



# ENERGY ASSURANCE DAILY

Friday Evening, June 18, 2010

## ***Major Developments***

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### **Update: BP Captures 25,290 Barrels of Oil via Dual Recovery System at Blown-Out Well in Gulf of Mexico June 17**

BP collected approximately 16,020 barrels of oil, flared about 9,270 barrels of oil, and flared approximately 50.3 million cubic feet of natural gas on June 17, the company said on its website. The 25,290 barrel total marked the highest daily figure to date.

<http://www.bp.com/extendedsectiongenericarticle.do?categoryId=40&contentId=7061813>

### **Update: BP Ahead of Schedule in Drilling of Relief Well at Blown-Out Well in Gulf of Mexico: Spokesman**

<http://www.ogj.com/index/article-display/5043134068/articles/oil-gas-journal/general-interest-2/hse/2010/06/relief-well-ahead/QP129867/cmpid=EnlDailyJune182010.html>

### **Update: U.S. DOI's Inspector General's Office Looking at Ways to Improve MMS**

The U.S. Department of the Interior's (DOI) inspector general's office is considering ways to improve the Minerals Management Service (MMS), the DOI's Inspector General told a U.S. House subcommittee. The office is evaluating issues regarding the permit process, inspections and regulations.

[http://www.ogj.com/index/article-display/6922489423/articles/oil-gas-journal/general-interest-2/government/2010/06/doi\\_s-in-house\\_watchdog/QP129867/cmpid=EnlDailyJune182010.html](http://www.ogj.com/index/article-display/6922489423/articles/oil-gas-journal/general-interest-2/government/2010/06/doi_s-in-house_watchdog/QP129867/cmpid=EnlDailyJune182010.html)

### **Update: Leaking Oil in Gulf Contains Approximately 40 Percent Methane, or about 8 Times Higher than Normal Levels: Texas A&M Oceanographer**

<http://www.google.com/hostednews/ap/article/ALeqM5gIXWYBTpLtSayJtg41LKXpxSxVPAD9GDO2VG1>

## ***Electricity***

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### **Update: PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey Ramped Up to 98 Percent by June 18**

PSE&G shut the unit on June 15 to fix a valve, a spokesman said previously. The Nuclear Regulatory Commission reported that on the morning of June 17 the unit was operating at 8 percent.

[http://www.nj.com/business/index.ssf/2010/06/salem\\_1\\_nuclear\\_reactor\\_has\\_un.html](http://www.nj.com/business/index.ssf/2010/06/salem_1_nuclear_reactor_has_un.html)

[http://www.nj.com/business/index.ssf/2010/06/psegs\\_salem\\_1\\_nuclear\\_reactor.html](http://www.nj.com/business/index.ssf/2010/06/psegs_salem_1_nuclear_reactor.html)

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan at Full Power by June 18**

The unit shut automatically on June 6 after strong thunderstorms affected one of two offsite power feeds to the plant, the company said previously. Operators declared an Alert shortly after, citing to potential physical damage to a building inside the plant's Protected Area. The storm appeared to have blown some siding off a plant building. The Nuclear Regulatory Commission reported that on the morning of June 17 the unit was operating at 34 percent.

<http://dteenergy.mediaroom.com/index.php?s=43&item=523>

Information also derived from the NRC Power Reactor Status Reports:

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

## **Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 2 in Alabama at Full Power by June 18**

The unit shut automatically on June 9 due to the "closure of main steam isolation valves," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of June 17 the unit was operating at 89 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100610en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

## **Suspicious Toolbox at Substation Leads to Highway Shutdown in Oklahoma City, Oklahoma June 16**

The incident forced shut a local highway for nearly two hours.

[http://newsok.com/explosion-threat-halts-traffic-flow/article/3469057?custom\\_click=lead\\_story\\_title](http://newsok.com/explosion-threat-halts-traffic-flow/article/3469057?custom_click=lead_story_title)

[http://www.newsok.com/no-copper-tampered-with-at-oge-substation/article/3469325?custom\\_click=lead\\_story\\_title](http://www.newsok.com/no-copper-tampered-with-at-oge-substation/article/3469325?custom_click=lead_story_title)

## **Update: State Regulators Deny PGE's Petition to Reduce Stringency of Pollution Controls in Exchange for Shutdown of Boardman Coal-Fired Power Plant by End of 2020**

The Oregon Environmental Quality Commission denied PGE's petition to reduce the stringency of regional haze pollution controls as part of the company's plan to close its Boardman coal-fired power plant by the end of 2020. Current regulations require the company to reduce the plant's nitrogen oxide emissions by 46 percent in 2011, cut its sulfur dioxide emissions by 80 percent in 2014, and slash its nitrogen oxide emissions by an additional 38 percent in 2017. PGE had sought to close the facility early – by December 31, 2020 – rather than investing in expensive pollution control equipment for the 2014 and 2017 requirements. "If they want to do a shutdown in 2020, they'll need to put more control devices on" than planned, according to an official with the Oregon Department of Environmental Quality.

<http://www.deq.state.or.us/news/prDisplay.asp?docID=3334>

[http://www.oregonlive.com/business/index.ssf/2010/06/regulators\\_give\\_thumbs\\_down\\_to.html](http://www.oregonlive.com/business/index.ssf/2010/06/regulators_give_thumbs_down_to.html)

## **AEP and Allegheny Energy to Open 765-kV, 275-Mile, West Virginia-to-Maryland PATH Transmission Line by June 1, 2015**

Grid operator PJM Interconnection directed American Electric Power (AEP) and Allegheny Energy American Electric Power (AEP) to open the proposed 765-kV, 275-mile, West Virginia-to-Maryland Potomac-Appalachian Transmission Highline (PATH) by June 1, 2015, at the latest. PJM identified construction of the line as the most effective solution to address numerous electric reliability concerns forecast for the Mid-Atlantic region, AEP and Allegheny Energy said on June 18.

[http://www.businesswire.com/portal/site/alleghenyenergy/permalink/?ndmViewId=news\\_view&newsId=20100618005651&newsLang=en](http://www.businesswire.com/portal/site/alleghenyenergy/permalink/?ndmViewId=news_view&newsId=20100618005651&newsLang=en)

## **Cannon Power Group Plans 100 MW Expansion at Existing 400 MW Windy Point/Windy Flats Wind Farm in Washington**

Cannon Power Group received a federal grant for the project. Separately, the company plans to construct a 1,000 MW wind facility in Baja California, Mexico. That site would serve both Mexico and the United States.

<http://www.sdbj.com/news/2010/jun/17/cannon-receives-stimulus-funds-wind-farm/>

<http://www.renewableenergyworld.com/rea/news/article/2010/06/cannon-power-to-expand-wind-project-with-federal-grant>

## **Update: Southern Company and DOE Agree to Conditional Nuclear Loan Guarantee Terms for Proposed Nuclear Power Units at Existing Vogtle Nuclear Power Plant in Georgia**

Southern Company's Georgia Power subsidiary and the U.S. Department of Energy (DOE) agreed to conditional nuclear loan guarantee terms for two proposed new units at the company's existing Vogtle nuclear power plant in Georgia, the company said on June 18. Southern expects to open one unit in 2016 and another in 2017.

<http://southerncompany.mediaroom.com/index.php?s=43&item=2118>

## **Japan and United States to Explore Smart Grid Transmission Network in Hawaii and Okinawa**

Japan and the United States plan to jointly pursue an experimental plan for a smart grid power transmission system in Okinawa, Japan and Hawaii, United States.

<http://mdn.mainichi.jp/mdnnews/business/news/20100618p2g00m0bu008000c.html>

## ***Petroleum***

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### **Update: Valero Returning Coker to Planned Rates after Two Snags at 170,000 b/d Benicia, California Refinery June 17-18**

Both upsets were related to steam releases. Valero did not expect either incident to have any “material impact to production,” a spokesman said. Several workers were slightly injured in the first incident, according to a refinery spokeswoman.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141302>

<http://www.sfgate.com/cgi-bin/article.cgi?f=/baycitynews/a/2010/06/17/refinery1717.DTL&tsp=1>

### **Update: After Mid-Week Snag, ExxonMobil Resumes Normal Operations at 503,000 b/d Baton Rouge, Louisiana Refinery**

The company repaired the affected equipment and resumed normal operations, a spokesman said.

[http://online.wsj.com/article/BT-CO-20100618-705759.html?mod=WSJ\\_World\\_MIDDLEHeadlinesEurope](http://online.wsj.com/article/BT-CO-20100618-705759.html?mod=WSJ_World_MIDDLEHeadlinesEurope)

Reuters, 10:31 June 17, 2010

### **Lightning Strike Triggers Fire at Oil Storage Tanks in Kansas June 16**

Six oil storage tanks caught fire after a lightning strike in Wabaunsee County, Kansas on June 16, according to the local Sheriff Department. Firefighters extinguished the blaze in just over two hours.

<http://www.ktka.com/news/2010/jun/17/lightning-strike-blame-oil-storage-tank-fires/>

### **Citing Jammed Pig, Buckeye Pipeline Sees Delays along Pennsylvania-to-New York Oil Product Pipeline June 18**

Buckeye Pipeline said its Macungie, Pennsylvania-to-Albany, New York gasoline pipeline was delayed by about two days after a cleaning device, or pig, got stuck along the line. The line was operating at approximately 70 percent capacity, and it was expected to remain at that percentage for several days. The company plans to shut the line – and dislodge the pig - at the end of the current cycle.

Reuters, 11:06 June 18, 2010

### **Update: Cenovus Energy Has No Plans to Expand Existing U.S. Refineries, Despite Possibility that Oil Sands Output Could Exceed Refining Capacity**

Reuters, 17:39 June 17, 2010

## ***Natural Gas***

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### **Update: Energy Transfer Partners Files with FERC for Proposed 400 MMcf/d Expansion along Planned 2 Bcf/d Texas-to-Louisiana Tiger Natural Gas Pipeline**

Energy Transfer Partners, L.P. filed with the Federal Energy Regulatory Commission (FERC) to construct and operate a 400 MMcf/d expansion along the company’s proposed 2 Bcf/d, 42-inch, 175-mile, Texas-to-Louisiana Tiger natural gas pipeline. The company broke ground on the 2 Bcf/d phase earlier this month. It expects to begin service in the first quarter of 2011, and open the 400 MMcf/d expansion – bringing the line’s capacity to 2.4 Bcf/d – in the last half of 2011.

[http://www.energytransfer.com/press\\_release.aspx?idPressRelease=342](http://www.energytransfer.com/press_release.aspx?idPressRelease=342)

## Other News

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### Update: EPA Postpones Until Fall Decision on Whether to Permit 15 Percent Ethanol Blend - Agency Says Separately That it Will Consider 12 Percent Blend

The U.S. Environmental Protection Agency (EPA) said it would not decide until the fall of 2010 whether to increase the maximum amount of ethanol blended with gasoline from 10 to 15 percent. The EPA said it expected to finish testing by the end of September, 2010, but said that early tests were positive. Separately, the EPA said it would consider a request from Archer Daniels Midland Co. (ADM) to permit a 12 percent ethanol blend. In its petition, ADM referred to E12 as “substantially similar” to E10 gasoline.

<http://ethanol-news.newslib.com/story/6938-35680/>

<http://ethanol-news.newslib.com/story/6938-35677/>

### Update: Aventine Plans to Complete Two 108 MMGal/Yr. Ethanol Plans by End of 2010

Aventine Renewable Energy plans to restart two, 108 MMGal/Yr. ethanol plants - one in Aurora, Nebraska and another in Mount Vernon, Indiana – by the end of 2010, according to a news source. The company halted construction on both plants before it declared bankruptcy in February 2009, it said in a previous news release.

<http://www.pnewsire.com/news-releases/aventine-successfully-emerges-from-bankruptcy-87811492.html>

<http://www.agra-net.com/portal2/home.jsp?template=newsarticle&artid=20017785001&pubid=ag072>

### U.S. Army Corps of Engineers Suspends Streamlining Permit Process for Surface Coal Mining Projects in Appalachian Region

The U.S. Army Corps of Engineers suspended the use of Nationwide Permit 21 (NWP 21) for surface coal mining projects in Kentucky, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia citing the potential for “more than minimal impacts to aquatic resources.” NWP 21 is used to authorize discharges of dredged or fill material into waters of the United States for surface coal mining activities. An official with the Army Corps referred to the suspension as “an interim measure to protect the aquatic environment while we evaluate future modification of NWP 21 or until NWP 21 expires in March of 2012.” Proposed surface coal mining projects involving discharges of dredged or fill material into U.S. waters will have to obtain approval from the Department of the Army under the Clean Water Act. The move will directly impact only five pending applications

<http://www.army.mil/-news/2010/06/17/40990-army-corps-of-engineers-to-suspend-nationwide-permit-21-in-appalachian-region/index.html>

<http://www.wvpubcast.org/newsarticle.aspx?id=15372>

<http://www.google.com/hostednews/ap/article/ALeqM5hbbFPMnYc-1CzZJewyhOiIm-tgLAD9GD7LAG0>

### FERC Recommends Public-Private Coalition to Spur Demand Response Programs across United States

Public institutions and private sector organizations should form a coalition to help states, localities, and regions develop and deploy successful and cost-effective electric demand response programs, the Federal Energy Regulatory Commission (FERC) said in a report.

<http://www.ferc.gov/news/news-releases/2010/2010-2/06-17-10-A-3.asp>

## Energy Prices

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U.S. Oil and Gas Prices			
June 18, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	76.88	73.41	71.16
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	5.14	4.68	3.99
\$/Million Btu			

Source: Reuters

**Equipment Snag Knocks Out Power Briefly to Nearly 16,000 Customers in Sault Ste. Marie, Canada June 17**

<http://www.soonews.ca/viewarticle.php?id=26590>

**Storms Cut Power to 10,000 Duke Energy Customers in South Carolina June 17 – Company Restores Power to Nearly All Affected Customers by June 18**

<http://www.greenvilleonline.com/article/20100618/NEWS/306180030/Hot-sunny-weather-expected-today-in-Greenville>

**ComEd Says Dig-ins Caused Power Outages to 40,000 Customers in 2009 – Company Reminds Contractors to Call before Starting Excavation Work**

[https://www.comed.com/sites/newsroom/News%20Room/newsroomreleases\\_06172010.aspx](https://www.comed.com/sites/newsroom/News%20Room/newsroomreleases_06172010.aspx)

**Man Indicted for Alleged Copper Thefts in Maryland – Purported Crimes Involved Cables Valued at More than \$300,000**

<http://voices.washingtonpost.com/crime-scene/anne-arundel/indictment-in-md-copper-theft.html>

**Lower Colorado River Authority Shelves Proposed 85-Mile Transmission Line in Texas, Pending State Guidance on Project's Necessity**

<http://sanantonio.bizjournals.com/sanantonio/stories/2010/06/14/daily25.html>

**San Francisco City Lawyer Petitions State to Block PG&E's Smart Meter Installations, Pending Investigation into Accuracy of Devices**

[http://www.contracostatimes.com/news/ci\\_15319585?source=rss&nclick\\_check=1](http://www.contracostatimes.com/news/ci_15319585?source=rss&nclick_check=1)

**University of Cambridge Researchers Say Security and Data Issues Regarding Smart Meters are Not Adequately Addressed, and that the Value of Smart Meter Devices Remains Unproven**

[http://news.cnet.com/8301-27080\\_3-20007672-245.html](http://news.cnet.com/8301-27080_3-20007672-245.html)

**ExxonMobil Sees no Impact to Production after “High Compressor Discharge Pressure” and Flaring at 567,000 b/d Baytown, Texas Refinery June 17**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141302>

**U.S. District Court Rejects State Bid to Drop Lawsuit against California Air Resources Board's Low-Carbon Fuel Standard**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=23033](http://www.downstreamtoday.com/news/article.aspx?a_id=23033)

**Update: Suncor Receives Provincial Okay for Proposed Oil Sands Tailings Management Plan in Alberta, Canada by June 17**

<http://www.suncor.com/en/newsroom/2418.aspx?id=1278055>

**Russia's Putin to Back U.S.-Russian Plan to Explore for Crude in Black Sea, Offshore Russia**

[http://newsok.com/russia-to-support-oil-drilling-in-black-sea/article/feed/166020?custom\\_click=rss](http://newsok.com/russia-to-support-oil-drilling-in-black-sea/article/feed/166020?custom_click=rss)

**Up to 4,400 Chevrolet Volt Buyers Could Receive Stimulus-Funded Home Electric Charging Station**

<http://content.usatoday.com/communities/driveon/post/2010/06/obama-stimulus-to-pay-for-15000-home-electric-car-charging-units/1>

## 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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