



ENERGY ASSURANCE DAILY

Thursday Evening, July 22, 2010

Major Developments

Update: Blown-Out Well Remains Shut-in as Well Integrity Test Continues in Gulf of Mexico July 22

The blown-out MC252 well remained shut-in with no oil flowing into the Gulf of Mexico on July 22, BP said on its website. The federal government authorized BP on July 21 to continue the well integrity test for another 24 hours. The testing continued and the sealing cap was still in place, as of latest reports.

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

<http://www.bp.com/extendedsectiongenericarticle.do?categoryId=9034427&contentId=7063885>

<http://app.restorethegulf.gov/go/doc/2931/800679/>

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/07/21/MNGU1EI3RK.DTL>

BP, Federal Responders Mulling Evacuation as Tropical Depression Nears Blown-Out Well in Gulf of Mexico July 22

BP and federal officials were mulling evacuation plans after a tropical depression formed in the Bahamas on July 22, threatening to disrupt containment operations at the site of the blown-out MC252 well in the Gulf of Mexico. The tropical depression could arrive at the well site within 60 hours, an official with the National Hurricane Center said by July 22. The disruption could force workers to reopen the sealing cap that, as of latest reports, continued to hold back any oil from spilling into the Gulf, according to retired U.S. Coast Guard Adm. Thad Allen. Separately, workers placed a temporary plug, or storm packer, into the nearly-complete relief well by July 22. That move was intended to prevent damage to the well, should stormy conditions force responders to temporarily abandon the effort. In the event of an evacuation, it could take up to two weeks for responders to resume work. Some skimmers were halting work on July 22, the government said. Most work had come to a halt at the well site, as of July 22, the New York Times reported. A BP spokesman said the company was awaiting the federal government's word on whether responders would be forced to evacuate drill rigs, support vessels, and other ships.

<http://www.nytimes.com/2010/07/23/us/23spill.html?hp>

<http://www.chron.com/dispatch/story.mpl/ap/top/all/7119764.html>

Reuters, 12:18 July 22, 2010

Update: Skimmers “Starting to Have Trouble Finding Oil” in Gulf of Mexico: U.S. Coast Guard Admiral

http://www.rigzone.com/news/article.asp?a_id=96358

Storms Knock Out Power to More than 210,000 Customers across U.S. Northeast July 21

Storms tore through the U.S. Northeast on July 21, knocking out power to an estimated 212,801 customers across five states. Fewer than 25,000 customers remained without power, as of latest reports. The following table lists peak and current outage figures, based on latest available data.

U.S. Northeast Customer Power Outages July 21 – July 22, 2010			
Electric Utility	State	Peak	Latest Reported
Connecticut Light & Power	CT	78,000	13,214
United Illuminating	CT	4,037	1
National Grid	MA	45,000	138
Central Maine Power	ME	23,000	5,173
New York State Electric & Gas	NY	18,000	3,000
Orange & Rockland	NY	8,000	330
Central Hudson Gas & Electric	NY	7,600	78
Long Island Power Authority	NY	7,064	1,484
National Grid	NY	5,600	263
Rochester Gas & Electric	NY	3,000	400
Central Vermont Public Service	VT	11,500	68
Washington Electric Co-op	VT	2,000	600
TOTAL *		212,801	24,749

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

Sources:

Connecticut Light & Power: <http://www.cl-p.com/outage/default.aspx> ,
<http://nuwnotes1.nu.com/apps/mediarelease/clp-pr.nsf/ED1030C66CC5725085257497004F6785/919117CDD88A580A85257768004DFA58> ,
<http://www.theday.com/article/20100721/NWS01/100729898/1047>

United Illuminating: http://www.uinet.com/wps/PA_TownOutages/faces/jsp/TownOutagePrint.jsp ,
<http://www.ctpost.com/news/article/Heavy-weather-pounds-region-again-possible-585531.php>

National Grid (MA): <http://www1.nationalgridus.com/masselectric/stormcenter/> ,
<http://www.thebostonchannel.com/news/24342870/detail.html>

Central Maine Power: <http://www.wlbz2.com/news/local/story.aspx?storyid=121409&catid=3> ,
<http://www.wmtw.com/news/24350576/detail.html>

New York State Electric & Gas:
<http://www.lohud.com/article/20100722/NEWS02/7220386/-1/newsfront/Storm-aftermath--Crews-working-to-restore-power-to-thousands-in-northern-Westchester>

Orange & Rockland: http://wp1.coned.com/or_stormcenter/default.aspx ,
<http://www.lohud.com/article/20100721/NEWS02/7210389/-1/newsfront/UPDATE-11-P.M.--Storms-knock-out-power--topple-trees>

Central Hudson Gas & Electric: <http://stormcentral.cenhud.com/default.aspx> ,
<http://www.recordonline.com/apps/pbcs.dll/article?AID=/20100722/NEWS/7220335/-1/SITEMAP>

Long Island Power Authority: <http://www.lipower.org/stormcenter/outages/outagemap.html> ,
<http://www.1010wins.com/Tri-State-Area-Hit-with-T-Storms--Possible-Tornado/7742103>

National Grid (NY): <http://www1.nationalgridus.com/niagamohawk/stormcenter/> ,
<http://www.timesunion.com/AspStories/story.asp?storyID=952745>

Rochester Gas & Electric: <http://www.whec.com/news/stories/s1662006.shtml> ,
<http://www.13wham.com/news/local/story/400-Still-Without-Power-After-Storm/pYaYE16-a0K3Hweh4Ba3uQ.csp>

Central Vermont Public Service: http://www.cvps.com/AboutUs/news/viewStory.aspx?story_id=285 ,
<http://www.cvps.com/Customerservice/outages/default.aspx>

Washington Electric Co-op: <http://www.burlingtonfreepress.com/apps/pbcs.dll/article?AID=2010100721025>

OVEC Shuts 1,230 MW Clifty Creek Coal-Fired Power Plant in Indiana July 17

Ohio Valley Electric Corp. (OVEC) shut its six-unit, 1,230 MW Clifty Creek coal-fired power plant in Indiana on July 17 due to a steam leak, according to a spokeswoman from American Electric Power (AEP), the facility's co-owner. The leak occurred at just one unit, but operators shut all six of the plant's units for inspection. The units remained offline, as of latest reports. The AEP spokeswoman said operators were not likely to restart all six units at once.

<http://www.google.com/hostednews/ap/article/ALeqM5gSGOkSKR1h6HuVRj-AUKde3GLUTwD9H3LJMG0>

FPL's 839 MW Saint Lucie Nuclear Unit 1 in Florida Reduced to 46 Percent by July 22

The Nuclear Regulatory Commission reported that on the morning of July 21 the unit was operating at 94 percent. Information derived from the NRC Power Reactor Status Reports:

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

Update: AES's 227 MW Huntington Beach Gas-Fired Unit 4 in California Returns to Service by July 21

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

<http://www.caiso.com/unitstatus/data/unitstatus201007211515.html>

SDG&E, NaturEner USA Plan 309 MW Rim Rock Wind Farm in Montana

The companies must bring the project online by the end of 2012 for SDG&E to qualify for production tax credits.

http://www.fox8.com/business/sns-ap-mt-wind-farm-financing.0,2223917.story?track=rss&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+wjw-business+%28WJW++Cleveland+Business+News%29

Petroleum

ExxonMobil, Chevron, ConocoPhillips, and Shell Plan Oil Containment System for Deepwater Gulf of Mexico

ExxonMobil, Chevron, ConocoPhillips, and Shell plan to jointly develop a system to capture and contain oil in the event of an underwater well blowout in the deepwater Gulf of Mexico, the companies said on July 21. The system would be able to start mobilizing within 24 hours. It would have an initial capacity to contain 100,000 b/d, but with the potential for expansion. The companies have committed \$1 billion to fund the system's initial costs, and expect to begin immediately with the engineering, procurement, and construction of equipment and vessels. ExxonMobil will lead the effort.

http://www.businesswire.com/portal/site/exxonmobil/index.jsp?ndmViewId=news_view&ndmConfigId=1001106&newsId=20100721006931&newsLang=en

Citing Environmental Lapses in 2008 Lease Sale, Federal Judge Blocks Oil and Gas Drilling Offshore Northwest Alaska

A federal judge blocked companies from drilling for oil and gas in previously-leased blocks offshore Alaska, saying the government had not adhered to environmental law prior to leasing the tracts in 2008. The judge called for further environmental analysis.

<http://www.nytimes.com/2010/07/22/us/22alaska.html>

Update: Hovensa LLC Says Tropical Disturbance Not Impacting Operations at 500,000 b/d Refinery in U.S. Virgin Islands July 21

Hovensa LLC said a tropical disturbance had not impacted operations at its 500,000 b/d refinery in the U.S. Virgin Islands on July 21. A spokesman, however, said the disturbance had affected some ship movements.

<http://www.reuters.com/article/idUSWEN740720100721>

Update: Motiva Restarts Units at 285,000 b/d Port Arthur, Texas Refinery by July 22

Motiva restarted a catalytic reforming unit (CRU) and a delayed coking unit (DCU) by July 22 at its 285,000 b/d Port Arthur, Texas refinery, according to a source familiar with the facility's operations. A transformer trip caused a power failure and forced shut the units on July 20, the company said in a previous filing with state regulators.

<http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=201007220947dowjonesdjonline000549&title=refinery-statusmotiva-port-arthur-online-after-power-failure>
<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=142570>

Update: U.S. Judge Denies Environmentalists' Request to Restore Federal Government's First Deepwater Drilling Moratorium

Reuters, 17:53 July 21, 2010

Natural Gas

Williams' Northwest Pipeline GP Launches Open Season for Proposed 400,000 Dth/d Natural Gas Pipeline Project in Utah and Wyoming

The 24-inch pipeline, or Opal Market Link, would deliver unprocessed natural gas from the Uinta Basin in Utah to the Opal Hub in Lincoln County, Wyoming. It would stretch up to 145 miles, originating near Vernal, Utah, and extending to the Opal Hub. Williams is also offering gathering service in the Uinta Basin to link up with the project, and gas processing services at the Opal plant. The line is expected to transport about 400,000 Dth/d of natural gas, but Williams says it could easily increase that capacity. The company plans to begin service as soon as November 2013.

<http://www.williamslp.com/profiles/investor/ResLibraryView.asp?ResLibraryID=39459&GoTopage=1&Category=1800&BzID=1296>

Other News

Secretary Chu Announces Initiatives to Promote Clean Energy at First Clean Energy Ministerial July 20

At the world's first Clean Energy Ministerial, U.S. Energy Secretary Steven Chu announced on July 20 that the United States is helping launch more than 10 international clean energy initiatives. The initiatives are intended to cut energy waste; help deploy smart grid, electric vehicle, and carbon capture technologies; support renewable energy markets; expand access to clean energy resources and jobs; and support women pursuing careers in clean energy. The initiatives are projected to eliminate the need to build more than 500 mid-sized power plants worldwide in the next 20 years.

<http://www.energy.gov/news/9233.htm>

Energy Prices

U.S. Oil and Gas Prices			
July 22, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	78.53	76.29	64.58
NATURAL GAS Henry Hub \$/Million Btu	4.70	4.39	3.49

Source: Reuters

Storm Knocks Out Power to 19,000 Trico Customers in Arizona July 21

<http://www.kold.com/Global/story.asp?S=12849938>

Edison International Breaks Ground on Planned 81 MW Laredo Ridge Wind Farm in Nebraska July 21 – Company Expects to Complete Construction by End of 2010

<http://www.edison.com/pressroom/pr.asp?bu=&year=0&id=7422>

RES Americas Plans 60 MW Flat Water Wind Project in Nebraska – Company Expects to Complete Construction in December 2010

<http://www.prnewswire.com/news-releases/res-americas-awarded-balance-of-plant-construction-contract-for-nebraska-wind-project-99010959.html>

NRC Staff to Formally File NextEra Energy's Application to Renew Operating License for Seabrook Nuclear Power Station in New Hampshire by July 20 - Existing Operating License Expires in 2030

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-128.html>

Michigan Governor Signs Bills Designed to Prevent Theft of Electricity and Natural Gas July 21

<http://www.michigan.gov/gov/0,1607,7-168--241049--,00.html>

Puerto Rico Plans to Derive 15 Percent of Its Energy from Renewable Sources by 2020 and 20 Percent by 2028

<http://www.prnewswire.com/news-releases/puerto-rico-aggressively-pursuing-renewable-energy-98932864.html>

Tanker Truck Flips along Route 28 in Massachusetts July 21, Spilling Approximately 4,500 Gallons of Heating Oil

<http://www.eagletribune.com/latestnews/x525980170/Tanker-flips-spills-4-500-gallons-of-oil-in-Methuen>

Compressor Outage Causes Flaring at Citgo's 167,000 b/d Lemont, Illinois Refinery by July 22

Reuters, 07:15 July 22, 2010

Power Outage Triggers Flaring at Husky Energy's 160,000 b/d Lima, Ohio Refinery July 21

Reuters, 06:33 July 22, 2010

Iranian Gasoline Production Expected to Outpace Domestic Demand by 2015: Energy Market Consultants Study

<http://www.zawya.com/story.cfm/sidZW20100722000174>

Pittsburgh City Council Passes Resolution in Support of State-Imposed One-Year Moratorium on Marcellus Shale Drilling July 20

<http://www.bizjournals.com/pittsburgh/stories/2010/07/19/daily21.html>

Breaker Trip at Waha Gas Plant in Texas July 21

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=142595>

Update: TransCanada and Denali Won't Publicize Results of Open Season until Early 2011 for Proposed Natural Gas Pipelines from Alaska: Federal Official

<http://www.adn.com/2010/07/20/1374893/gas-line-bid-details-will-remain.html>

Update: Pennsylvania DEP Gives Cabot Oil & Gas 60 Days to Permanently Repair Water Supplies Impacted by Company's Natural Gas Drilling Operations July 21

<http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=12985&typeid=1>

GAO Study Says DOE Could Provide Better Information on Maturity of Key Technologies to Reduce Carbon Dioxide Emissions

<http://www.gao.gov/products/GAO-10-675>

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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