



ENERGY ASSURANCE DAILY

Thursday Evening, June 25, 2009

Electricity

Federal, State Regulators Suggest Entergy Should Join Regional Grid Operator to Solve Ongoing Grid Complaints

In a meeting June 24 between Entergy, FERC, and state regulators from Arkansas, Louisiana, Mississippi, and Texas, the regulators suggested that Entergy put its electric system under the oversight of an Independent System Operator (ISO) or Regional Transmission Organization (RTO). FERC offered to help states pay for a third-party analysis due later in 2009 that will weigh the potential benefits of Entergy joining the Southwest Power Pool, an RTO. Complaints about lack of access to Entergy's grid, frequent congestion, and limited expansion have been ongoing for nearly a decade.

Reuters, 16:50 June 24, 2009

DOE Announces Availability of \$3.9 Billion to Invest in Smart Grid Technologies and Electric Transmission Infrastructure

U.S. Energy Secretary Steven Chu announced June 25 that the Department of Energy is soliciting applications for \$3.9 billion in grants to support efforts to modernize the electric grid, allowing for greater integration of renewable energy sources while increasing the reliability, efficiency and security of the nation's transmission and distribution system, as part of the American Recovery and Reinvestment Act.

<http://www.energy.gov/news2009/7503.htm>

AEP, Southern Co. Withdraw from DOE's FutureGen Clean Coal Project

American Electric Power (AEP) will withdraw July 1 and Southern Company will withdraw immediately. The Department of Energy expected that the 275 MW plant would get \$1.1 billion in federal funding and as much as \$600 million in industry support. BHP Billiton Ltd., Peabody Energy Corp., Consol Energy Inc., E.ON AG, Anglo American Plc, Rio Tinto Plc, Foundation Coal Holdings Inc., a Xstrata Plc unit and China Huaneng Group are other companies involved in the alliance.

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aBeVHVGr7KE>

Arkansas Appeals Court Rejects State Permit for AEP/SWEPCO's Proposed 600 MW John W. Turk Jr. Coal-fired Power Plant June 24

The Arkansas Court of Appeals rejected a state construction permit granted to the AEP/SWEPCO that would allow it to build a coal-fired power plant in southwestern Arkansas saying that state regulators did not adequately review plans for the plant.

http://www.news-journal.com/news/content/news/stories/2009/06/25/06252009_SWEPCO_reject.html

http://pepei.pennnet.com/Articles/Article_Display.cfm?Section=ARTCL&SubSection=Display&PUBLICATION_ID=6&ARTICLE_ID=365138

Update: Southern's 883 MW Hatch Nuke Unit 2 in Georgia Ramps Up to 22 Percent by June 25

The unit restarted by early June 24 after workers replaced a faulty water-level controller that caused the unit to automatically trip during a restart attempt by early June 23.

Bloomberg News, 11:45 GMT June 25, 2009

Information derived from the NRC Power Reactor Status Reports:

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

Update: Entergy's 510 MW Vermont Yankee Nuke Unit in Vermont Ramps Up to 70 Percent June 25

The unit is expected to reach full power later on June 25 after repairs are completed to fix a leak of river water into the plant's condenser. The plant was operating at 50 percent of capacity on the morning of June 25 according to the NRC. The unit had been reduced to 41 percent of capacity by the morning of June 24.

Bloomberg News, 15:54 GMT June 25, 2009

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

AEP's 675 MW Pirkey Coal-fired Unit in Texas Shut June 24

The unit shut down for an unplanned maintenance outage to repair a transformer.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=125996>

Reuters, 8:26 June 25, 2009

Update: AES's 498 MW Alamos Gas-fired Unit 5 in California Returns to Service by June 24

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 428 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200906241515.html>

AES's 493 MW Redondo Gas-fired Unit 7 in California Shut by June 24

According to the California Independent System Operator, the unit reported an unplanned outage on June 24.

<http://www.caiso.com/unitstatus/data/unitstatus200906241515.html>

Elk Hills Power's 552 MW Elk Hills Gas-fired Power Plant in California Reduced by June 24

According to the California Independent System Operator, the unit reported an unplanned curtailment of 320 MW on June 24.

<http://www.caiso.com/unitstatus/data/unitstatus200906241515.html>

PG&E's 339 MW Gateway Gas-fired Unit in California Shut June 24

Reuters, 8:26 June 25, 2009

Update: NRG's 335 MW El Segundo Gas-fired Unit 3 in California Shut June 24

On June 23, the unit reported a curtailment of 195 MW.

Reuters, 8:26 June 25, 2009

Petroleum

Fire Shuts CDU at Lion Oil's 70,000 b/d El Dorado, Arkansas Refinery June 25

According to a company spokesman, operations will be curtailed for 2-3 days after a fire early June 25 shut the refinery's crude distillation unit (CDU). The fire involved a crude pump and was quickly extinguished.

Bloomberg News, 17:20 GMT June 25, 2009

FCCU Reportedly Shut at ExxonMobil's 563,000 b/d Baytown, Texas Refinery June 24

A union official told Bloomberg News that a fluid catalytic cracking unit (FCCU) was shut at the refinery on June 24 due to the loss of a cooling tower. Other units related to the cooling tower are reportedly operating at reduced rates. An Environmental Protection Agency (EPA) spokesman confirmed that the company began shutting a unit at the refinery yesterday due to the loss of a cooling tower.

Bloomberg News, 16:57 GMT, June 25, 2009

Bloomberg News, 16:27 GMT, June 25, 2009

Minor Power Disruptions Reported at Two Texas City Refineries June 24

Minor power disruptions were reported at Valero's 210,000 b/d refinery and Marathon Oil's 81,500 b/d refinery in Texas City, Texas. The Galveston County Daily News reports that the power outage caused two units to shut at the Valero refinery. A Valero spokesman said that all units were operating normally on June 25. Marathon reported that the outage had "virtually no affect" on operations.

Bloomberg News, 13:45 GMT June 25, 2009

Update: Shell Completes Work at 98,000 b/d Scotford Refinery in Alberta, Canada June 25 Maintenance Continues on Adjacent 150,000 b/d Scotford Upgrader

A Shell spokesman said that unplanned maintenance had been completed at the company's Scotford refinery near Edmonton, Alberta but maintenance continued at the adjacent Scotford Upgrader, which processes oil sands bitumen into synthetic crude oil. The two facilities have been under maintenance since June 18. Separately, some Shell gas stations in Calgary, Alberta reported running out of fuel over the weekend.
Bloomberg News, 17:12 GMT June 25, 2009

Militants Attack Shell's Billie-Krakama Pipeline in Nigeria June 25

The Movement for the Emancipation of the Niger Delta (MEND) claims to have attacked Shell's Billie-Krakama Pipeline in the Niger Delta, shutting the pipeline's Cawthorne Channel 1, 2 and 3 flow stations that feed the Bonny export terminal. As a result fuel supply issues caused by this recent attack and previous attacks on crude pipelines in Nigeria, the Nigerian National Petroleum Company (NNPC) has been forced to shut its 125,000 b/d Warri refinery and 150,000 b/d Port Harcourt refinery. Africa World News reports that MEND said it attacked the Shell pipeline to send a warning to Russian President Dmitri Medvedev not to invest in Nigeria. Medvedev visited Nigeria on June 24 and Russia's Gazprom signed an agreement with NNPC to develop gas resource and infrastructure in the country.
<http://www.platts.com/Oil/News/8663047.xml?p=Oil/News&sub=Oil>
<http://www.bloomberg.com/apps/news?pid=20601116&sid=ah6hirLBQTac>
<http://www.earthtimes.org/articles/show/274797,nigerian-militants-hit-oil-pipeline-in-message-to-medvedev.html>

Plans Announced for Fourth Dock to Relieve Congestion at 11.2 Million bbl Houston Fuel Oil Terminal in Texas

http://www.portworld.com/news/i86501/Fuel_oil_terminal_to_add_new_dock

Natural Gas

ONEOK Sets Open Season for 5.5 Bcf Storage Facility in Loop, Texas

ONEOK Texas Gas Storage, L.L.C. is holding a non-binding open-season bidding process, which begins June 25, 2009, and concludes July 22, 2009, for firm intrastate natural gas storage at its Loop, Texas, natural gas storage facility. The open season for this natural gas storage capacity provides customers with the opportunity to bid for up to 5.5 Bcf of storage capacity that will be available with the reactivation of the storage field. The additional storage space is currently projected to be available in April 2011.
http://www.downstreamtoday.com/news/article.aspx?a_id=16860

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
June 25, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	70.24	71.16	132.38
\$/Barrel			
NATURAL GAS			
Henry Hub	3.80	3.99	12.96
\$/Million Btu			

Source: Reuters

Energy Notes

Acid Gas Compressor Briefly Shut at Waha Gas Plant in Texas June 24

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=125994>

Laden 109,571 dwt Maersk Phoenix Aframax Crude Oil Tanker Attacked by Pirates in Gulf of Aden June 21 – Hijacking Averted

http://www.portworld.com/news/i86461/Laden_Maersk_aframax_attacked_in_Gulf_of_Aden

Laden 302,000 dwt Unidentified VLCC Reportedly Attacked by Pirates in Red Sea June 19 – Hijacking Averted

http://www.portworld.com/news/i86461/Laden_Maersk_aframax_attacked_in_Gulf_of_Aden

NNSA to Convert Bomb-Grade Uranium into Commercial Fuel

<http://www.oakridger.com/breaking/x998784341/12-tons-of-bomb-grade-uranium-from-Y-12-to-be-made-into-fuel>

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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