



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

ENERGY ASSURANCE DAILY

Thursday Evening, July 08, 2010

Major Developments

Update: BP Recovers About 24,760 Barrels of Oil at Site of Blown-Out Well in Gulf of Mexico July 7

BP collected 16,655 barrels of oil, flared an additional 7,920 barrels of oil, and flared about 57.6 million cubic feet of natural gas on July 7 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>

Though “Unlikely,” BP Says it could Cap Deepwater Horizon Leak before August

BP does not expect to cap the leak from the blown-out MC252 well in the Gulf of Mexico until August, but “in a perfect world with no interruptions,” the company could cap it between July 20 and July 27, a company official said by July 8.

<http://www.ibtimes.com/articles/33481/20100708/bp-speculates-plugging-leaking-deepwater-well-by-july-27-shares-soar.htm>

U.S. Government Establishes New Oil Spill Response Website

Visit the site at: <http://www.restorethegulf.gov/>

<http://www.deepwaterhorizonresponse.com/go/doc/2931/765303/>

Electricity

Heat Wave Knocks out Power to Some, but Stronger Grid Keeps Most Customers Online

More than 100,000 customers lost power across the U.S. Northeast from July 5-8, and multiple utilities urged customers to conserve energy, but the electric grid largely survived the surge in demand and restored power quickly to most affected customers. Sources attributed the relative success at least partly to improvements in the electric grid. Grid operator PJM Interconnection spent almost \$15 billion over the past ten years in network improvements, and the president of the North American Electric Reliability Corp said that, although he couldn't guarantee there would never be another massive blackout, “We're much better prepared.” Temperatures had dropped below 100 degrees in several states and only scattered outages remained, as of latest reports. For a more detailed list of affected companies, see yesterday's Energy Assurance Daily.

http://www.google.com/hostednews/ap/article/ALeqM5h-Pi_ujHLyNXf1mENcOI1fhqSI6DQD9GQFQH00

http://www.coned.com/newsroom/news/pr20100708_3.asp

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

<http://voices.washingtonpost.com/local-breaking-news/dc/day-3-of-dc-outages-1000s-with.html>

<http://www.pepco.com/home/emergency/maps/stormcenter/default.aspx>

http://www.pseg.com/media_center/pressreleases/articles/2010/2010-07-08.jsp

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

<http://cbs3.com/wireapnewsnj/NJ.temperatures.retreat.2.1791299.html>

http://www.boston.com/business/articles/2010/07/08/as_heat_lingers_utilities_fight_outages/

Heat at Least Partly to Blame as about 40,000 Met-Ed Customers Lose Power in Pennsylvania July 7

A utility pole fire, a substation problem, and increased demand due to severe heat were all to blame as about 40,000 Met-Ed customers in York County, Pennsylvania lost power on July 7, news and company sources reported. The company restored power to most affected customers by late evening.

http://www.yorkdispatch.com/local/ci_15463302

http://www.ydr.com/ci_15457348?source=most_viewed

Constellation's 835 MW Calvert Cliffs Nuclear Unit 2 in Maryland Reduced to 83 Percent by July 8

The Nuclear Regulatory Commission reported that on the morning of July 7 the unit was operating at full power. Information derived from the NRC Power Reactor Status Reports:

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

PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey Shut by July 8

The unit shut automatically on July 7 “due to a trip of the main generator and turbine,” the company said in a filing with the Nuclear Regulatory Commission (NRC). There was a small fire on the B Main Power Transformer, but the blaze lasted only about five minutes, according to the filing. A company official said it was unclear if severe heat was a factor. The Nuclear Regulatory Commission reported that on the morning of July 7 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100708en.html>

http://www.nj.com/salem/index.ssf/2010/07/pseg_nuclears_salem_unit_1_tri.html

Information also derived from the NRC Power Reactor Status Reports:

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

Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Ramped Up to 90 Percent by July 8

The Nuclear Regulatory Commission reported that on the morning of July 7 the unit was operating at 68 percent. Information derived from the NRC Power Reactor Status Reports:

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

Update: Xcel to Restart 347 MW Harrington Coal-Fired Unit 2 in Texas July 7-11

Xcel planned to restart the unit “after a short shutdown,” it said in a filing with state regulators. The company had planned to shut the unit on July 5-12 “to work on ductwork and coal delivery system,” according to a previous filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141810>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141815>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141809>

Duke Energy's 510 MW Moss Landing Gas-Fired Unit 1 in California Ramps Up by July 7

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 250 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201007071515.html>

Citing Improper Procedure, Shaw Group Halts Safety-Related Construction at Southern Company's Proposed Vogtle Nuclear Power Units 3 and 4 in Georgia July 2

Shaw Group stopped all safety-related construction at Southern Company's proposed Vogtle nuclear power units 3 and 4 in Georgia on July 2, a company spokeswoman said, after an internal audit revealed that an employee questionnaire had been improperly administered. Shaw expected to resume work in “just a matter of days,” according to the spokeswoman.

<http://chronicle.augusta.com/latest-news/2010-07-07/worker-screening-problems-halt-vogtle-plans>

http://www.southerncompany.com/nuclearenergy/vogtle_units.aspx

Update: Fluor Corporation Commissions Luminant's 800 MW Oak Grove Coal-Fired Unit 2 in Texas by July 8

Fluor Corporation completed commissioning of the unit and turned over daily operations to Luminant, Fluor said on July 8. The unit is moving into its final on-line testing phase, which when completed, will make the unit fully available for reliability dispatch by the Electric Reliability Council of Texas (ERCOT).

http://www.luminant.com/plants/pdf/OakGrove_Facts.pdf

<http://investor.fluor.com/phoenix.zhtml?c=124955&p=newsarticle&id=1445655>

Update: State PSC Says HBPW Failed to Adequately Show Need for Proposed 70 MW Coal-Fired Power Plant in Holland, Michigan

The Michigan Public Service Commission (PSC) found that the Holland Board of Public Works (HBPW) failed to adequately show the need for its proposed 70 MW coal-fired facility in Holland, Michigan, the PSC said on July 7. The PSC said HBPW had only analyzed one base scenario in its resource expansion plans and failed to fully explore purchase power options. It said the proposed circulating fluidized bed boiler was one of several alternatives that could be used to fill the projected capacity need. The PSC submitted its report to the Michigan Department of Natural Resources & Environment (DNRE).

http://www.michigan.gov/mpsc/0,1607,7-159-16400_17280-240252--,00.html

Update: Judges Rule against White Stallion Energy Center's Proposed 1,200 MW Coal-and-Petroleum Coke-Fired Power Plant in Texas

Two Texas administrative law judges ruled that White Stallion Energy Center used inadequate data to assess air quality, failed to assess the impact of coal dust, and failed to establish appropriate restrictions for two air pollutants related to its proposed 1,200 MW coal-and petroleum coke-fired power plant in Texas. Environmentalists said the decision could postpone the facility by up to six months. Despite the ruling, the Texas Commission on Environmental Quality (TCEQ) has the final word on whether the plant receives an air permit.

<http://www.chron.com/dispatch/story.mpl/business/7098447.html>

Update: New Testimony Supports Need for Proposed West Virginia-to-Maryland, 765 kV PATH Transmission Line

New data filed with the Public Service Commission of West Virginia (PSC) strongly supports the need for American Electric Power (AEP) and Allegheny Energy's proposed West Virginia-to-Maryland, 765 kV, Potomac-Appalachian Transmission Highline (PATH), the companies said on July 8. The data incorporates new studies by PJM Interconnection recommending construction of the line. The companies plan to include the new information into the existing application in Maryland, as well as in a new application to be filed in Virginia in the third quarter.

<http://www.pathtransmission.com/news/PATHSupplementalFilingWV.pdf>

Smart Grid Spending to Approach \$46 Billion by 2015: ABI Research

Total global investment in smart grids, including implementations and upgrades to the transmission and distribution infrastructure, will approach \$46 billion by 2015, according to ABI Research.

<http://www.abiresearch.com/press/1688-Smart+Grid+Spending+Will+Top+%2445+Billion+by+2015>

Petroleum

Update: Obama Administration to Immediately Establish Revised Deepwater Drilling Moratorium, Should Appeals Court Decline to Reinstall Existing Six-Month Ban

Reuters, 12:09 July 8, 2010

BP Returning FCC to Normal Rates after Upset at 467,720 b/d Texas City, Texas Refinery July 7-9

BP was returning a fluid catalytic cracking unit (FCC) to full operations on July 7-9 at its 467,720 b/d Texas City, Texas refinery, the company said in a filing with state regulators. The unit experienced an upset for unknown reasons on July 7, according to a previous filing. A source familiar with the facility's operations, however, said the unit shut on July 6 due to a compressor problem. The source said the issue was "very short-lived" and had not significantly impacted production.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=142016>

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=142028>

<http://af.reuters.com/article/energyOilNews/idAFN0717466520100707>

Delek Restarting Sat Gas Unit at 60,000 b/d Tyler, Texas Refinery July 7

Delek was restarting a Sat Gas Unit at its 60,000 b/d Tyler, Texas refinery on July 7, the company said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=142066>

Update: Inergy Subsidiary Executes Binding Transportation Agreements for Proposed 550,000 Dth/d, 30-Inch, 43-Mile MARC I Hub Line Project in Pennsylvania

The MARC I Hub Line natural gas pipeline would deliver at least 550,000 Dth/d of natural gas in Bradford, Sullivan, and Lycoming counties in Pennsylvania. It would extend between Inergy's Stagecoach South Lateral Interconnect with Tennessee Gas Pipeline near its compressor station 319 and Transco near its compressor station 517. Inergy expects to open the project in mid-2012.

<http://investor.inergypropane.com/phoenix.zhtml?c=132026&p=irol-newsArticle&ID=1445510&highlight=>

Replacing Nation's Entire Coal-Fired Fleet with Gas-Fired Units Would Cost about \$335 Billion: APPA

It would cost about \$335 billion to replace the nation's existing 335,000 MW of coal-based power with natural gas-fired units, according to a study from the American Public Power Association (APPA). The report, "Implications of Greater Reliance on Natural Gas for Electricity Generation," found no examples of companies who had retrofitted coal-fired plants to run on natural gas. Publicly-referenced "conversions" were actually – due to economic reasons – virtually always replacements. The report also found that substituting natural gas at all existing coal-fired power facilities would push domestic natural gas demand to 36 Tcf, or 50 percent more than today.

<http://www.appanet.org/newsletters/PublicPowerDailyList.cfm?ItemNumber=28401&sn.ItemNumber=2053>

<http://www.powergenworldwide.com/index/display/articledisplay/9540852382/articles/powergenworldwide/gas-generation/new-projects/2010/07/appa-gas.html>

Other News

Massachusetts to Set Tougher Pollution Standards for Biomass-Based Power Units

After a recent study cast doubt on the environmental value of wood-fired power, Massachusetts Environmental Secretary Ian Bowles said on July 7 that the state would establish tougher pollution standards for biomass-based facilities to receive renewable energy certificates. At least one environmentalist said the move would make it more difficult for such facilities to operate in the state.

<http://wbztv.com/wireapnewsma/Mass.moves.to.2.1792765.html>

NSA to Launch Cyber Attack Detection Program

The National Security Agency, along with defense contractor Raytheon Corp, is establishing a program – "Perfect Citizen" – to spot cyber attacks on certain private companies and government agencies, including those operating the electric grid and nuclear power facilities, people familiar with the plans said.

http://online.wsj.com/article/SB10001424052748704545004575352983850463108.html?mod=WSJ_hpp_MIDDLE_TopStories

Energy Prices

U.S. Oil and Gas Prices			
July 8, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	75.48	72.46	60.84
NATURAL GAS Henry Hub \$/Million Btu	4.76	4.53	3.30

Source: Reuters

Substation Problem Cuts Power to More than 10,000 AEP Customers in Ohio July 8

<http://www.10tv.com/live/content/local/stories/2010/07/08/story-columbus-power-outages-northeast-side.html>

AEP Says Four Attempted Copper Thieves Have Died in Its Service Area in 2010 – Two in West Virginia, One in Ohio, and One in Virginia

<http://www.wtkr.com/news/dp-wv--coppertheftdeaths0708jul08,0,5760436.story>

Update: Sunflower Electric Power Corporation Receives Draft Air Permit for Proposed 895 MW Coal-Fired Holcomb Power Plant in Kansas by July 7

http://www.swdtimes.com/article_2199.shtml

**Update: Crews Plug Two Leaking Pipelines in Texas by July 7
3-Inch and 4-Inch Lines Leaked About 165 Barrels of Oil**

<http://www.businessweek.com/ap/financialnews/D9GQBU400.htm>

Update: BP Likely to Postpone Drilling at Liberty Field, Alaska Until 2011

<http://newsminer.com/bookmark/8556033-Spill-effects-Gulf-incident-begins-to-affect-Alaska-work>

Gulf of Mexico Home to More than 27,000 Vacant Oil and Gas Wells: AP

<http://www.businessweek.com/ap/financialnews/D9GPVO3G0.htm>

U.K. Government Declines EU Official's Bid to Halt All Deepwater Oil Drilling, Pending Investigation into Deepwater Horizon Incident July 8

DJN, 12:25 July 8, 2010

Colombian Oil Production Likely to Increase to 1 Million b/d in Late 2011, from 776,000 b/d in May 2010: Ecopetrol SA Chief Executive

DJN, 11:25 July 8, 2010

Update: District Judge Says Local Landowner Failed to Submit Sufficient Evidence in Support of Request to Suspend Operating Permits for Sempra LNG's Costa Azul LNG Terminal in Mexico July 7

http://www.sempralng.com/Pages/News/sr_qa.htm

Future Unclear for Proposed Palomar Natural Gas Pipeline through Oregon after Bankruptcy of Associated LNG Terminal – Palomar Gas Transmission Tells FERC it is "Reviewing its Project Plan"

http://www.oregonlive.com/business/index.ssf/2010/07/backers_of_palomar_gas_pipelin.html

City Council Votes Against Plans to Alter Zoning Ordinance for Proposed Sugar-Based Ethanol Plant in Michigan July 6

<http://ethanol-news.newslib.com/story/6938-35860/>

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

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

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