



ENERGY ASSURANCE DAILY

Wednesday Evening, July 29, 2009

Electricity

Severe Weather Causes Over 28,000 Customers in North Carolina to Lose Power Overnight July 28

Severe storms swept through the greater Charlotte metropolitan area during the evening of July 28. Duke Energy reported a peak of 16,488 customers without power in addition, Progress Energy reported about 11,500 customers in York and Union counties were without power due to the storms. As of most recent reports, Duke Energy is reporting 643 customers remain without power in North Carolina, with Progress Energy reporting 21 customers remain without power.

<http://www.charlotteobserver.com/breaking/story/63311.html>

<http://www.progress-energy.com/shared/outages/car/default.aspx>

<http://www.duke-energy.com/outages/stats/>

American Wind Energy Association Reports U.S. Wind Power Installation Slows in Second Quarter by More than Half Over First Quarter due to Recession

According to a recently released second quarter report from the American Wind Energy Association (AWEA), new installations of wind energy totaled about 1,210 MW in the second quarter of this year compared to about 2,790 MW in the first quarter, showing a decrease of more than half. However, the AWEA also reported that despite the second quarter drop, total new capacity added during the first six months of this year exceeded 4,000 MW compared to the 2,900 MW added in the first six months of 2008. According to the report, total U.S. wind power generating capacity is currently at 29,440 MW.

http://www.awea.org/newsroom/releases/AWEA_second_quarter_market_report_072809.html

Reuters, 15:00 July 28, 2009

U.S. Circuit Court Rules Nation's Nuclear Plants are Adequately Guarded from Attacks

The Ninth U.S. Circuit Court of Appeals in San Francisco ruled that the U.S. military and security forces effectively guard the nation's nuclear plants from terrorist attacks from the air. The Court ruled in a 2-1 decision to reject claims by critics that current measures to guard the country's nuclear plants from attacks by land or sea fail to adequately address aerial assaults.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/07/28/MNQG18UPFL.DTL>

Update: FPL Group to Scale Back Planned Wind Capacity Projects by 28 Percent

The Florida Power & Light Group (FPL) announced recently it is cutting by 28 percent the amount of wind capacity it plans to build in 2010. The company is now planning to build 1,000 MW of wind projects in 2010 down from the 1,400 MW previously announced. The decrease is attributed to lower electricity demand in Florida, FPL said.

<http://www.platts.com/Electric%20Power/News/6468386.xml?p=Electric%20Power/News&sub=Electric%20Power>

PG&E's 407 MW Helms Hydro Unit 1 in California Shut by July 28

According to the California Independent System Operator, the unit reported an unplanned outage on July 28.

<http://www.caiso.com/unitstatus/data/unitstatus200907281515.html>

Update: FPL's 839 MW Saint Lucie Nuke Unit 2 in Florida Ramped Up to 61 Percent by July 29

The unit shut on July 13 to work on a pipe. The Nuclear Regulatory Commission reported that on the morning of July 28 the unit was operating at 35 percent.

<http://www.reuters.com/article/marketsNews/idUSN2924592420090729>

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Dynegy's 335 MW El Segundo Gas-fired Unit 4 in California Returns to Service by July 28

According to the California Independent System Operator, the unit reported a return from an unplanned outage.
<http://www.caiso.com/unitstatus/data/unitstatus200907281515.html>

Update: Duke Energy's 510 MW Moss Landing Gas-fired Unit 1 in California Returns to Service by July 28

According to the California Independent System Operator, the unit reported a return from an unplanned outage.
<http://www.caiso.com/unitstatus/data/unitstatus200907281515.html>

Update: Duke Energy's 510 MW Moss Landing Gas-fired Unit 2 in California Returns to Service by July 28

According to the California Independent System Operator, the unit reported a return from an unplanned outage.
<http://www.caiso.com/unitstatus/data/unitstatus200907281515.html>

Update: Sycamore Cogeneration's 360 MW Sycamore Gas-fired Unit in California Returns to Service by July 28

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 133 MW.
<http://www.caiso.com/unitstatus/data/unitstatus200907281515.html>

Petroleum

Flint Hills Shuts Several Units for Unplanned Work at its 288,126 b/d Corpus Christi, Texas Refinery July 29

According to a filing with state regulators, Flint Hills shut the naphtha hydrotreater, a hydrocracker and cyclic catalytic reformer at its Corpus Christi refinery for unplanned work. The shutdown will started July 29 and is expected to end on August 3.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=127356>
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=127360>
<http://online.wsj.com/article/BT-CO-20090729-711168.html>

Update: Divers Find Crack in Shell's Eugene Island Pipeline in Gulf of Mexico Following Leak Discovered July 25

Divers sent to inspect the Eugene Island pipeline leak in the Gulf of Mexico found a crack in the pipeline. Shell reported planning is underway for repair and restart will begin as soon as possible. The 173,000 b/d pipeline was carrying 100,000 b/d at the time of the 1,400-barrel leak.

Reuters, 12:28 July 29, 2009

Flaring Reported due to Catalytic Cracker Operational Problems at ExxonMobil's 503,000 b/d Baton Rouge, Louisiana Refinery July 28

The company reported flaring at the Baton Rouge refinery because of operational problems in its catalytic cracker on July 28. Today, according to a company representative all operations are normal.

Bloomberg News, 11:54 July 29, 2009

Natural Gas

Enbridge to Expand its Central Gulf of Mexico Offshore Pipeline System to Accommodate up to 100 MMcf/d of New Chevron Ultra-deepwater Developments

Enbridge announced recently it has entered into Letters of Intent with Chevron USA in which Enbridge proposes to construct, own and operate the Walker Ridge Gathering System (WRGS) to provide gathering services to Chevron's potential Jack, St. Malo and Big Foot ultra-deepwater developments. The WRGS is expected to include 190-miles of pipeline at depths of 7,000 feet with the capacity to carry 100 MMcf/d.

http://www.rigzone.com/news/article.asp?a_id=78717

Marcellus Shale Formation Could Contain Enough Natural Gas to Supply U.S. Needs for Two Decades, According to New Study

According to a new study released by a professor of geosciences with Pennsylvania State University, the Appalachian Basin's Marcellus Shale formation could contain nearly 500 Tcf of natural gas. The estimate covers portions of five states, with the greatest concentration in Pennsylvania.

http://www.rigzone.com/news/article.asp?a_id=78661

Florida Power & Light Seeks Approval from Public Service Commission for its 280-Mile Natural Gas Pipeline in Florida July 27

Official with Florida Power & Light (FPL) met July 27 in front of the state's Public Service Commission to answer questions on the company's proposed 280-mile natural gas pipeline to serve power plants in Brevard and Palm Beach counties. The pipeline is expected to cost over \$1 billion and is to be funded through customers' base rates.

<http://www.sun-sentinel.com/business/sfl-fpl-gas-pipeline-072809.0.69118.story?track=rss>

Update: Boardwalk Pipeline Partners Completes Repairs to Address Anomalies Found within its East Texas and Southeast Pipeline Projects, Receives Authorization to Operate Pipelines at Standard Operating Pressures

Boardwalk Pipeline Partners announced recently that its Gulf South Pipeline Company has completed remediation of the pipe anomalies on its East Texas and Southeast pipeline projects and has received authorization from the Pipeline and Hazardous Materials Safety Administration (PHMSA) to operate these pipelines at standard operating pressures.

<http://phx.corporate-ir.net/phoenix.zhtml?c=193443&p=irol-newsArticle&ID=1313105>

Spectra Energy Announces Open Season to Provide 87 MMcf/d of Firm Transportation Capacity on Pipeline in British Columbia

Spectra Energy Corp announced a binding open season for proposed new transportation service on the company's Transportation South (T-South) Zone 4 natural gas transmission facilities in southern British Columbia. The new services are expected to be available by November 2009, and are dependent on the company entering into an agreement with Terasen Gas Inc. (Terasen Gas) for up to 87 million MMcf/d of firm transportation capacity on Terasen Gas' Southern Crossing pipeline, and Terasen Gas contracting for transportation service on the Foothills Pipe Lines (South BC) system from Yahk, B.C. to the Kingsgate export point.

http://www.spectraenergy.com/news/releases/2009/jul/20090728_01.asp

<http://www.platts.com/Natural%20Gas/News/6468604.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Other News

Update: Denbury Resources Pipeline Project Will Transport Carbon Dioxide from Louisiana to Texas Could Boost Oil Production and Reduce Carbon Dioxide

Denbury Resources's planned 300-mile Green Pipeline Project is planned to transport natural and manmade carbon dioxide to the Hastings Field in Texas where the CO₂ will then be injected into oil reservoirs to recover additional crude from depleted fields. The pipeline is scheduled for completion in late 2010.

<http://www.businessreport.com/news/2009/jul/27/pipeline-edv11/?industry>

<http://www.denbury.com/greenpipelineproject.htm>

Oil and Gas Industry to Reemerge from Economic 'Doldrums' With Structural Changes, According to Speakers at the RMI Oilfield Breakfast Forum July 28

Oil and gas officials and investors met this week to highlight the changes facing the industry as it plans for a post-economic recession landscape. Speakers at the RMI Oilfield Breakfast Forum held in Houston, Texas discussed the shift away from drilling for natural gas to a regained emphasis on oil exploration. Additionally, others expressed concern that drilling rigs are leaving the Gulf of Mexico because of hurricanes, aging infrastructure and more appealing contacts elsewhere.

http://www.ogj.com/index/article-display/3214831993/s-articles/s-oil-gas-journal/s-general-interest/s-articles/s-speakers-see_changed.html

Energy Prices

U.S. Oil and Gas Prices July 29, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	63.34	64.58	121.76
NATURAL GAS Henry Hub \$/Million Btu	3.49	3.49	9.17

Source: Reuters

Energy Notes

ConocoPhillips's 306,000 b/d Wood River, Illinois Refinery Expansion Project on Track Start-up Expected for 2011

Reuters, 11:20 July 29, 2009

Reuters, 11:24 July 29, 2009

Reuters, 11:43 July 29, 2009

ConocoPhillips to Cut Back on Coking Rates Modestly due to Current Economics yet None of Company's Refineries on 'Verge of Shutdown,' CFO Says

Reuters, 11:30 July 29, 2009

Reuters, 11:35 July 29, 2009

Pemex to Build Two Low-Sulfur Gasoline Units at its 330,000 b/d Salina Cruz and 170,000 b/d Minatitlan Refineries in Mexico

Bloomberg News, 12:43 July 29, 2009

Scientists Develop New Method to Decrease Content of Heavy Oil Fractions by Breaking the Properties into More Valuable, Lighter Fractions – New Process Said to Facilitate Petroleum Desulfurization Also

http://www.downstreamtoday.com/news/article.aspx?a_id=17333

Somali Pirates Attempt Unsuccessful Attack on Yemeni Oil Tanker in Gulf of Aden July 28

<http://www.bernama.com/bernama/v5/newsindex.php?id=428684>

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