



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Wednesday Evening, July 07, 2010

Major Developments

Update: Poor Weather Slows Efforts to Install New Containment System at Blown-Out Well in Gulf of Mexico July 7

Crews had all the equipment on-site to connect the Helix Producer vessel to the blown-out MC252 oil well in the Gulf of Mexico, but crews were unable to "make the final connection" due to rough seas, a BP spokesman said on July 7. The company expects to begin operating the vessel later this week, he said. The vessel is slated to boost collection capacity to 53,000 b/d, according to AFP News.

DJN, 11:36 July 7, 2010

Update: BP Recovers About 24,760 Barrels of Oil at Site of Blown-Out Well in Gulf of Mexico July 6

BP collected 16,535 barrels of oil, flared an additional 8,225 barrels of oil, and flared about 57.5 million cubic feet of natural gas on July 6 via the dual recovery system at the blown-out MC252 well in the Gulf of Mexico, the company said on its website.

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

Update: Tar Balls Reach Texas Shores by July 6 – Oil Has Now Washed Up on All 5 U.S. Gulf Coast States

http://www.salon.com/news/louisiana_oil_spill/?story=/news/2010/07/06/us_gulf_oil_spill_70

Update: BP Announces Changes to Vessels of Opportunity Program July 6

A BP official met with Vessels of Opportunity participants to view operations and discuss several enhancements made to the program, BP said on July 6. The Vessels of Opportunity program employs local commercial fishing vessels to assist in the company's response in the Gulf of Mexico. To date, over 3,000 vessels have been activated for duty through the program across four states. To read more about the changes, click on the link below.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7063470>

Electricity

Heat Strains Grid, Knocking Out Power to About 93,000 Customers across U.S. Northeast July 5-7

A heat wave strained the electricity grid across multiple U.S. Northeast states, knocking power to about 93,000 customers from July 5-7, news and company sources reported. Utilities from New England to the U.S. Southeast issued heat advisories, urged conservation, and/or offered energy-saving tips as electric demand surged to record or near-record levels in multiple service territories. Con Edison reduced voltage by 8 percent to eight Brooklyn neighborhoods, it said on July 7, citing problems on electrical cables. The affected area included approximately 51,500 customers. New York State's peak electricity usage reached 33,452 MW on July 6, the third-highest peak on record, according to the New York Independent System Operator (NYISO). NYISO ordered reductions from numerous interruptible commercial customers, a spokesman said. The customers accounted for about 400 MW of demand, he said. Electricity consumption surged to 27,154 MW in New England on July 6, or the fourth-highest total ever, ISO New England said.

U.S. Northeast Customer Power Outages			
July 5 – July 7, 2010			
Electric Utility	State	Peak	Latest Reported
Con Edison	NY	25,000	3,821
LIPA	NY	1,368	1,368
Connecticut Light & Power	CT	19,382	393
PSE&G	NJ	14,000	6,300
National Grid	RI	12,000	72
PECO	PA	8,000	4,550
Baltimore Gas and Electric	MD	8,700	301
Pepco	DC	3,000	704
NStar	MA	1,500	1,000
TOTAL*		92,950	18,509

*Total outages only represent electric utilities listed in this table.

Sources:

Con Edison: http://www.coned.com/newsroom/news/pr20100707_2.asp ,

<http://www.coned.com/newsroom/news/pr20100707.asp> ,

<http://apps.coned.com/weboutageinfo/stormcenter/default.aspx>

LIPA: <http://www.lipower.org/stormcenter/outages/township.html> , <http://www.lipower.org/>

Connecticut Light & Power: <http://www.cl-p.com/outage/default.aspx> , <http://thestamfordtimes.com/story/488591> ,

<http://247wallst.com/2010/07/07/record-heat-stresses-northeast-power-grid/>

PSE&G: <http://cbs3.com/wireapnewsnj/What.s.next.2.1789931.html> ,

http://www.pseg.com/media_center/pressreleases/articles/2010/2010-07-07.jsp

National Grid (RI): <http://www.examiner.com/x-31031-Providence-Headlines-Examiner~y2010m7d7-RI-heat-wave-breaks-record-high-temperature-102-degrees-TF-Green-Airport-July-6-2010> ,

<http://www1.nationalgridus.com/narragansett/stormcenter/>

PECO: <http://www.peco.com/outagemap> ,

http://www.philly.com/inquirer/education/20100706_Phillly_takes_precautions_as_heat_wave_looms_over_area.html

Baltimore Gas and Electric: <http://www.bizjournals.com/baltimore/stories/2010/07/05/daily12.html> ,

<http://www.bge.com/portal/site/bge/menuitem.d522cd541f68df06fe537ea0376166a0/> ,

<http://www.bge.com/portal/site/bge/menuitem.42d31413f80c584606370f10d66166a0/>

Pepco: <http://www.pepco.com/home/emergency/maps/stormcenter/> , <http://voices.washingtonpost.com/local-breaking-news/dc/more-than-3000-without-power-i.html>

NStar: <http://wbztv.com/local/heat.power.outages.2.1791353.html> ,

http://news.bostonherald.com/news/regional/view/20100707boston_suffers_in_sweltering_heat/srv=home&position=0 , http://www.nstaronline.com/ss3/nstar_news/press_releases/2010/summer.asp

Duke Energy: <http://www.duke-energy.com/news/releases/2010070701.asp>

Dominion Virginia Power: <http://dom.mediaroom.com/index.php?s=43&item=904>

National Grid (NY): http://www.nationalgridus.com/aboutus/a3-1_news2.asp?document=5323

http://www.tva.com/news/releases/julsep10/hot_demand.html

NYISO:

http://www.nyiso.com/public/webdocs/newsroom/press_releases/2010/Heat_Pushes_NY_Power_Use_to_Near_Record_Peak_070610.pdf , <http://www.businessweek.com/news/2010-07-06/new-york-grid-cuts-some-customers-as-power-use-soars.html>

New England ISO: http://www.iso-ne.com/nwsiss/grid_mkts/demnd_days/index.html

Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington at Full Power by July 7

The Nuclear Regulatory Commission reported that on the morning of July 6 the unit was operating at 85 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Southern's 830 MW Farley Nuclear Unit 1 in Alabama at Full Power by July 7

The Nuclear Regulatory Commission reported that on the morning of July 6 the unit was operating at 77 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Duke Energy's 510 MW Moss Landing Gas-Fired Unit 1 in California Reduced by July 6

According to the California Independent System Operator, the unit reported an unplanned curtailment of 250 MW by July 6.

<http://www.caiso.com/unitstatus/data/unitstatus201007061515.html>

Update: Dominion Eyes Summer 2012 Start-Date for 585 MW Virginia City Hybrid Energy Center in Virginia

Dominion Virginia Power has completed approximately 65 percent of its proposed 585 MW Virginia City Hybrid Energy Center in Virginia and the company expects the facility to begin commercial operations in the summer of 2012, it said on July 7. The plant will run on coal and up to 20 percent biomass, according to Dominion's website.

<http://dom.mediaroom.com/index.php?s=43&item=905>

<http://www.dom.com/about/stations/fossil/virginia-city-hybrid-energy-center.jsp>

Horizon Wind Energy Drops Plans for 100 MW Wind Farm in Kansas

Several area landowners had been reluctant to commit to the project, citing alternate development possibilities.

<http://www.kansas.com/2010/07/06/1391723/wind-farm-ends-plans-near-wichita.html>

Recurrent Energy Plans 60 MW of Solar Power Facilities in California

The company plans to develop 12 individual 5 MW projects in California. It expects to open the facilities by the fall of 2012.

<http://www.smud.org/en/news/Documents/10archive/feed-in-tariff-7-7-10.pdf>

Petroleum

Heat Triggers Reduced Runs at ConocoPhillips' 238,000 b/d Bayway Refinery in Linden, New Jersey by July 7

ConocoPhillips was operating a 210,000 b/d crude processing unit at about 207,000 b/d due to severe heat, a personal familiar with the facility's operations said by July 7. The company was also running a 140,000 b/d gasoline-producing fluid catalytic cracking unit (FCC) at 107,000 b/d. A compressor issue was partly to blame for that reduction, according to the same source.

<http://online.wsj.com/article/BT-CO-20100707-706941.html>

Electrical Storm Forces Shut Units at Citgo's 167,000 b/d Lemont, Illinois Refinery July 6

An electrical storm forced offline multiple units at Citgo's 167,000 b/d Lemont, Illinois refinery on July 6, including the gasoline-producing fluid catalytic cracking unit (FCC), a company official said. Some units had returned to service as of early July 7, but the FCC remained shut, according to the official.

DJN, 12:18 July 7, 2010

ExxonMobil Sees No Impact to Production after Leak at 567,000 b/d Baytown, Texas Refinery by July 7

ExxonMobil reported a hole along a sour gas line at its 567,000 b/d Baytown, Texas refinery, but a company spokeswoman said the leak was plugged and the incident had not impacted production.

Reuters, 09:56 July 7, 2010

Update: Obama Administration Asks Federal Appeals Court to Restore Government-Imposed Deepwater Drilling Moratorium – Federal Judge Rejected Government's Ban Last Month

http://www.rigzone.com/news/article.asp?a_id=95590

Update: Deepwater Drilling Moratorium to Cut U.S. Crude Production by about 82,000 b/d in 2011: EIA

The federal government's six-month ban on deepwater drilling will reduce U.S. oil production by about 31,000 b/d in the fourth quarter of 2010 and approximately 82,000 b/d in 2011, the U.S. Energy Information Administration (EIA) said in its Short-Term Energy Outlook on July 7. The EIA had previously forecast that the moratorium would slash U.S. oil output by about 26,000 b/d in the fourth quarter of 2010 and approximately 70,000 b/d in 2011.

<http://www.eia.doe.gov/emeu/steo/pub/contents.html>

Update: Larger Companies Can Survive Six-Month Deepwater Drilling Moratorium, but Ban Will Force Small Drillers to Fold: Pride International CEO

DJN, 10:19 July 7, 2010

Update: Multiple Drillers Declare Force Majeure in Gulf of Mexico, Citing Government Moratorium

Devon, Murphy Oil, Chevron, and Arena declared force majeure on rigs under contract with Diamond Offshore in the U.S. Gulf of Mexico, Diamond Offshore said by July 6. The companies cited the government-imposed moratorium. Diamond Offshore, however, said it did not consider the moratorium as a relevant justification for declaring force majeure, “especially in light of the temporary injunction which immediately prohibited enforcement of the moratorium.”

http://www.rigzone.com/news/article.asp?a_id=95554

Marathon Shuts 9,000 b/d Gulf of Mexico-to-Venice, Louisiana Oil Pipeline for Associated Terminal Repairs July 6

Reuters, 16:00 July 6, 2010

Update: Holly Corporation and Sinclair Transportation Begin Final Construction Phase along Planned 406-Mile UNEV Products Pipeline in Utah and Nevada

The line would have an initial capacity of about 62,000 b/d, but would eventually be able to deliver 118,000 b/d, according to a project website. It would transport refined products from Salt Lake City, Utah to terminals in Cedar City, Utah and in Las Vegas, Nevada. The companies expect to open the line in 2011.

http://www.hollycorp.com/press_release.cfm?id=342

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

Tullow Expects First Oil in Late 2010 at Planned 120,000 b/d Jubilee Oilfield Offshore Ghana

Tullow Oil plans to begin production in November or December 2010, it said on July 6. The company expects to initially produce about 60,000 b/d, but increase output to 120,000 b/d over the following 3 to 6 months.

http://www.tullowoil.com/files/pdf/trading_statement_and_operational_update_6_july_2010.pdf

Shell Begins Production at Gbaran-Ubie Oil and Gas Project in Nigeria by July 7 – Site to Eventually Yield Up To 70,000 b/d of Oil

Shell began oil and gas production at the Gbaran-Ubie project in the Niger Delta, Nigeria by July 7, and said it expected the site to eventually yield 1 Bcf/d of natural gas and as much as 70,000 b/d of oil.

http://www.shell.com/home/content/media/news_and_library/press_releases/2010/gbaran_ubie_07072010.html

Natural Gas

Update: Denali Begins U.S. and Canadian Open Seasons for Proposed 4.5 Bcf/d Alaska-to-Alberta Natural Gas Pipeline

Denali – The Alaska Gas Pipeline LLC began a 90-day open season on July 6 for the U.S. and Canadian portions of its proposed Alaska-to-Alberta natural gas pipeline, the company said in a release. The project consists of a gas treatment plant on the Alaska North Slope, transmission lines from the Prudhoe Bay and Point Thomson fields to the gas treatment plant, an Alaska Mainline that would run from the North Slope of Alaska to the Alaska – Yukon border, and a Canada Mainline that would transport gas from the Alaska – Yukon border to Blueberry Hill, Alberta. It would also involve delivery points to meet local demand in Alaska and Canada. If required, it would also include a 1,500-mile pipeline from Alberta to Chicago, Illinois, according to the project’s website. The open season ends on October 4, 2010.

<http://www.denalipipeline.com/images/pdf/Open%20Season%20Start.pdf>

Citing Home Explosions, Texas Regulator Proposes Ordering Utilities to Replace Steel Natural Gas Service Lines

Citing numerous home explosions, a Commissioner with the Texas Railroad Commission issued a proposal that would require in-state utilities to install plastic natural gas service lines in place of hundreds of thousands of existing steel lines. The effort could cost in excess of \$500 million, according to multiple news sources. The Commission deferred a vote on the proposal; it will consider the plan in early August. The order would take effect in January of 2011.

<http://www.wfaa.com/news/business/Texas-may-have-utilities-replace-steel-gas-lines-97853139.html>

<http://www.star-telegram.com/2010/07/06/2317152/aging-steel-gas-lines-across-state.html>

http://www.downstreamtoday.com/news/article.aspx?a_id=23273

Other News

Department of Energy Announces \$67 Million Investment for Carbon Capture Development July 7

The US Department of Energy announced today the selection of ten projects aimed at developing advanced technologies for capturing carbon dioxide (CO₂) from coal combustion. The projects, valued at up to \$67 million over three years, focus on reducing the energy and efficiency penalties associated with applying currently available carbon capture and storage (CCS) technologies to existing and new power plants.

<http://www.energy.gov/news/9194.htm>

Energy Prices

U.S. Oil and Gas Prices			
July 7, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	73.50	74.71	63.11
NATURAL GAS Henry Hub \$/Million Btu	4.85	4.68	3.30

Source: Reuters

Energy Notes

Rosendin Electric to Break Ground This Week on Planned 9.4 MW Solar Power Project across Multiple California Schools

PRN, 08:45 July 7, 2010

Engineer/Chemist Sees Evidence of Leaking at Nuclear Waste Storage Site in New York

<http://www.buffalonews.com/2010/07/04/1103267/is-a-radioactive-storage-site.html>

Oil Spills into Brazos River after Break along Plains All American Pipeline LP's 4-Inch Pipeline in Texas by July 6

<http://www.kwtx.com/home/headlines/97895094.html>

Update: FERC Okays Proposed 800,000 Dth/d Expansion along Questar's Overthrust Natural Gas Pipeline in Wyoming by July 7

<http://intelligencepress.com/>

<http://www.questarpipeline.com/indexOTP.php>

Aux Sable Canada to Modify Heartland Offgas Plant in Fort Saskatchewan, Canada – Facility to Process up to 20 MMcf/d of Offgas and Produce Hydrogen, Ethane and a Propane-Plus Mix

<http://www.auxsable.com/news/releases/2010-07-06-SOLR.pdf>

Update: Atlanta Gas Light Postpones Plans for 40-Mile Natural Gas Pipeline in Georgia by July 6

<http://www.ajc.com/business/lake-oconee-pipeline-on-565365.html>

BlueFire Ethanol's Proposed 19 MMGal/Yr. Cellulosic Ethanol Plant in Fulton, Mississippi Advances to Phase 2 of Federal Loan Guarantee Process by July 7

<http://bluefireethanol.com/pr/78/>

U.S. Coast Guard Shuts Section of Ohio River near Uniontown, Kentucky, Citing High Currents

<http://www.kfvs12.com/Global/story.asp?S=12762810>

Government Completes Construction of Zero-Energy Research Support Facility in Colorado

<http://green.blogs.nytimes.com/2010/07/06/for-a-premier-lab-a-zero-energy-showcase/>

http://www.nrel.gov/sustainable_nrel/rsf.html

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.

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

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