



ENERGY ASSURANCE DAILY

Tuesday Evening, August 10, 2010

Electricity

Update: Duke Energy's 846 MW Oconee Nuclear Unit 1 in South Carolina Ramped Up to 58 Percent by August 10

Duke Energy shut the unit on August 7 “due to indicated vibrations on 1A1 and 1A2 reactor coolant pumps (RCP) reaching the high vibration trip criteria” the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of August 9 the unit was operating at 1 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100809en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Intergen's 322 MW Central La Rosita II Gas-Fired Unit in Mexico Shut by August 9

According to the California Independent System Operator, the unit reported an unplanned outage by August 9.

<http://www.caiso.com/unitstatus/data/unitstatus201008091515.html>

Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana Reduced to 85 Percent by August 10

The Nuclear Regulatory Commission reported that on the morning of August 9 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/>

PPL Declares Alert Due to Freon Leak at 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania August 10

PPL declared an alert – the second lowest of the Nuclear Regulatory Commission's four emergency classifications – due to a Freon leak in the reactor building at its 1,105 MW Susquehanna nuclear Unit 1 in Pennsylvania on August 10, the company said in a release. Plant employees were working to stop the leak, identify its cause, and remove the Freon through the plant's ventilation system, according to a company official. The unit continued to operate at full power.

<http://www.pplweb.com/newsroom/newsroom+quick+links/news+releases/SSES+alert+declaration+081010.htm>

Update: NRC Sees “No Environmental Impacts that Would” Prevent it From Issuing Combined Licenses for Luminant's Planned 1,700 MW Nuclear Power Units in Texas

The Nuclear Regulatory Commission (NRC) has found, preliminarily, that there are “no environmental impacts” to prevent it from “issuing Combined Licenses (COL)” for Luminant's proposed two-unit, combined 3,400 MW expansion at the existing Comanche Peak nuclear power plant in Texas, the agency said on August 9. Luminant aims to receive the COLs by late 2012 or early 2013, its CEO said by August 9. It could complete the units in 2018-2020.

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-137.html>

<http://www.star-telegram.com/2010/08/09/2393782/luminant-cheers-decision-on-comanche.html>

Update: NRC Issues Draft EIS in Support of Progress Energy's Plan to Construct Two 1,100 MW Nuclear Power Units near Crystal River, Florida

The Nuclear Regulatory Commission (NRC) issued a Draft Environmental Impact Statement (EIS) in support of Progress Energy's plans to construct two 1,100 MW nuclear power units in Levy County near Crystal River, Florida, the agency said on August 9. The NRC found, preliminarily, "no environmental impacts" that would prevent it from "issuing Combined Licenses (COL)" for the reactors. Progress Energy expects the NRC to issue the licenses in late 2012, according to an article in the St. Petersburg Times. It has not yet decided if it will construct the units.

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-138.html>

<http://www.tampabay.com/news/business/energy/proposed-levy-county-nuclear-plant-clears-an-early-hurdle-but-more-ahead/1114232>

Update: Tres Amigas Superstation to Transport up to 30 GW of Electricity across Nation's Three Main Power Grids

Tres Amigas, LLC expects its proposed Tres Amigas Superstation energy hub near Clovis, New Mexico to eventually transport up to 30 GW of power between the Western Interconnection, Eastern Interconnection, and Texas Interconnection, the company said by August 9. It plans to open the hub in 500 MW phases, and could break ground on the first unit in 2011.

<http://www.istockanalyst.com/article/viewiStockNews/articleid/4389296>

<http://www.tresamigasllc.com/about-overview.php>

Plutonic Power and GE Open 196 MW East Toba River and Montrose Creek Hydroelectric Power Facilities in British Columbia, Canada by August 9

Plutonic Power Corporation and GE Energy Financial Services began producing power by August 9 at the combined 196 MW East Toba River and Montrose Creek hydroelectric power facilities in British Columbia, Canada.

<http://www.plutonic.ca/s/PressReleases.asp?ReportID=413396& Type=Press-Releases& Title=BCs-Largest-Independent-Run-Of-River-Hydro-Project-Starts-Generating-Clean-...>

<http://www.plutonic.ca/s/PressReleases.asp?ReportID=389231& Type=Press-Releases& Title=Plutonic-Power-Announces-Energization-Plans-for-Toba-Montrose-Transmission-...>

Petroleum

BP Suspends Relief Well Drilling, Citing Weather Concerns in Gulf of Mexico

BP suspended relief well drilling at the site of the blown-out MC252 well in the Gulf of Mexico, citing the National Hurricane Center's forecast that a tropical cyclone could form in the Gulf of Mexico, the company said on August 10. "A decision was taken to suspend drilling activity, set a storm packer and remain on location," according to BP. The relief well had reached a depth of 17,909 feet, as of latest reports. BP estimated previously that, weather permitting, the relief well would intercept the blown-out MC252 well annulus on August 15. Separately, BP said it had made a \$3 billion initial deposit into the previously announced \$20 billion escrow fund for Deepwater Horizon claims.

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

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7064292>

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7064316>

<http://app.restorethegulf.gov/go/doc/2931/853939/>

Update: Enbridge Files Plan to Restart Ruptured 190,000 b/d, 30-Inch, Indiana-to-Ontario Lakehead System Line 6B

Enbridge filed a plan with the U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) to restart the company's 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead system Line 6B, but the plan did not include a restart date and the line remained shut, as of latest reports. Operators shut the line after it spilled an estimated 19,500 barrels (the Environmental Protection Agency suspected that total could exceed 23,800 barrels) of oil on July 26 into a creek near the company's Marshall, Michigan pump station. Enbridge was installing replacement pipe along the affected segment, as of August 10. Cleanup efforts continued along the Talmadge Creek and the Kalamazoo River, as of yesterday afternoon. Enbridge said it had completed about 90 percent of the primary clean-up at the five-acre site of the leak, and about 40 percent of the cleanup along the banks of Talmadge Creek. The company planned to focus next on the Kalamazoo River, immediately downstream of the mouth of Talmadge Creek. More than 150,000 feet of absorbent and containment boom had been deployed at 37 sites.

<http://www.detnews.com/article/20100810/METRO/8100399/1361/Enbridge-makes-proposal-to-restart-oil-pipeline-after-spill-near-Marshall>

<http://www.nytimes.com/aponline/2010/08/10/business/AP-US-Michigan-River-Oil-Spill.html?hp>

<http://response.enbridgeus.com/response/main.aspx?id=12793>

BP Reports Unit Shutdown and Flaring at 234,000 b/d Cherry Point, Washington Refinery August 9

A power failure forced offline an unspecified unit at BP's 234,000 b/d Cherry Point, Washington refinery on August 9, the company said in a regulatory filing. The unit had been restarted, as of latest reports. It was not clear if the incident had any impact to production.

Reuters, 08:13 August 10, 2010

Unit Shutdown Triggers Flaring at Tesoro's 97,000 b/d Wilmington, California Refinery August 10

A co-generation unit shutdown led to flaring at Tesoro's 97,000 b/d Wilmington, California refinery on August 10, according to a filing with state regulators. It was not clear if the incident had any impact to production.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/2010c48d75c7b1a48825777b004c3fc8?OpenDocument>

DJN, 11:22 August 10, 2010

Update: Alon Set to Reopen Newly-Purchased, 70,000 b/d Bakersfield, California Refinery in Second Half of 2011

Alon looks "on track" to reopen its recently-purchased, 70,000 b/d Bakersfield, California refinery in the second half of 2011, according to a report by Macquarie Research. The company expects to operate the facility as an integrated unit with its refinery in Paramount, California, it said previously. It plans to deliver vacuum gas oil from the Paramount, California facility for processing at the Bakersfield, California site. Alon acquired the facility from a Flying J subsidiary.

<http://www.bakersfield.com/news/business/economy/x1785050921/Report-Alon-refinery-conversion-on-track>

<http://www.alonusa.com/index.cfm?FuseAction=Page&PageID=1000024&ArticleID=158>

Update: Bridger Pipeline Plans 60,000 b/d, 12-Inch, 77-Mile Four Bears Pipeline in North Dakota

The line would enable producers to deliver oil to Tesoro's Mandan, North Dakota refinery and other refineries in Minnesota and Wyoming, according to a regulatory official in North Dakota.

<http://www.businessweek.com/ap/financialnews/D9HG114G0.htm>

Plains All American Pipeline to Upgrade Spill-Prevention Controls along 10,420 Miles of U.S. Oil Pipelines

Plains All American Pipeline and several of its operating subsidiaries have agreed to spend about \$41 million upgrading 10,420 miles of U.S.-operated oil pipelines, the U.S. Environmental Protection Agency (EPA) and the Justice Department said on August 10. The settlement resolves Plains' Clean Water Act violations for 10 crude oil spills in Texas, Louisiana, Oklahoma, and Kansas. It also requires the company to pay a \$3.25 million civil penalty. Plains, as part of the agreement, take steps to replace or install corrosion control equipment, perform pipeline inspections, assess the integrity of newly acquired pipelines, improve leak detection practices and capabilities, and provide proper training for personnel, according to the EPA. In addition, the company must ensure that all breakout tanks used to replace or substitute existing tanks that relieve pipeline surges have adequate capacity to contain such surges and are properly located within secondary containment.

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/e2b4424e572c6ea68525777b00528f15!OpenDocument>

Deepwater Moratorium to Cut U.S. Oil Production by about 82,000 b/d in 2011: EIA

The government's six-month moratorium on deepwater drilling is expected to reduce U.S. oil production by about 82,000 b/d in 2011, the U.S. Energy Information Administration said in its Short-Term Energy Outlook on August 10. Production in the Gulf of Mexico is slated to drop by 120,000 b/d, but overall domestic output is expected to increase by 30,000 b/d, to a total 5.46 million b/d, according to the EIA.

<http://www.eia.doe.gov/emeu/steo/pub/contents.html>

Refiners Tapping Oil Inventories after Ship Collision Forces Shut Two Ports in India August 7

Indian oil refiners were tapping oil inventories and pipeline deliveries after two vessels collided offshore Mumbai on August 7, forcing shut two Indian ports. The ports remained offline, as of August 10. The two vessels – both Panamanian-registered – crashed into one another on August 7, spilling containers, oil, and chemicals. An estimated 3,666 barrels of oil was believed to have leaked from tanks on one of the affected ships.

<http://online.wsj.com/article/SB10001424052748704164904575420990550597832.html>

<http://www.bbc.co.uk/news/world-south-asia-10922792>

Natural Gas

Blowout Leads to Fire at Encana-Operated Natural Gas Well in British Columbia, Canada August 7

A blowout triggered a fire and left one worker injured at an Encana-operated natural gas well in British Columbia, Canada on August 7, the company said. The fire continued to burn on August 9. The affected well is located in a remote area, approximately 62 miles north of Fort Nelson.

<http://af.reuters.com/article/energyOilNews/idAFN0925691820100809>

<http://www.squamishchief.com/article/GB/20100809/CP07/308099901/-1/SQUAMISH/fire-still-burning-at-encana-well-following-blow-out-in-northeastern&template=cpArt>

Task Force Says Rising Costs Could Drive Price Tag of Proposed 500 MMcf/d, 24-Inch, 737-Mile Natural Gas Pipeline in Alaska to nearly \$12 Billion

It would cost \$5.7 billion to \$11.8 billion to construct a 500 MMcf/d, 24-inch, 737-mile natural gas pipeline from the North Slope, Alaska to population centers in the southern section of the state, a state-appointed task force said on August 9. The pipeline, known as the Alaska Stand Alone Project, would probably call for state subsidies or partial state ownership, the task force said. The plan is considered a backup to larger, proposed pipelines from the North Slope, Alaska through Canada.

<http://af.reuters.com/article/energyOilNews/idAFN0918108220100810>

http://www.pennenergy.com/index/petroleum/display/5217393400/articles/pennenergy/petroleum/pipelines/2010/08/in-state-alaska_natural.html

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices August 10, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	79.79	82.14	70.72
NATURAL GAS Henry Hub \$/Million Btu	4.52	4.94	3.57

Source: Reuters

Energy Notes

Amid Extreme Heat, TVA Urges Customers to Conserve Power in U.S. Southeast

<http://www.reuters.com/article/idUSN1012055820100810>

New Yorkers Consume Record 17,312 GWh of Electricity in July 2010: NYISO

http://www.nyiso.com/public/webdocs/newsroom/press_releases/2010/pr_nyiso_highestloadmonth_08092010.pdf

Cogentrix Energy LLC Plans 30 MW Solar Power Project in Colorado – Company Expects to Complete Facility in Second Quarter of 2012

<http://www.cogentrix.com/news.aspx?id=8>

DOE, Beacon Power Finalize \$43 Million Loan Guarantee for Proposed 20 MW Flywheel Energy Storage Plant in Stephentown, New York August 9

<http://phx.corporate-ir.net/phoenix.zhtml?c=123367&p=irol-newsArticle&ID=1457909&highlight=>
<http://www.energy.gov/news/9315.htm>

Update: Maryland Governor Asks State Regulators to Look into Pepco's Response to Recent Weather-Related Power Outages

<http://voices.washingtonpost.com/local-breaking-news/maryland/omalley-review-handling-of-out.html>

SunPower Corp Signs Deal with APS to Construct 15 MW Solar Power System at Luke Air Force Base in Glendale, Arizona – Company Expects to Complete Project in Summer of 2011

<http://investors.sunpowercorp.com/releasedetail.cfm?ReleaseID=497969>

State Supreme Court Rejects Previous Court's Ruling that SCE&G Could Pass Along Contingency Costs to Customers Related to Proposed Nuclear Power Units in South Carolina – Company Says Project to Continue as Planned

<http://www.sceg.com/en/news-room/current-news/sc-supreme-court-issues-ruling-on-blra.htm>
<http://finance.yahoo.com/news/SC-court-rejects-part-of-apf-4058290580.html?x=0&.v=1>

Savannah River National Laboratory and Others Testing Potential for Wind Power Offshore South Carolina by August 9

<http://www.istockanalyst.com/article/viewiStockNews/articleid/4387536>

Transocean to Relocate Rig and Drillship Away from Projected Storms in Gulf of Mexico – Company Evacuates Workers from Deepwater Nautilus Rig by August 10

Reuters, 11:20 August 10, 2010

Motiva Reports Emissions at 220,000 b/d Norco, Louisiana Refinery August 9

Reuters, 06:17 August 10, 2010

Car Crashes into Gas Pump at Mobil Station in New York, Triggering Explosion and Fire and Causing Six Injuries August 8

<http://www.lohud.com/article/20100809/NEWS02/8090324/-1/newsfront/Car-strikes-gas-pump-on-Hutch--sets-off-chain-reaction-of-fire--injuries--station-remains-closed>

Update: Workers Expect to Release Grounded Sidsel Knutsen Oil Tanker along St. Clair River in Michigan August 10

<http://www.lfpres.com/news/london/2010/08/09/14972981.html>

Update: Texas Attorney General Charges BP with Illegally Emitting about 500,000 Pounds of Harmful Air Pollutants from 467,720 b/d Texas City, Texas Refinery in April and May of 2010 - State Says Proper Maintenance Could Have Prevented Release

<http://www.oag.state.tx.us/oagnews/release.php?id=3442>

Storm Knocks Out Power to about 16,700 Epcor Customers in Alberta, Canada August 9 – Company Restores Power to all Customers by August 10

<http://www.edmontonsun.com/news/edmonton/2010/08/10/14978996.html>

Internal Corrosion Leads to Leaks along Southern Union Pipeline's 10-Inch Natural Gas Pipeline in Pecos County, Texas August 9

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=143329>

Shutdown at Coynosa Plant Causes Flaring at Estes Booster Station in Texas August 9

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=143330>

Coast Guard and Local Fire Department Respond to Fire Involving Two Fuel Storage Tanks near Brownsville Ship Channel in Texas August 9 – Tanks Contained Animal Fatty Acid Product, and Blaze Had No Impact to Port Traffic

<http://www.d8externalaffairs.com/go/doc/425/853587/>

<http://www.brownsvilleherald.com/news/fire-115268-port-contained.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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