the Atchafalaya River through the Morganza Spillway. No other refineries in the area are in direct danger of flooding. The company feels the refinery will be safe from floodwaters due to levees built over the past week, but is concerned it may not be able to receive enough crude to continue to operate normally. Several crude oil pipelines in the area were closed last week, due to concerns about floodwaters. Reuters, 14:32 May 19, 2011

http://online.wsj.com/article/BT-CO-20110520-707336.html

Update: PBF Energy to Start Units at Delaware City, Delaware Refinery May 19

A hydrogen unit feed was due to begin May 19, and the company also planned to start delivering crude to a gasoline-making fluid catalytic converter so it can restart on May 22. The refinery, which had a capacity of 210,000 b/d, was shut by its previous owner, Valero, in November 2009.

http://www.bloomberg.com/news/2011-05-19/pbf-delaware-city-refinery-said-to-plan-crude-oil-feed-to-units.html

North American Energy Partners Suspends Overburden Removal Work at Canadian Natural Resources' Damaged Horizon Oil Sands Project May 18

According to the company, Canadian Natural Resources asked it to suspect overburdening operations. North American Energy Partners warned that continuing these operations could result in a writedown which would hurt the company's profit. The work suspension is due to run from May 18, 2011 through January 2, 2012. http://www.reuters.com/article/2011/05/19/northamericanenergy-idUSL4E7GJ3NA20110519

Update: Over 120,000 b/d of Canadian Oil Production Shut Due to Wildfires in Alberta by May 20

The following outage updates have all been reported by May 20 – for complete coverage of all outages, please see the Energy Assurance Daily reports from May 17-19:

- Canadian Natural Resources has been forced to shut 40,000 b/d of production from its Pelican Lake plant, in addition to 3,000 b/d from another facility and 8 MMcf/d of natural gas production.
- Cenovus has completely shut its 22,000 b/d of production at the Pelican Lake heavy oil field.
- Apache Canada announced May 20 that it has shut 6,200 b/d of oil production.
- Murphy Oil Corp was reported to have shut 6,000 b/d of production by May 19.
- Pengrowth has shut 5,000 boe/d of production from unknown fields.
- ARC Resources shut 1,000 b/d of production by May 18.

The danger from the fires is decreasing, however, and Syncrude has resumed regular staffing levels at its operations. DJN, 12:44 May 20, 2011

 $\underline{https://secure.globeadvisor.com/servlet/ArticleNews/story/gam/20110519/RBOILSANDSFIREVANDERKLIPPEA \underline{TL}$

Update: NATO Intercepts Jupiter Gasoline Tanker En Route from Italy to Libya May 19

The North Atlantic Treaty Organization (NATO) announced that it had reason to believe the tanker was on its way to deliver fuel to military forces under the command of Libyan leader Muammar Gadhafi. This is reported to be the first time that NATO forcibly diverted a fuel tanker headed towards Libya.

http://www.nasdaq.com/aspx/stock-market-news-

story.aspx?storyid=201105201245dowjonesdjonline000436&title=natotanker-bound-for-gadhafi-regime-intercepted http://www.reuters.com/article/2011/05/20/nato-libya-tanker-idUSLDE74J1I820110520

Eagle Ford Shale Production in Texas May Overtake Barnett and Haynesville Shale Gas Plays in Texas and Louisiana: Evaluate Energy

According to a report by London-based Evaluate Energy, the Eagle Ford shale play in southwest Texas has the potential to become the largest producing shale play in Texas and even the entire U.S. As of the fourth quarter of 2010, the Barnett shale play produces 877,000 boe/d, Haynesville produces 708,000 boe/d, and Eagle Ford produces just 66,000 boe/d. However, the report indicates that Eagle Ford production could increase rapidly. http://www.rigzone.com/news/article.asp?a_id=107293

Other News

MSHA Issues Ten Withdrawal Orders at Bledsoe Coal's Abner Branch Rider Coal Mine in Leslie County, Kentucky for Pattern of Violations May 18

The orders were issued by the Department of Labor's Mine Safety and Health Administration (MSHA) for significant and substantial violations related to inadequate roof, rib, and face safety, as well as for poor ventilation. The MSHA also issued one withdrawal order at Double A Mining's #4 coal mine in Kentucky for delinquent payment of \$313,820 of fines by May 23. According to a news report, withdrawal orders require all personnel to withdraw from the mine in question, except for those who must enter to keep the mine in a safe condition. http://www.msha.gov/MEDIA/PRESS/2011/NR110518.asp

http://www.wkyt.com/wymtnews/headlines/41706392.html

http://www.greenwichtime.com/default/article/Ky-mine-hit-with-10-withdrawal-orders-in-May-

1385310.php#ixzz1Mu0bzy9J

http://online.wsj.com/article/BT-CO-20110518-711538.html

Energy Prices

U.S. Oil and Gas Prices May 20, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	98.51	97.12	68.01
NATURAL GAS Henry Hub \$/Million Btu	4.10	4.10	4.29

Source: Reuters

Energy Notes

NRC Reports Poor Roof Maintenance at SCE's 1,070 MW San Onofre Nuclear Unit 2 in California, Resulting in Rainwater "Intrusion into the Unit 2 Building and Over Energized Electrical Equipment" May 18

http://www.nctimes.com/news/local/sdcounty/article 67e94eda-79f7-5652-8afb-3512a1143f8a.html

Oil Well Catches Fire for Unknown Reason in Carroll County, Ohio May 18 – Fire Brought Under Control within Two Hours

http://www.statejournal.com/story.cfm?func=viewstory&storyid=99766

Fire Reported in Coal Bunker at Alliant's 238 MW Prairie Creek Coal-Fired Power Plant in Cedar Rapids, Iowa May 19 – No Disruption of Power Expected

http://www.kwqc.com/Global/story.asp?S=14674919

California PUC Proposes New Rules to Protect Security and Privacy of Consumer Data Collected by Smart Meters

http://www.computerworld.com/s/article/9216852/California looks to protect smart meter data

Citing Economic Concerns, IEA Governing Board Calls on Oil Producing Countries to Increase Quantity of Crude Oil Available to Refiners May 19

http://www.rigzone.com/news/article.asp?a_id=107271

http://www.downstreamtoday.com/news/article.aspx?a_id=26665

AGI Compressor Shuts, Restarts after Debris Clogs Compressor Filter Screen at Waha Gas Plant in Texas May 19

http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154682

Valve Fails at Anton CO2 Re-Injection Facility in Texas, Leading C-1000 Compressor to Shut May 19

 $\underline{http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails\&target=154663}$

DCP's Fullerton Gas Plant Unable to Receive Gas from Multiple Producing Facilities in Texas as Company Due to Compressor Problems May 19-20 – Producers Flaring Gases while DCP Performs Repairs

http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154675

http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154636

http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154654

http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154657

http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154660

http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154666

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/ead.aspx

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