



# ENERGY ASSURANCE DAILY

Wednesday Evening, June 08, 2011

## ***Electricity***

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### **TVA's 1,118 MW Browns Ferry Nuclear Unit 2 in Alabama Reduced to 20 Percent by June 8**

The Nuclear Regulatory Commission reported that on the morning of June 7 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/2011/>

### **Update: FPL's 839 MW Saint Lucie Nuclear Unit 2 in Florida at Full Power by June 8**

The Nuclear Regulatory Commission reported that on the morning of June 7 the unit was operating at 11 percent. Information derived from the NRC Power Reactor Status Reports:

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

### **Update: Exelon's 1,134 MW Limerick Nuclear Unit 1 in Pennsylvania Ramped Up to 97 Percent by June 8**

The unit experienced a scram following a turbine trip on June 3. The Nuclear Regulatory Commission reported that on the morning of June 7 the unit was operating at 73 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **Update: Luminant's 765 MW Monticello Coal-Fired Unit 3 in Texas Starts up June 8**

According to a filing with state regulators, the unit was shut to repair a control valve electrohydraulic fluid leak. According to previous reports, the unit was shut on June 3.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=155356>

### **Update: Operators Retract May 23 NRC Notification Regarding Offsite Power at DTE's 1,089 Fermi Nuclear Unit 2 in Michigan June 7**

On May 23, operators of the plant filed a report with the Nuclear Regulatory Commission (NRC) that the Unit 2 Control Room was notified that the "switchyard voltage for both ... offsite power circuits following a generator trip would not be sufficient to sustain operability of the safety-related loads." According to a June 7 update, the original notification was in error. The new filing states that a software feature resulted in an inappropriately high voltage drop reading, and that there was no loss of safety function.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110608en.html>

### **Fire Breaks out in West Switchgear Room at OPPD's 478 MW Fort Calhoun Nuclear Unit in Nebraska June 7**

According to a filing with the Nuclear Regulatory Commission (NRC), the Omaha Public Power District (OPPD) declared an emergency after a fire affecting the operability of plant safety systems broke out at 9:30 a.m. CDT.

During the incident spent fuel pool cooling was lost, and access to a vital area was limited due to the presence of toxic gases from the fire. Cooling was later restored and the fire extinguished in the vital area. At the time of the incident, the plant was already shut due to concerns over flooding along the Missouri River. It is not believed that the fire was connected to flooding.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110608en.html>

## **Turbine Blade Damage Discovered at PPL's Susquehanna Nuclear Units 1 and 2 in Pennsylvania during May-June Inspections**

PPL has already completed blade replacements on the unit 2 turbines, and has begun replacing blades on the unit 1 turbines. Both units are in stable shutdown mode – unit 2's scheduled refueling outage was extended by four to six weeks on May 5 after the discovery of cracks on the unit's turbine blades. Unit 1 was then shut on May 16 for inspections of its own turbine blades. Unit 1 will also have to remain shut for four to six weeks to make similar repairs. Unit 1 has a capacity of 1,105 MW, while unit 2 has a capacity of 1,111 MW.

<http://stage2.mediaroom.com/pplweb/index.php?s=12270&item=40746>

## **Update: Duke Energy Decides to Shut Two Units at 560 MW Gallagher Coal-Fired Power Plant near New Albany, Indiana Rather than Convert them to Natural Gas**

According to previous reports, Duke Energy was required to decide by January 1, 2012 whether to retire two of four units at its 560 MW coal-fired power plant in Indiana, or convert the units to run on natural gas, according to a lawsuit settlement between the company and the U.S. Environmental Protection Agency (EPA), the U.S. Department of Justice and others. Duke originally planned a \$71 million dollar project to convert the units to natural gas, which included a proposed 19-mile gas pipeline underneath the Ohio River to the plant, but has now decided to purchase electricity from another power plant instead. The company is not sure how soon it will be able to shut the two units.

<http://finance.yahoo.com/news/Duke-uncertain-about-impact-apf-3601326673.html?x=0&.v=1>

## **“Wallow Fire” Threatens Two 345 kV TEP Transmission Lines and TEP's 1,200 MW Springerville Coal-Fired Power Plant in Arizona**

The Wallow Fire, a wildfire in eastern Arizona, is burning eight miles away from two major Tucson Electric Power transmission lines, and could also potentially reach the grasslands near the company's Springerville power plant. Smoke from the fire has the potential to short circuit the company's transmission lines, which deliver electricity from multiple power plants to Tucson, Arizona. Several communities have already been evacuated due to the fire. Reuters, 10:46 June 8, 2011

<http://www.tucsonelectric.com/Company/News/WallowFire/>

<http://www.azein.gov/azein/Lists/Announcements/DispForm.aspx?ID=1652&Source=http%3A%2F%2Fwww.azein.gov%2Fazein%2Fdefault.aspx>

## **NV Energy Announces “Renewable Transmission Initiative” June 7 – Seeks to Assess Interest in Obtaining Transmission Service from Nevada**

Depending on market interest, NV Energy's Renewable Transmission Initiative could ultimately result in the construction of up to 570 miles of new overhead electric transmission lines and associated facilities. The lines would run from renewable energy zones in Nevada to other markets, particularly California and the Southwest.

<http://nvenergy.mediaroom.com/index.php?s=8838&item=40751>

## **Pepco to Install Smart Meters across Entire Maryland Service Territory June 2011-December 2012**

The Maryland Public Service Commission authorized the installation in August 2010. The company has received \$68.85 million in federal stimulus money to help fund its smart meter program. Pepco has 778,000 customers in Maryland and the District of Columbia.

<http://www.pepco.com/welcome/news/releases/archives/2011/article.aspx?cid=1755>

## ***Petroleum***

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## **Fire Burns for 90 Minutes at Near-Empty Hydrocarbon Storage at ExxonMobil's 344,500 b/d Beaumont, Texas Refinery June 6**

The fire was isolated to a single tank; it broke out around 1 p.m. EDT while the tank was being emptied for maintenance. A company spokesman declined to comment on the cause of the fire or whether it impacted production.

<http://af.reuters.com/article/energyOilNews/idAFN0726478920110607>

### **Update: Valero's 287,000 b/d Port Arthur, Texas Refinery Ramping up June 8 Following Lightning Strike of June 6**

Valero said today that output at the refinery was cut following a lightning strike and power outage earlier this week. The refinery continues to run at an unspecified reduced rate as its processing units ramp up.

Reuters, 10:47 June 8, 2011

DJN, 09:31 June 8, 2011

### **Update: Tesoro's 96,860 b/d Wilmington, California Refinery Ramping up to Normal Rates June 7**

Units were shut at the refinery due to a power outage on June 6-7.

DJN, 09:31 June 8, 2011

### **Update: Docks Are Fully Open and Operations Have Returned to Normal at ExxonMobil's 504,500 b/d Baton Rouge, Louisiana Refinery by June 6**

The company shut its docks on the Mississippi River on May 11 and cut production to 450,000 b/d due to rising flood waters. According to previous reports, the company partially reopened the refinery's docks around May 24.

Reuters, 14:48 June 7, 2011

DJN, 09:31 June 8, 2011

### **Canadian Oil Production Could Grow to 4.7 Million b/d by 2025: CAPP**

The Canadian Association of Petroleum Producers (CAPP) forecasts that Canadian crude oil production will grow from about 2.8 million b/d in 2010 to about 4.7 million b/d by 2025. Oil sands growth and increased production from existing conventional reserves will make up the bulk of the increase.

<http://www.autos.ca/general-news/canadian-oil-production-to-rise>

### **OGX Anticipates 730,000 boe/d by End of 2015 at Campos and Parnaíba Basins in Brazil**

The company plans to begin oil production in the Campos Basin in October 2011, and natural gas production in the Parnaíba Basin in the second half of 2012. Together, OGX anticipates that current discoveries will be able to support 730,000 boe/d of production by the end of 2015.

[http://www.rigzone.com/news/article.asp?a\\_id=107814](http://www.rigzone.com/news/article.asp?a_id=107814)

### **EPA Critical of State Department's Environmental Assessment of TransCanada's Proposed 1,700-Mile, Canada-to-U.S. Gulf Coast Keystone XL Oil Pipeline**

According to a letter sent this week from the Environmental Protection Agency (EPA) to the U.S. State Department, the State Department did not consider certain pipeline oil spill risks, nor did it fully consider methods for reducing the project's greenhouse gas emissions.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=26850](http://www.downstreamtoday.com/news/article.aspx?a_id=26850)

### **IEA "Disappointed" OPEC Did Not Agree on Oil Output Increase June 8**

The International Energy Agency (IEA) "noted with disappointment" that the Organization of the Petroleum Exporting Countries (OPEC) failed to agree to an output rise today. The IEA believes more oil needs to be made available to the market.

<https://research.tdwaterhouse.ca/research/public/Markets/CommoditiesNews?documentKey=1314-LDE75720B-1>

## **Natural Gas**

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### **El Paso's New 1.3 Bcf/d Gulf LNG Terminal in Mississippi to Receive First Cargo June 13**

A terminal operator told Reuters on June 8 that El Paso's new liquefied natural gas (LNG) terminal in Mississippi will receive its first cargo on Monday for "testing purposes." The gas will be delivered to Gulf LNG by the Gaslog Singapore tanker, which has a capacity of nearly 155,000 cubic meters of LNG.

<http://af.reuters.com/article/energyOilNews/idAFN0824088420110608>

## Other News

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### **About 12 Coal-Carrying BNSF Rail Cars Derail Near Aitkin, Minnesota June 6**

The Burlington Northern Santa Fe (BNSF) train, which included 123 loaded cars, was heading east from Montana to Superior, Wisconsin when the cars derailed around 2 p.m. It is not clear what caused the derailment, or how much coal was spilled. According to reports, one coal car typically holds 116 tons of coal. The derailment will cause delays for other trains.

<http://brainerddispatch.com/news/2011-06-06/coal-train-cars-derail-east-aitkin>

### **White House's Proposed Environmental Rules Will Cost Utilities \$17.8 Billion per Year: American Coalition for Clean Coal Energy**

According to the coal-industry group, the new clean air regulations proposed by the Obama administration will also lead to "premature" retirements of coal-fired power plants, and increase electricity rates by 11.5 percent on average in 2016.

<http://www.bloomberg.com/news/2011-06-08/epa-air-rules-to-cost-almost-18-billion-a-year-coal-group-says.html>

### **U.S. Energy Information Administration Releases Short Term Energy Outlook June 7**

<http://www.eia.gov/steo/>

## Energy Prices

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| <b>U.S. Oil and Gas Prices</b>                                       |              |                 |                 |
|--|--------------|-----------------|-----------------|
| June 8, 2011   |              |                 |                 |
|  | <b>Today</b> | <b>Week Ago</b> | <b>Year Ago</b> |
| <b>CRUDE OIL</b><br><b>West Texas Intermediate U.S.</b><br>\$/Barrel | 101.73       | 100.19          | 71.62           |
| <b>NATURAL GAS</b><br><b>Henry Hub</b><br>\$/Million Btu             | 4.83         | 4.62            | 4.67            |

Source: Reuters

## Energy Notes

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### **Power Outage Reported for Parts of Central Guam Due to Downed Guam Power Authority Power Line June 8**

[http://www.pacificnewscenter.com/index.php?option=com\\_content&view=article&id=14707:water-a-power&catid=45:guam-news&Itemid=156](http://www.pacificnewscenter.com/index.php?option=com_content&view=article&id=14707:water-a-power&catid=45:guam-news&Itemid=156)

### **Juhl Wind's Adams and Danielson Wind Farms, Each with Capacity of 20 MW, Begin Commercial Operations in Meeker County, Minnesota in Mid-March 2011**

<http://www.prnewswire.com/news-releases/juhl-wind-inc-completes-new-20-year-utility-contract-for-46-million-danielson-community-wind-farm-68843157.html>

### **Malfunctioning Equipment Caused Nadel and Gussman Rockies Oil Well Spill of 1,000-10,000 Gallons of Oil in Wyoming – The Spill, which Occurred "Some Time Ago," Was Discovered May 22**

<http://www.kulr8.com/news/wyoming/123289603.html>

### **Update: Athabasca Oil Sands Corp. Files Application to Build Planned 12,000 b/d Hangingstone, Alberta Oil Sands Project – Company Plans to Complete Project in 2013**

<http://www.journalofcommerce.com/article/id44703>

**Energy Secretary Chu Announces Nearly \$15 Million for Energy-Efficient Lighting R&D  
June 7**

<http://www.energy.gov/news/10353.htm>

**Acid Gas Compressor Restarts after Shutting Due to Low Suction Pressure at Big Lake  
Gas Plant in Texas June 7**

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=155368>

## **Links**

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***This Week in Petroleum*** from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.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://www.eia.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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