



ENERGY ASSURANCE DAILY

Wednesday Evening, August 04, 2010

Electricity

Update: PPL's 1,105 MW Susquehanna Nuke Unit 1 in Pennsylvania Ramped Up to 16 Percent by August 4

The company shut the plant on July 16 after "river water entered the turbine building basement from hatches that provide access to part of the unit's condenser" the company said in a release. The Nuclear Regulatory Commission reported that on the morning of August 3 the unit was not operating.

<http://www.pplweb.com/newsroom/newsroom+quick+links/news+releases/Unit+1+at+Susquehanna+nuclear+plant+returns+to+service+080410.htm>

Information also derived from the NRC Power Reactor Status Reports:

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

Fire Breaks Out at LADWP's 1,331 MW Castaic Pumped Storage Power Plant in California August 4

A "generator fire" broke at the Los Angeles Department of Water and Power's (LADWP) 1,331 MW Castaic pumped storage power facility in California on August 4, according to a filing with state regulators. "The fire suppression system released the substance to put out the fire," the filing said. It was not clear if the facility remained online.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/5bfe2319be88b1a7882577750039046f?OpenDocument>

PGE and PacifiCorp Plan 210-Mile, 500 kV Cascade Crossing Transmission Project in Oregon

Portland General Electric (PGE) and PacifiCorp plan to consider whether to jointly construct a 210-mile, double-circuit, 500 kV transmission line in Oregon, PGE said on August 3. The line would run from the City of Boardman to the Salem area. PGE proposed the plan previously without PacifiCorp, but the companies signed a Memorandum of Understanding to officially open discussions on whether to pursue the project together. Pending approvals, the joint venture could break ground between 2013 and 2015.

http://www.portlandgeneral.com/our_company/news_issues/news/08_03_2010_pge_and_pacificorp_open_discu.aspx

Update: NRG Bluewater Wind Seeks to Extend Deadline for Launch of Planned 450 MW Wind Farm Offshore Delaware

NRG Bluewater Wind seeks to extend the deadline for the start-up of its planned 450 MW wind farm offshore Delaware by two years, from December 1, 2014 to December 1, 2016, according to Delmarva Power, the company expecting to purchase electricity from the site. Delmarva said it filed a request with the Delaware Public Service Commission to approve the extension. NRG Bluewater Wind's President said the company still expected to open the project before 2016, but that the change "simply adjusts the timeline for circumstances beyond our control." He cited the federal government's reconstitution of the Minerals Management Service and potential delays in the federal permitting process.

<http://www.bluewaterwind.com/delaware.htm>

<http://www.bluewaterwind.com/facts.htm?cat=delaware>

<http://www.delmarva.com/welcome/news/releases/archives/2010/article.aspx?cid=1504>

Update: BP Says Blown-Out Well Reaches “Static Condition” in Gulf of Mexico August 4

In what it hailed as a “significant milestone,” BP said on August 4 that its “static kill” procedure had successfully brought the blown-out MC252 well in the Gulf of Mexico to a “static condition.” “The well pressure is now being controlled by the hydrostatic pressure of the drilling mud,” the company said in a release. Responders completed an injectivity test and began the “static kill” procedure on August 3, according to a previous BP release. The process involved pumping heavy mud into the well, forcing oil and gas downward. U.S. Coast Guard retired Admiral Thad Allen, the official in charge of the federal government’s response to the spill, cautioned that the relief well – and not the static kill procedure – was the ultimate way to permanently seal the well. He referred to the static kill process as “a diagnostic test that will tell us a lot about the integrity of the casing and the wellbore,” and “about the tolerance for volume and pressure.” Once results from the test are received, the relief well is expected to be finished within five to seven days, according to Adm. Allen. BP, however, estimated the relief well would most likely intercept the well in mid-August.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7064165>

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7064173>

<http://www.deepwaterhorizonresponse.com/go/doc/2931/843315/>

http://www.google.com/hostednews/afp/article/ALeqM5j_HbDCNEeTuODt2e-v5zUA3-8dDw

Update: Government Says Most of Oil from BP Spill already Evaporated or Eliminated

The vast majority of the oil from the BP oil spill has either evaporated or been burned, skimmed, recovered from the wellhead or dispersed using chemicals – much of which is in the process of being degraded, the National Oceanic and Atmospheric Administration (NOAA) and the Department of the Interior (DOI) said in a report on August 4. A third (33 percent) of the total amount of oil released in the Deepwater Horizon/BP spill was captured or mitigated by the Unified Command recovery operations, including burning, skimming, chemical dispersion and direct recovery from the wellhead, according to the report. An additional 25 percent of the total oil naturally evaporated or dissolved, and 16 percent was dispersed naturally into microscopic droplets. The residual amount, just over one quarter (26 percent), is either on or just below the surface as residue and weathered tarballs, has washed ashore or been collected from the shore, or is buried in sand and sediments. Dispersed and residual oil remain in the system until they degrade through a number of natural processes. Early indications are that the oil is degrading quickly. To read the report, click on the first link below.

http://www.deepwaterhorizonresponse.com/posted/2931/Oil_Budget_description_8_3_FINAL.844091.pdf

<http://www.deepwaterhorizonresponse.com/go/doc/2931/844299/>

<http://www.noaanews.noaa.gov/stories2010/PDFs/DeepwaterHorizonOilBudget20100801.pdf>

Update: Enbridge Recovers About 13,000 Barrels of Oil after July 26 Leak along 190,000 b/d, 30-Inch, Indiana-to-Ontario Lakehead System Line 6B

Enbridge had recovered about 13,000 barrels of oil by yesterday evening, August 3, or approximately two-thirds of the estimated 19,500 barrels (the Environmental Protection Agency has estimated that the total could exceed 23,800 barrels) that spilled from the company’s 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B on July 26. The line remained shut with no restart schedule, as of latest reports. The line’s shutdown continued to threaten operations at a number of Midwest U.S. and Canadian refineries, according to multiple Reuters articles. BP and Husky Energy had slightly reduced rates at their 127,500 b/d Toledo, Ohio refinery and Shell cited “minor” issues, but no impact to production, at its 75,000 b/d Sarnia, Ontario refinery. United Refining reduced rates by an unspecified amount at its 70,000 b/d Warren, Pennsylvania refinery. Imperial Oil reported minimal impact at its 121,000 b/d Sarnia, Ontario and 112,000 b/d Nanticoke, Ontario refineries. Enbridge had increased deliveries along alternate pipelines to compensate for the lost capacity, as of latest reports.

<http://response.enbridgeus.com/response/main.aspx?id=12898>

Reuters, 18:13 August 3, 2010

Reuters, 11:23 August 4, 2010

Update: Terrorist Group Claims Credit for July 28 Explosion on Board Japanese Oil Tanker in Strait of Hormuz

The Brigades of Abdullah Azzam, a militant jihadist group, took credit for an unexplained explosion last week on board a Japanese oil tanker in the Strait of Hormuz, according to the U.S.-based SITE Intelligence Group. The jihadist group said a suicide bomber had blown himself up. The tanker was en route to Japan, carrying 270,000 tonnes of oil. No oil was spilled.

<https://www.siteintelgroup.com/Pages/Default.aspx>

<http://www.google.com/hostednews/afp/article/ALeqM5j-OITSSOTP5QGnoHpHpQTkmbwwbw>

Natural Gas

Chesapeake Energy Plans to Balance Spending Between Natural Gas and Liquids Projects

Citing weakened natural gas prices, Chesapeake Energy said it planned to cut spending on natural gas drilling and completion projects by about \$400 million in 2011, and increase spending by approximately \$400 million on liquids-based projects. The company said it expected to shift its capital spending mix to about 45 percent natural gas, 55 percent liquids-rich plays by the end of 2012. It planned to boost liquids output to approximately 200,000 b/d by the end of 2015.

http://www.rigzone.com/news/article.asp?a_id=96918

Natural Gas Drillers in Marcellus Shale, Pennsylvania Accrued 1,435 Violations of State Laws between January 2008 and June 25, 2010: DEP Data

Natural gas drillers in the Marcellus Shale, Pennsylvania violated state Oil and Gas Laws 1,435 times over the two-and-a-half-year period between January 2008 and June 25, 2010, the Pennsylvania Land Trust Association said on August 2, citing data from the Pennsylvania Department of Environmental Protection (DEP). The Association said that 952 of those violations either had affected or were likely to affect the environment.

http://conserveland.org/uploaded_files/0000/0596/report_finalaug10.pdf

<http://www.conserveland.org/violationsrpt>

http://www.philly.com/inquirer/business/20100803_Business_news_in_brief.html

Other News

Update: Aventine's 50 MMGal/Yr. Nebraska Energy LLC Ethanol Plant Remains Offline amid "Depressed Margins"

Aventine shut its 50 MMGal/Yr. Nebraska Energy LLC ethanol plant in Aurora, Nebraska on June 29 to make mechanical improvements, but said it would only restart the plant in the first week of August "if margins have improved."

<http://www.aventinerei.com/nebraska.html>

http://www.auroranewsregister.com/index.php?option=com_content&view=article&id=1849:ne-shutdown-tied-to-margins&catid=13:featured-articles

Energy Prices

U.S. Oil and Gas Prices			
August 4, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	82.73	76.73	71.64
NATURAL GAS Henry Hub \$/Million Btu	4.78	4.72	3.43

Source: Reuters

Energy Notes

Storms Knock Out Power to 24,000 ComEd Customers in Illinois August 4

<http://abclocal.go.com/wls/story?section=news/local&id=7592150>

Storm Knocks Out Power to at Least 8,967 AEP Customers and 3,399 South Central Power Customers in Ohio August 4

<http://www.10tv.com/live/content/local/stories/2010/08/04/story-columbus-storm-power-outages.html?sid=102>

Update: State PUC Says Unitil Responded Reasonably to 2008 Ice Storm and Subsequent Massive Power Outages in New Hampshire – Company Has Improved Emergency Planning Since Event, according to PUC

<http://www.wcax.com/Global/story.asp?S=12922218>

TVA Plans Nuclear Fuel Reprocessing Plant in South Carolina – Facility Would Derive Reactor Fuel from 37.5 Tons of Plutonium in Nuclear Weapons

<http://www.timesdaily.com/article/20100803/NEWS/100809981/1011/NEWS?Title=TVA-seeks-input-on-nuclear-reactor-fuel-proposal>

Entergy to Test Sirens at 2,311 MW Indian Point Nuclear Power Plant in New York August 25

http://www.midhudsonnews.com/News/2010/August/03/IP_siren_test-03Aug10.html

Without Clear Carbon Standard, Companies Will Not Construct Coal-Fired or Nuclear-Based Power Plants in United States: Duke Energy Chairman

<http://www.foxbusiness.com/markets/2010/08/03/interview-duke-ceo-says-coal-nuke-plants-need-carbon-rule/>

Update: Xcel Energy Reports Promising Results from 1 MW Wind-to-Battery Storage Project in Minnesota

<http://www.xcelenergy.com/Minnesota/Company/Newsroom/Pages/20-08-03-Wind-to-Batteryproject.aspx>

PSE&G Plans 30 MW of Solar Power Capacity in New Jersey in 2010

http://www.pseg.com/media_center/pressreleases/articles/2010/2010-08-03b.jsp

Update: NPPD Announces Final Line Route for Planned 345-kV Axtell-to-Kansas Transmission Line Project in Nebraska and Kansas

<http://www.nppd.com/Newsroom/NewsRelease.asp?NewsReleaseID=449>

NPPD Restoring Wind-Damaged 230-kV Transmission Line in Buffalo County, Nebraska – July 17 Storm Knocked Down about 32 Miles of Power Lines and 218 Structures

<http://www.nppd.com/Newsroom/NewsRelease.asp?NewsReleaseID=450>

Butte College to Expand Existing 1.85 MW Solar Power System by 2.7 MW in California – to be Nation's First College to Produce Power in Excess of On-Site Demand

PRN, 09:14 August 4, 2010

Update: Thirteen Workers Injured during Evacuation after Process Upset at ConocoPhillips 146,000 b/d Borger, Texas Refinery July 31

<http://www.reuters.com/article/idUSTRE67143820100802?type=domesticNews>

Tank Over-Pressure Triggers Hydrogen Sulfide Discharge at Tesoro's 97,000 b/d Wilmington, California Refinery July 31

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/a43af5950a22c6dc882577740061f00c?OpenDocument>

BP Faces \$10 Billion Class Action Lawsuit over Suspected Chemical Leak in April and May, 2010 from 467,720 b/d Texas City, Texas Refinery

<http://www.google.com/hostednews/afp/article/ALeqM5itYLR1cj6AsFk-X7NFYdjJBtHLOA>

North Dakota Rises to Third on List of Most Active States in Oil and Gas Drilling - Company Had 128 Active Rigs Last Week, according to Baker Hughes

<http://www.businessweek.com/ap/financialnews/D9HC85KO1.htm>

Fire Kills One, Injures Three at Cepsa's 100,000 b/d La Rabida Refinery in Spain August 4

DJN, 11:14 August 4, 2010

Reuters, 10:13 August 4, 2010

China Could Boost Oil Product Storage Capacity to 500 Million Barrels by 2015, or almost 50 Percent Higher than 2009 Totals – Nation also Expects to Increase Existing Strategic Petroleum Reserve from 102 Million Barrels to 338 Million Barrels

http://online.wsj.com/article/SB10001424052748704741904575408700736777516.html?mod=googlenews_wsj

Engine Shuts and Restarts at Andrews Booster Station in Texas August 3

<http://www.lltceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=143106>

Proposed State Legislation Would Block Natural Gas Drilling in Marcellus Shale, New York until May 15, 2011

<http://www.businessweek.com/news/2010-08-03/new-york-weighs-state-drilling-ban-on-natural-gas-from-shale.html>

Nine Coal Seam Fires Extinguished in Montana by August 3 – Tenth Fire Continues near Miles City, Montana

<http://www.nbcmontana.com/news/24501903/detail.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.

ENERGY ASSURANCE DAILY

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

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