



ENERGY ASSURANCE DAILY

Wednesday Evening, August 17, 2011

Electricity

Update: LG&E Says Peak of About 167,000 Customers Lost Power in Kentucky during August 13 Storm

Louisville Gas & Electric (LG&E) previously reported a smaller peak of 128,000 outages. As of latest reports, just 150 customers remain the dark throughout the state.

<http://www.courier-journal.com/article/20110816/NEWS01/308160029/1001/Power-outages-near-2-000-homes-LG-E-expects-restore-all-power-Wednesday?odyssey=mod%7Cnewswell%7Ctext%7CHome%7Cp>
<http://stormcenter.lge-ku.com/default.html>

Update: STP's 1,251 MW South Texas Nuclear Unit 2 in Texas at Full Power by August 17

The Nuclear Regulatory Commission reported that on the morning of August 16 the unit was operating at 45 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

FPL's 839 MW Saint Lucie Nuclear Unit 2 in Florida Reduced to 45 Percent by August 17

The Nuclear Regulatory Commission reported that on the morning of August 16 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/2011/>

Elk Hills Power's 552 MW Elk Hills Gas-Fired Unit in California Returns to Service by August 16

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 320 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201108161515.html>

Update: FERC and NERC Study Says February's Rolling Blackouts in U.S. Southwest and Texas Were Caused by Cold Weather-Related Equipment Failures August 16

A six-month study by the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC) found that a majority of the electric outages and natural gas shortages were caused by problems related to cold weather. The report recommended strengthening utilities' equipment winterization procedures.

http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20110817-4004

<http://www.chron.com/dispatch/story.mpl/business/energy/7700239.html>

<http://www.azcentral.com/business/articles/2011/08/16/20110816arizona-utilities-warned-winter-outages.html>

ERCOT Signs Contracts for 400 MW of "Last Resort" Power in Texas August 16

The Electric Reliability Council of Texas (ERCOT) signed short-term agreements with NRG Energy and Garland Power and Light to provide 400 MW of "last resort" generation to reduce the possibility of rotating outages during the ongoing heat wave in Texas. The generating capacity, which will be provided by four currently inactive natural gas units, will be available through October.

http://www.ercot.com/news/press_releases/show/424

Transformer Malfunction Leads to Shutdown of Unit A-10 at Luminant's 793 MW Martin Lake Coal-Fired Unit 2 in Texas August 16

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158098>

Alberta Utilities Commission Gives Final Approval to Maxim Power's Proposed 500 MW Coal-Fired Unit Near Grande Cache, Alberta August 10

The unit will be built adjacent to the existing 150 MW H.R. Milner Generating Station.

<http://www.journalofcommerce.com/article/id46248>

Petroleum

Update: Tesoro Says All Units Returning to Planned Rates at 93,500 b/d Kapolei, Hawaii Refinery August 17

According to previous reports, unspecified process units at the refinery were shut on August 15 due to the failure of a piping component.

<http://www.mysanantonio.com/business/article/Tesoro-restarting-units-at-Hawaii-plant-2069838.php>

Update: Shell Reports Second Oil Leak Location from Gannet Alpha Pipeline in U.K. North Sea August 15

According to a company statement, the source of the leak remains the same, but oil found a second pathway to the sea after the initial release path was blocked on August 11. The company believes that oil is now flowing from a relief valve adjacent to the original leak. On August 17, Shell reported that oil is leaking at the rate of just one barrel per day from the pipeline, which the company estimates to still contain 218 metric tons of oil. Shell plans to proceed with a planned 30-day maintenance shutdown of the Gannet platform in order to give the company a chance to investigate other pipelines nearby.

http://www.shell.co.uk/home/content/gbr/aboutshell/media_centre/news_and_media_releases/2011/news/update_gannet_oilleak_02.html

Reuters, 12:59 August 17, 2011

http://www.rigzone.com/news/article.asp?a_id=110215

<http://www.businessgreen.com/bg/news/2102548/shell-admits-uncertainty-spill-risks-defends-handling-leak>

Update: Valero Declines to Commit to Using Enterprise Products Partners and Energy Transfer Partners' Proposed 450,000 b/d Oklahoma-to-Texas Double E Crude Oil Pipeline

According to previous reports, the companies extended the binding open commitment period for the pipeline, suggesting that the proposal may be having difficulty attracting customer support.

<http://www.reuters.com/article/2011/08/16/oil-pipeline-idUSN1E77F19H20110816>

Petrobras Begins Production at 100,000 b/d, 212 MMcf/d Platform P-56 in the Marlim Sul Field in the Campos Basin Offshore Brazil

The platform is expected to reach full capacity in early 2012 once it is connected to ten oil producing wells. Production is currently flowing from one well designed to produce 16,000 b/d.

http://www.offshore-mag.com/index/article-display/7209985778/articles/offshore/production/latin-america/2011/August/marlim-sul_field_platform.html

U.S. District Court Judge in Wyoming Strikes Down New Environmental Requirements for Oil and Gas Drilling August 12

The judge ruled that the Bureau of Land Management and the U.S. Forest Service did not properly follow procedures when the agencies limited the use of "categorical exclusions" which allow oil and gas companies to bypass some environmental reviews.

<http://rotor.com/Default.aspx?TabId=177&newsid375=73652>

http://online.wsj.com/article/SB10001424053111903392904576510461114086274.html?mod=googlenews_wsj

Plains All American Pipeline Planning to Add 38,000 b/d of Oil Transportation Capacity on its Kansas and Oklahoma Pipeline Systems

The \$25 million project would include connecting the company's Cushing, Oklahoma terminal and parts of its Kansas and Colorado pipeline systems to its Colorado-Cushing White Cliffs pipeline. It is due to come into service by the third quarter of this year.

Reuters, 16:27 August 16, 2011

Update: Alberta Regulators Give Conditional Approval for Restart of Northern Leg of Plains All American's 187,000 b/d Rainbow Crude Oil Pipeline August 16

Despite the clearance to restart from the Alberta Energy Resources Conservation Board, there is so far no estimate for a restart date. The line has been shut since April 28 due to a rupture and spill of 28,000 barrels of crude. Reuters, 17:07 August 16, 2011

http://www.upi.com/Business_News/Energy-Resources/2011/08/17/Canada-backs-Rainbow-pipeline-restart-plan/UPI-31431313582240/

Natural Gas

Calypso U.S. Pipeline Cancels Plans to Build LNG Pipeline Offshore Florida August 16

The pipeline, which was originally proposed in 2004, would have been used to ship regasified liquefied natural gas (LNG) to Florida from a proposed LNG import terminal either in the Bahamas or off the coast of Florida. The company did not cite a reason for canceling the project, and it is not clear whether the abandonment of its authorizations and permits would apply to both versions of the proposal.

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/NaturalGas/6381484>

Five Injured Following Flash Fire and Explosion at Natural Gas Pipeline Company of America Gas Plant near Herscher, Illinois August 16

According to reports, the fire did not disrupt supply. The fire, which has since been extinguished, is not believed to have been caused by a gas leak.

<http://www.hazardonthenet.net/article/44270/Gas-plant-explosion-injures-five.aspx?AreaID=2>
<http://daily-journal.com/archives/dj/display.php?id=478031>

Other News

President Obama Announces \$510 Million Interagency Biofuels Plan August 16

The U.S. Departments of Agriculture and Energy, and the U.S. Navy will each invest about \$170 million over the next three years in partnership with the private sector to produce advanced drop-in aviation and marine biofuels to power military and commercial transportation. To accelerate the production of bio-based jet and diesel fuel, the three agencies plan to jointly construct or retrofit several drop-in biofuel plants and refineries.

<http://www.rurdev.usda.gov/SupportDocuments/DPASignedMOUEnergyNavyUSDA.pdf>

<http://energy.gov/articles/president-obama-announces-major-initiative-spur-biofuels-industry-and-enhance-american>

NETL Plans \$67 Million in Funding for Four Carbon Capture Projects at Coal-Fired Power Plants August 15

The U.S. Department of Energy's National Energy Technology Laboratory (NETL) announced that money, spent over four years, will go towards developing carbon capture and separation technologies that can achieve at least 90 percent CO₂ removal at no more than a 35 percent increase in the cost of electricity. One of the four projects will be located at Southern Company's 2,567 MW Plant Barry in Alabama.

http://www.netl.doe.gov/publications/press/2011/110815_projects_aimed_at_advancing%20.html

<http://spectrum.ieee.org/energywise/green-tech/clean-coal/doe-will-spend-67-million-on-novel-carbon-capture-technologies>

<http://www.wtoc.com/story/15270472/southern-co-gets-15m-for-carbon-capture-project>

Energy Prices

U.S. Oil and Gas Prices August 17, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	87.62	80.51	76.35
NATURAL GAS Henry Hub \$/Million Btu	3.98	4.06	4.37

Source: Reuters

Energy Notes

National Grid Reports 18,358 New York Customers Lose Power for Up to Five Hours after Contractor Clips Three Underground Cables August 16

<http://www1.nationalgridus.com/niagamohawk/stormcenter/>

<http://www.wgrz.com/news/article/131113/1/More-Than-15000-Customers-in-Kenmore-and-North-Buffalo-Without-Power->

Unitil Reports 14,000 Massachusetts Customers Lose Power for Two Hours Due to Likely Failed Subtransmission Line August 16

<http://www.telegram.com/article/20110816/NEWS/110819716/1116>

<https://twitter.com/#!/Unitil/status/103599713927970816>

Storm Topples 18 Power Poles, Kills Power to Over 12,000 TEP Customers in Arizona August 16 – About 1,100 Remained Without Power Late Yesterday

http://azstarnet.com/news/article_6745c0a0-775a-5265-948b-b7e90f78778f.html

<http://www.kold.com/story/15279525/storm-shuts-down-ina-10000-without-power>

Flaring Reported for Unknown Reasons at CVR Energy's 115,700 b/d Coffeyville, Kansas Refinery August 16

Reuters, 00:18 August 17, 2011

Year-Over-Year Oil Production in Oman Rose from 856,700 b/d to 878,800 b/d January-June 2011, Though Exports Fell Over Same Time Period

Reuters, 04:11 August 17, 2011

Saudi Arabia Pumps 9.8 Million b/d of Oil in June, the Highest Level since at Least 2002

http://blogs.star-telegram.com/barnett_shale/2011/08/saudis-report-highest-oil-output-since-2002.html

Gas Company Records Show Massachusetts Pipelines Have 21,000 Leaks: Boston Globe

http://www.boston.com/news/local/massachusetts/articles/2011/08/17/thousands_of_small_leaks_found_in_natural_gas_lines_in_boston_area/

Study Shows Life-Cycle CO2 Emissions from Biomass Power Are Just Four Percent of Those from Coal Power

http://www.corrim.org/pubs/articles/2011/FSG_Review_Carbon_Synthesis.pdf

<http://biomassmagazine.com/articles/5725/report-finds-biomass-emits-significantly-less-co2-than-coal/>

Collapsed Screen Forces Shut Midkiff Gas Plant in Texas August 16

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158100>

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EDT every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EDT every Thursday.

ENERGY ASSURANCE DAILY

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EDT. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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