



# ENERGY ASSURANCE DAILY

Friday Evening, June 27, 2008

## ***Electricity***

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### **NERC Issues Reliability Advisories on February Florida Outage**

The analysis of the February 26, 2008 category four system disturbance in Florida has led to the release of three industry-wide reliability advisories, announced by the North American Electric Reliability Corporation (NERC) June 26. The first deals directly with the root cause of the outage, a decision to disable key protective relays in a substation west of Miami while troubleshooting was underway. The advisory encourages the industry to review practices and procedures to ensure that proper authorizations are obtained before such measures are taken. The remaining two advisories focus on the capabilities of generation plants to “ride-through” changes in voltage or frequency on the system without unexpectedly disconnecting from the grid, while still protecting generating equipment from permanent damage. They also include provisions to help grid operators and planners better understand and account for generators that may disconnect from the grid during a severe disturbance.

[http://ftp.nerc.com/pub/sys/all\\_updl/docs/pressrel/PR\\_062608\\_Florida\\_Advisories.pdf](http://ftp.nerc.com/pub/sys/all_updl/docs/pressrel/PR_062608_Florida_Advisories.pdf)

### **Storms Knock Out Power to 51,000 DTE Energy Customers in Metro Detroit June 26**

A line of storms roared through the metro Detroit area before 6:00 PM CDT, June 26, knocking out power to more than 51,000 DTE Energy customers. As of midday, June 27, DTE Energy reported about 9,000 customers still without power. The company expects to restore power to all customers by the end of Friday, provided new storms don't come through the area. Weather forecasts predict a new wave of thunderstorms could impact the area over the weekend.

<http://www.freep.com/apps/pbcs.dll/article?AID=/20080627/NEWS07/80627067>

<http://www.freep.com/apps/pbcs.dll/article?AID=/20080626/NEWS05/80626064/1007/NEWS05>

<http://detnews.com/apps/pbcs.dll/article?AID=/20080627/METRO/806270404>

### **Duke Energy's 1,100 MW McGuire Nuke Unit 1 in North Carolina Shut June 26**

The company told the U.S. Nuclear Regulatory Commission that the loss of a reactor coolant pump caused the unit to automatically trip off-line late June 26. The NRC reported that on the morning of June 26 the unit was operating at full power.

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

<http://uk.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUKN2730389120080627>

### **Entergy's 966 MW River Bend Nuke Unit 1 in Louisiana Reduced to 18 Percent by June 27**

According to an Entergy spokesman, the unit was reduced to 18 percent of capacity so that workers could check a warning indicator for a pump in the unit's cooling system. If the issue is minor, the unit may return to full output quickly. The Nuclear Regulatory Commission reported that on the morning of June 26 the unit was operating at full power.

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Reuters, 11:37 June 27, 2008

### **Update: AEP Plans to Restart 675 MW Pirkey Coal-fired Unit in Texas June 26-30**

The will return from a short outage to fix a boiler tube leak.

Reuters, 16:42 June 27, 2008

## **Update: Reliant's 215 MW Mandalay Gas-fired Unit 1 in California Returns to Service by June 26**

According to the California Independent System Operator, the unit returned from an unplanned outage by June 26.  
<http://www.caiso.com/unitstatus/data/unitstatus200806261515.html>

## **FPL Energy Proposes 1,000 MW Wind Farm in North Dakota**

FPL Energy wants to build a 1,000 MW wind farm consisting of 667 wind turbines over 250 square miles in Oliver and Morton counties. FPL Energy filed a letter of intent with North Dakota's Public Service Commission to build the project. The company says it intends to submit a formal application in July 2009, and it wants a construction permit by May 2010.

<http://www.businessweek.com/ap/financialnews/D91118E03.htm>

## **Construction to Begin on Kleen Energy's 620 MW Gas/Oil-fired Power Plant in Connecticut**

The plant, which will burn natural gas low-sulfur oil, is expected to enter service in 2010.

<http://www.courant.com/news/local/mr/middletown/hc-kleenenergy0626.artjun26.0.1628395.story>

## ***Petroleum***

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### **Power Outage Briefly Shuts FCC and Boiler at Delek's 58,000 b/d Tyler, Texas Refinery**

According to a filing with Texas regulators, Delek began restarting a fluidic catalytic cracking unit and boiler late June 26 following a "brief power interruption." A Delek spokeswoman interviewed by Bloomberg News said the refinery is back to normal operations.

Bloomberg News, 14:50 June 27, 2008

### **ConocoPhillips Reports 'Process Upset' at 146,000 b/d Borger, Texas Refinery June 27**

According to a filing with Texas regulators, the refinery experienced a "process upset" on June 27. A company spokesman interviewed by Bloomberg News said that the event had no impact on production.

Bloomberg News, 15:55 June 27, 2008

### **Update: Cano Limon-Covenas Oil Pipeline in Colombia Restarts after Bombings**

A spokesman for Ecopetrol, Colombia's state oil company said that the pipeline restarted operations on the evening of June 26 after being shut down due to rebel bomb attacks on June 21 and June 24. The pipeline, which is jointly owned by Ecopetrol and Occidental, has the capacity of 225,000 b/d but was transporting an average of 96,000 b/d when it was attacked.

Reuters, 09:59 June 27, 2008

### **Alaska Hires Firm To Assess Risks to Oil & Gas Infrastructure**

The State of Alaska has selected Emerald/ABS Consulting team to conduct a comprehensive assessment of Alaska's oil and gas infrastructure. Governor Sarah Palin announced this comprehensive, three-year initiative in May 2007. In addition to the State Agency Oversight Team, participation from federal agencies, local government, industry, environmental groups, and the public will be actively sought and incorporated at key points throughout the project. The risk assessment will evaluate Alaska's crude oil infrastructure and risks to safety, the environment and reliability. At the conclusion of the study, the project will result in recommendations related to any risks to the system. The first task of the Emerald/ABS Consulting team will be developing a project design and detailed scope of study to assess the risk of Alaska's existing oil and gas infrastructure from Prudhoe Bay to the marine loading terminal in Valdez, plus Cook Inlet.

[http://www.dec.state.ak.us/press\\_releases/2008/2008\\_06\\_24RA%20Contract%20Awarded%20to%20Doyonemerald.pdf](http://www.dec.state.ak.us/press_releases/2008/2008_06_24RA%20Contract%20Awarded%20to%20Doyonemerald.pdf)

### **Rocky Mountain Pipeline Announces Reversal of Wamsutter Pipeline**

Rocky Mountain Pipeline System LLC ("RMPS"), an indirect subsidiary of Plains All American Pipeline, L.P., announced June 27 that it has received a long-term customer commitment to transport Southwest Wyoming Sweet production from RMPS's facilities at Wamsutter, Wyoming to its facilities at Ft. Laramie, Wyoming. As a result, RMPS plans to reverse its Wamsutter pipeline, which currently transports Rocky Mountain Sweet crude oil from Ft. Laramie to Wamsutter. Completion of the pipeline reversal is expected in the first quarter of 2009.

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?BzID=789&ResLibraryID=25183&Category=117>

## Natural Gas

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### **Update: Commerce Dept. Overrides Maryland's Objection to Sparrows Point LNG Terminal, Upholds Massachusetts Objection to Weaver's Cove LNG Terminal**

The Department of Commerce June 27 issued a decision overriding the State of Maryland's objection to the AES Sparrows Point LLC proposal for a 1.5 Bcf/d LNG receiving terminal and pipeline east of the Port of Baltimore, and at the same time upheld the Commonwealth of Massachusetts' objection to a Weaver's Cove Energy LLC proposal for an LNG facility and associated pipeline near Fall River, Massachusetts.

<http://intelligencepress.com/>

### **Update: Coast Guard Tells Broadwater Energy that Long Island Sound can be Made Suitable for LNG Marine Traffic**

Broadwater Energy on June 26 received its Letter of Recommendation (LOR) from the U.S. Coast Guard Captain of the Port (COPT) Long Island Sound addressing the suitability of the waterway to accommodate LNG vessels and the operations of the Broadwater facility. The LOR reflects the conclusions of the Waterway Suitability Report on Broadwater issued on September 21, 2006, which determined that the Sound could be made suitable for shipments with the identified additional measures to responsibly manage risks to navigation safety and maritime security. Broadwater seeks to build and install a floating facility moored in the Long Island Sound to receive imports of liquefied natural gas (LNG).

[http://www.broadwaterenergy.com/pdf/Broadwater\\_recieves\\_affirmative\\_Letter\\_of\\_Recommendation\\_from\\_the\\_U\\_S\\_Coast\\_Guard.pdf](http://www.broadwaterenergy.com/pdf/Broadwater_recieves_affirmative_Letter_of_Recommendation_from_the_U_S_Coast_Guard.pdf)

## Other News

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### **Moglia Advisors Says 12 Biodiesel and Ethanol Plants Have Declared Bankruptcy**

Moglia Advisors said about 12 small to midsize biodiesel and ethanol plants have declared bankruptcy in recent months due to high corn and soy prices, rising construction costs, and tighter credit markets. Corn prices hit a new record above \$8 per bushel this week as floods this month devastated crops throughout the Midwest. Renova Energy LLC, a company that owns a partially built 20 million-gallons-per year ethanol plant in Idaho, was the latest to declare bankruptcy last week. Kansas-based Ethanex Energy Inc declared bankruptcy in March. Moglia expects more to follow.

Reuters, 13:25 June 27, 2008

### **Green Field Ethanol to Construct MSW-to-Ethanol Plant in Edmonton, Alberta**

The City of Edmonton has signed a deal with Green Field Ethanol to construct a biofuels facility that will initially produce 9.5 million gallons of ethanol per year from municipal solid waste (MSW). The facility will be the first of its kind in the world that is of industrial scale.

<http://www.edmonton.ca/citygov/newsrls/rls0409.pdf>

## Energy Prices

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<b>U.S. Oil and Gas Prices</b>			
June 27, 2008			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	141.53	134.92	68.98
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	13.10	13.09	6.74

Source: Reuters

## Energy Notes

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### Explosion Causes Power Outage in Downtown Colorado Springs June 24

[http://www.gazette.com/news/power\\_37632\\_\\_\\_article.html/explosion\\_caused.html](http://www.gazette.com/news/power_37632___article.html/explosion_caused.html)

### Proposed Oil Lease Bill Would Reduce U.S. Energy Security – Whitehouse Argument that Companies are ‘Sitting On’ Productive Lease Argument seen as Absurd

<http://www.whitehouse.gov/omb/legislative/sap/110-2/saphr6251-h.pdf>

### Consolidated Edison Workers in New York May Strike

[http://www.bloomberg.com/apps/news?pid=20601072&sid=a3rDfbkxy\\_C8&refer=energy](http://www.bloomberg.com/apps/news?pid=20601072&sid=a3rDfbkxy_C8&refer=energy)

### Shell Opens Los Angeles’ First Combined Hydrogen and Gasoline Station

<http://www.prnewswire.com/>

### NRG Energy, Inc. Adds 40 Megawatts of Capacity to 60 MW Gas-fired Cos Cob Generating Station in Connecticut June 26

<http://www.snl.com/irweblinkx/file.aspx?IID=4057436&FID=6305221>

### Update: White-Collar Chevron Workers Strike in Nigeria Enters Fifth Day; Output Unaffected

Bloomberg News, 08:11 June 27, 2008

### Update: Nigerian Militants Release 11 Crew Members from Hijacked Chevron Supply Vessel June 26

[http://news.yahoo.com/s/afp/20080626/wl\\_africa\\_afp/nigeriaoilunrest:\\_ylt=AjCWg4GH\\_KfNIipghvMaC5u96Q8F](http://news.yahoo.com/s/afp/20080626/wl_africa_afp/nigeriaoilunrest:_ylt=AjCWg4GH_KfNIipghvMaC5u96Q8F)

## 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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*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/index.aspx>.

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