



ENERGY ASSURANCE DAILY

Friday Evening, July 10, 2009

Electricity

Critical Infrastructure Protection Standards May Not be Enough to Secure Electric Grid from Cyber Attacks – Some Experts

The Federal Energy Regulatory Commission has begun compliance audits this month on mandatory critical infrastructure protection (CIP) standards designed to protect the U.S. power grid. Some security experts say these standards are not enough to ensure the system's cybersecurity because the technology of the electric grid was designed with the expectation that the grid would be a private network rather than an interconnected IP-addressable system, and the CIP standards focus largely on reliability rather than network integrity.

<http://gcn.com/articles/2009/07/13/update1-smart-grid-reliability-standards.aspx>

ERCOT Discontinues Power Conservation Request July 9

ERCOT issued a conservation request on Wednesday, July 8, encouraging consumers and businesses to reduce their electricity use. ERCOT's system reached a new record for electricity demand of 62,786 MW on July 8. ERCOT had expected high demand to continue on Thursday, July 9, but discontinued the request for conservation due slightly lower than expected demand. Demand is expected to decline Friday, July 10, and through the weekend.

http://www.ercot.com/news/press_releases/2009/nr-07-09-10

http://www.ercot.com/news/press_releases/2009/nr-07-08-09_B

http://www.ercot.com/news/press_releases/2009/nr07-08-09_A

Intermountain Cancels 950 MW Expansion of Coal-fired Power Plant in Utah

An Intermountain Power Agency spokesman said that the consortium has canceled the proposed 950 MW expansion of the 1,660 MW Intermountain Power Project in Utah. The consortium has decided to let an air permit expire for the proposed expansion.

<http://www.platts.com/Coal/News/6450440.xml?p=Coal/News&sub=Coal>

Teanaway Solar Reserve Plans 75 MW PV Solar Power Plant in Washington State

Teanaway Solar Reserve, LLC, announced July 9 that it plans to install a 400-acre solar park on property north of Cle Elum, Washington. The Teanaway Solar Reserve is designed to generate about 75 megawatts of electricity, making it the largest photovoltaic (PV) solar project ever proposed in the Northwest.

http://teanawaysolarreserve.com/images/teanaway_p_release.pdf

Update: Energy Northwest's 1,107 MW Columbia Nuke Unit in Washington Reduced to 55 Percent by July 10

The Nuclear Regulatory Commission reported that on the morning of July 9 the unit was operating at 89 percent. The unit is being reduced so that workers can fix a leak in a pipe in the plant's condenser system. The leak caused a fire two weeks ago that forced the unit offline for several days. The plant was brought back up to full power after the shutdown so that the leak could be found.

<http://www.tri-cityherald.com/945/story/641801.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Reliant's 245 MW Coolwater Gas-fired Unit 3 in California Returns to Service by July 9

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200907091515.html>

Petroleum

Update: Coast Guard to Offload Grounded Gasoline Barge on Columbia River

On July 10, the Coast Guard will attempt to free a grounded barge carrying 1 million gallons (about 24,000 bbls) of gasoline by transferring some of its cargo to another vessel. The New Dawn, which was traveling from Portland, Oregon, to Pasco, Washington, remained stuck on a sandbar near the mouth of the Hood River after an attempt to release it failed on July 9.

Bloomberg News, 16:05 GMT July 10, 2009

Pump Fire Reported at Flint Hills's 288,000 b/d Corpus Christi, Texas Refinery July 8

A small fire occurred on the pump housing of a tank charge pump. The fire was extinguished and the pump was replaced.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=126620>

Unnamed Unit Shut at Total's 232,000 b/d Port Arthur, Texas Refinery July 9

Unit 804 is being shut down to repair a high radial vibration on the unit compressor.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=126618>

June Shipments Down 30 Percent on TEPPCO's Seaway Crude Pipeline

A spokesman for TEPPCO said that shipments on the pipeline were about 122,000 b/d in June, down from a first quarter average of about 164,000 b/d. The Seaway Pipeline carries crude oil from Freeport, Texas to Cushing, Oklahoma and has a design capacity of 350,000 b/d. The TEPPCO spokesman said that volumes were impacted by the availability of storage at Cushing.

http://www.reuters.com/article/reutersComService_3_MOLT/idUSTRE5686GY20090709

Natural Gas

First Wells at Exxon's Horn River Shale-Gas Field in Alberta Suggest 'Huge Potential'

The Wall Street Journal reports that high initial output from ExxonMobil's Horn River basin shale-gas field in Alberta suggests "huge potential." Wood MacKenzie has estimated the field might hold up to 47 trillion cubic feet of recoverable reserves.

<http://online.wsj.com/article/SB124717034667419393.html.html>

http://www.rigzone.com/news/article.asp?a_id=78119&hmpn=1

<http://www.oilweek.com/news.asp?ID=23475>

Hurricanes, Gulf Supplies Don't Concern Northwest U.S. Gas Utilities

Hurricanes and their potential impact on natural gas supplies and prices are no longer a major concern of gas utilities in the Pacific Northwest, utility officials told a workshop held Tuesday, July 7 by the Oregon Public Utility Commission (PUC). It is a reflection of the fact that the ramp-up of Rockies and general shale production has made the Gulf of Mexico supplies less critical for their region.

<http://intelligencepress.com/>

Merchant Energy Announces Open Season for Gas Storage Facility in Colorado

Merchant Energy Partners announced July 9 that its subsidiary, East Cheyenne Gas Storage, LLC will be holding a non-binding open season for up to 10 Bcf of firm natural gas storage capacity that will initially be made available through its proposed high deliverability interstate natural gas storage facility in Logan County, Colorado. East Cheyenne plans to begin project construction in 2010 and anticipates an in-service date by the summer of 2011.

<http://www.merchantenergypartners.com/media/mepco/OpenSeason.pdf>

Other News

U.S. Dept. of Treasury, Energy Announce More Than \$3 Billion in Recovery Act Funds for Renewable Energy Projects

The U.S. Department of the Treasury and the U.S. Department of Energy announced July 9 an estimated \$3 billion for the development of renewable energy projects around the country and made available the guidance businesses will need to submit a successful application. Funded through the American Recovery and Reinvestment Act, the program will provide direct payments in lieu of tax credits in support of an estimated 5,000 bio-mass, solar, wind, and other types of renewable energy production facilities. Previously, these companies could file for a tax credit to cover a portion of the renewable energy project's cost; under the new program, applicants would agree to forgo tax credits down the line in favor of an immediate reimbursement of a portion of the property expense.

<http://www.energy.gov/news2009/7623.htm>

Energy Prices

U.S. Oil and Gas Prices			
July 10, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	59.30	66.87	137.67
NATURAL GAS Henry Hub \$/Million Btu	3.36	3.63	12.10

Source: Reuters

Energy Notes

Two Suspected Militants Arrested Trying to Place Explosives Around Pipelines Along Forcados Waterways in Nigeria July 9

http://www.downstreamtoday.com/news/article.aspx?a_id=17052

Study Finds Significant Opportunity for Atlantic Canada Wind Power Exports to New England

http://www.canwea.ca/media/release/release_e.php?newsId=60

South Carolina Environmental Regulators Turn Down Duke Energy Request for Water Permit to Re-license Five Dams on South Carolina River

<http://www.businessweek.com/ap/financialnews/D99B4ESG0.htm>

Riverbank Power Considering Building 1,000 MW Underground Hydroelectric Power Plant Near Former Maine Yankee Nuclear Plant

<http://www.wcsh6.com/news/local/story.aspx?storyid=106878>

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>

Please direct comments and questions to: ead@oe.netl.doe.gov