



# ENERGY ASSURANCE DAILY

Friday Evening, June 12, 2009

## ***Electricity***

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### **Update: 120,000 Oncor Customers Remain Without Power in N. Texas After Storms Pass**

As of the morning of June 12, less than 120,000 Oncor customers remained without power in North Texas, mostly in the Dallas/Fort Worth area. A series of powerful storms, which began late June 10, caused outages affecting more than 500,000 customers, making the storm the third worst to ever hit Oncor's service territory. The severity of the storm was due to multiple waves of rain and lightning. The National Lightning Detection Network reported approximately 45,000 lightning strikes occurred during the multiple waves passing through the Dallas/Fort Worth area over a period of several hours.

<http://www.oncor.com/news/newsrel/detail.aspx?prid=1201>

### **About 250 Large PSE&G Customers Lose Power in Newark, New Jersey June 12**

The outages occurred when some underground circuits failed at around 5:35 AM EDT. Customers affected included Seton Hall University School of Law, the New Jersey Performing Arts Center, and Horizon Blue Cross Blue Shield's headquarters.

Bloomberg News, 10:33 June 12, 2009

### **DOE Secretary Chu Announces Agreement on FutureGen Project in Illinois**

#### **Paves Way for First US Commercial Scale Carbon Capture and Storage Project**

U.S. Secretary of Energy Steven Chu announced on June 12 an agreement with the FutureGen Alliance that advances the construction of the first commercial scale, fully integrated, carbon capture and sequestration project in the country in Mattoon, Illinois. Under the terms of the provisional agreement between the Department of Energy and the FutureGen Alliance, the Department will issue a Record of Decision on the project by the middle of July. Following the completion of the detailed cost estimate and fundraising activities, the Department of Energy and the FutureGen Alliance will make a decision either to move forward or to discontinue the project early in 2010. Both parties agree that a decision to move forward is the preferred outcome and plan to reach a revised cooperative agreement that will include a funding plan for the full project.

<http://www.energy.gov/news2009/7454.htm>

### **Exelon Completes 38 MW Power Uprate at Quad Cities Nuclear Plant in Illinois**

#### **Further Uprates at Exelon Nukes Will Add 1,300-1,500 MW of Capacity by 2017**

The 38 MW power uprate at Exelon's Quad Cities plant is the first in a series of planned power uprates across the company's nuclear fleet that will generate between 1,300 and 1,500 MW of additional generation capacity within eight years. Uprate projects are underway at Exelon's Limerick and Peach Bottom nuclear stations in Pennsylvania and the Dresden, LaSalle and Quad-Cities plants in Illinois. Those are expected to produce nearly a quarter of the new megawatts. The remainder of uprate capacity will come from additional projects at nine other Exelon plants beginning in 2010 and ending in 2017.

[http://www.exeloncorp.com/aboutus/news/pressrelease/corporate/090612\\_Successful+Uprate+at++Plant+Begins+Eight-Year+Expansion+Equal+to+New+Nuclear+Station.htm](http://www.exeloncorp.com/aboutus/news/pressrelease/corporate/090612_Successful+Uprate+at++Plant+Begins+Eight-Year+Expansion+Equal+to+New+Nuclear+Station.htm)

### **El Paso Electric Plans 92 MW Commercial Solar Power Plant in Southern New Mexico**

Construction is expected to start in early 2010 and the plant is expected to be in full operation by the summer of 2011. El Paso Electric says it will be built and operated by NRG Energy and is using technology developed by eSolar. El Paso Electric has a 20-year agreement to buy the electricity the plant generates.

<http://www.kcbd.com/Global/story.asp?S=10517224>

## **Update: TVA Shuts 1,118 MW Browns Ferry Nuke Unit 2 in Alabama After Leak Detected June 12**

The company shut the unit after detecting a leak in the containment building that holds the unit's reactor. The reactor is currently in "cold shutdown" while repairs are made. It takes 12-24 hours to restart a reactor from a cold shutdown. On June 11, TVA slowed the unit's turbine when vibrations were detected as it was ramping up from a refueling outage.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Bloomberg News, 09:27 June 12, 2009

## **APS Shuts Coal-fired Unit at 2,040 MW Four Corners Power Plant in New Mexico After Ash Release June 9**

Equipment failures at one of the plant's five coal-fired units caused the release of an undetermined amount of black ash after equipment designed to retain the coal unexpectedly shut down. The unit that released the ash was taken out of service.

[http://www.daily-times.com/ci\\_12565957](http://www.daily-times.com/ci_12565957)

## **Update: Reliant's 245 MW Coolwater Gas-fired Unit 3 in California Returns to Service by June 11**

According to the CAISO, the unit reported a return from an unplanned curtailment of 125 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200906111515.html>

## **Update: Reliant's 215 MW Mandalay Gas-fired Unit 1 in California Returns to Service by June 11**

According to the CAISO, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200906111515.html>

## **Reliant's 215 MW Mandalay Gas-fired Unit 2 in California Shut by June 11**

According to the CAISO, the unit reported an unplanned outage on June 11.

<http://www.caiso.com/unitstatus/data/unitstatus200906111515.html>

## ***Petroleum***

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### **Valero to Shut 20,000 b/d Coker at Corpus Christi, Texas Refinery June 19 due to Low Margins**

Valero said that it will shut the 20,000 b/d coker at its Corpus Christi refinery due to low margins, one day after it said it was shutting its entire Aruba refinery for 2-3 months for the same reason. The unit will remain shut through the month of July, the company will evaluate the economics on an ongoing basis and can restart at any point that is optimal. On June 10, Valero said that it was running coker units at 80-85 percent of capacity due to narrow discounts for heavier crudes. The coker shutdowns at the Corpus Christi and Aruba refineries, along with the unplanned shutdown of the coker at Valero's Norco refinery (see next story), will reduce the company's coker utilization below that 80-85 percent level.

Bloomberg News, 11:43 June 12, 2009

Reuters, 10:16 June 12, 2009

### **Update: Valero to Have Timetable for Restarting Units at 185,000 b/d Norco, Louisiana Refinery Early Next Week**

Valero will not establish a timetable for restarting units until early next week. The crude distillation unit (CDU), coker, and vacuum unit at the refinery were shut following a fire in the vacuum unit on June 9.

Reuters, 13:07 June 12, 2009

Bloomberg News, 10:32 June 12, 2009

### **Update: Sunoco to Restart FCCU at 335,000 b/d Philadelphia, Pennsylvania Refinery Over Weekend**

A source familiar with refinery operations told Reuters that Sunoco will attempt to restart the fluidic catalytic cracking unit (FCCU) over the weekend. The unit failed on initial restart earlier this week.

Reuters, 09:06 June 12, 2009

## Holly Plans to build a Hydrotreater and SRU at 70,300 b/d Tulsa, Oklahoma Refinery

Holly Corporation is planning to build a 25,000 b/d hydrotreater and sulfur recovery unit to allow its Tulsa refinery to produce ultra-low-sulfur diesel (ULSD). The refinery was acquired from Sunoco in June 2009.

<http://www.marketwire.com/press-release/Industrial-Info-Resources-1003049.html>

## Mexico's Pemex Optimistic on Cantarell and Ku Maloob Zaap Oil Fields

Pemex executives plan to stabilize the rate of decline at the company's Cantraell oil field from 30 percent in 2008 to 10 percent in 2009 by employing water separation facilities at wells that were previously shut due to significant water production. Pemex is also injecting nitrogen and drilling more technically advanced horizontal wells at the company's Ku Maloob Zaap field to maintain production at 830,000 b/d for the next seven years, a significant improvement from earlier outlooks, which saw output at the field dropping to 600,000 b/d by 2016.

[http://www.rigzone.com/news/article.asp?a\\_id=77158](http://www.rigzone.com/news/article.asp?a_id=77158)

## Natural Gas

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Nothing to report.

## Other News

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### Interior Department Review Shines Light on Controversial Utah Oil and Gas Leases

A report released June 11 by the U.S. Department of the Interior reveals flaws in the process through which a controversial set of oil and gas leases were offered in Utah in the waning days of the previous Administration, including several near Arches and Canyonlands National Parks, and Dinosaur National Monument. As a follow up measure, Secretary of the Interior Ken Salazar has directed the Bureau of Land Management (BLM) to conduct a final decision-making review of the 77 parcels in question. The report groups the parcels into categories, noting that some of the parcels, particularly those in areas with existing oil and gas development, may be appropriate for development after a final review. Other parcels in and near sensitive landscapes will require a more extensive, site-specific review.

Press Release: [http://www.doi.gov/news/09\\_News\\_Releases/061109a.html](http://www.doi.gov/news/09_News_Releases/061109a.html)

Full Report: <http://www.doi.gov/utahreport/>

## Energy Prices

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U.S. Oil and Gas Prices			
June 12, 2009			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	72.00	69.24	135.81
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.51	3.58	12.49

Source: Reuters

## Energy Notes

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### US Senate Energy Panel Widens FERC Market Manipulation Authority

<http://www.platts.com/Electric%20Power/News/8630953.xml?p=Electric%20Power/News&sub=Electric%20Power>

### API Issues Statement on Refinery Safety

<http://www.api.org/newsroom/>

## Shell Service Station Begins Selling Gasoline Blended with 10 Percent Wheat-Straw Cellulosic Ethanol in Ottawa, Onatrio

[http://www.shell.com/home/content/media/news\\_and\\_library/press\\_releases/2009/iogen\\_canada\\_10062009.html](http://www.shell.com/home/content/media/news_and_library/press_releases/2009/iogen_canada_10062009.html)

### Links

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***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.

### ENERGY ASSURANCE DAILY

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

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