



ENERGY ASSURANCE DAILY

Thursday Evening, August 19, 2010

Electricity

Luminant to Shut 793 MW Martin Lake Coal-Fired Unit 1 in Texas August 19

Luminant expected to shut the unit to fix a boiler tube leak, it said in a filing with state regulators. It was not clear when the unit might return to service.

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=143729>

Update: TVA Ramps Up 3,391 MW Browns Ferry Nuclear Power Plant in Alabama to 60 Percent by August 19

The Tennessee Valley Authority (TVA) ramped up all three units at its Browns Ferry nuclear power plant – the 1,155 MW Unit 1, the 1,118 MW Unit 2, and the 1,118 MW Unit 3 – to 60 percent power by August 19, from 45 percent by yesterday morning, the Nuclear Regulatory Commission (NRC) reported. Operators have reduced the units multiple times in recent weeks due to state rules that forbid downstream river temperatures from exceeding upstream temperatures, in the event that ambient water temperatures exceed 90 degrees. The facility “inadvertently exceeded” the limitation on August 16, TVA said in a previous filing with the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100817en.html>

<http://www.wsfa.com/Global/story.asp?S=13002546>

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramped Up to 92 Percent by August 19

The Nuclear Regulatory Commission reported that on the morning of August 18 the unit was operating at 72 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Update: NRC Launches Special Inspection after Dual Unit Shutdowns at Exelon's 2,315 MW Braidwood Nuclear Power Plant in Illinois

The Nuclear Regulatory Commission (NRC) sent an inspection team to Exelon's 2,315 MW Braidwood nuclear power plant in Illinois, citing the recent shutdown of both of the site's power units. The units – the 1,161 MW Unit 1 and the 1,154 MW Unit 2 – shut automatically on August 16, the company said in a previous filing with the NRC. Unit 2 shut at 2:06 AM local time on August 16 after a “generator lockout relay actuation” led to “a turbine generator trip.” Unit 1 shut about 13 minutes later after the “loss of condenser vacuum” caused a “turbine trip,” according to the filing. The Unit 1 shutdown triggered a steam release and a loud noise that could be heard by nearby residents, the NRC said. The NRC hoped “to better understand the sequence of both reactor events and the apparent unexpected system interactions,” according to an agency official. The units remained offline, as of latest reports.

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-032.iii.html>

http://www.exeloncorp.com/Newsroom/Pages/pr_pr_2010%2008%2017_nuclear_Braidwood%20outage20100817_nuclear_Braidwoodoutage.aspx

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100817en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Update: SME Reaches Deal to Construct 120 MW Gas-Fired Highwood Generating Station in Montana

Southern Montana Electric Generation & Transmission Cooperative (SME) reached a deal with an environmental group and other plaintiffs that opened the door for SME to pursue a 120 MW gas-fired power plant east of Great Falls, Montana, SME and the plaintiffs said on August 18. SME initially proposed to build a 250 MW coal-fired power plant, but numerous plaintiffs filed suit against those plans in late 2006. The company later dropped the coal plan, saying it would instead construct a 120 MW gas-fired facility. The plaintiffs, however, wanted a guarantee that SME would not ever construct a coal-fired power plant on the site. As part of the settlement announced yesterday, the company agreed to that condition. SME expects to construct the facility in two phases: the first phase would produce 45 MW of power, and the second phase would raise total capacity to 120 MW. The company aims to open the plant by June 2011.

<http://www.greatfallstribune.com/article/20100819/NEWS01/8190301>

Petroleum

Update: BP to Carry Out “Bottom Kill” Procedure in Early September at Blown-Out Well in Gulf of Mexico

BP should carry out its “bottom kill” procedure at the blown-out MC252 well in the Gulf of Mexico “somewhere in the week after Labor Day,” retired Coast Guard Admiral Thad Allen, the federal official in charge of the response, said on August 19. Separately, BP began a process yesterday that could result in its replacing the failed Blow Out Preventer (BOP) on the MC252 well with a separate BOP from the Transocean Development Driller II (DDII), news and official sources said. The company planned to flush drilling mud and hydrocarbons from the MC252 well sealing cap and the original Deepwater Horizon Lower Marine Riser Package (LMRP) and BOP, it said in a release. The flushing was in advance of a pressure test intended to study the well’s BOP stack and sealing cap under ambient conditions. Following the successful flushing of subsea equipment, BP planned to conduct an ambient pressure test to reassure that the well was secure. The company expected the test to last 48 hours, or twice the estimated time it would take to remove the original BOP and replace it with the BOP from the Transocean Development Driller II (DDII).

http://www.rigzone.com/news/article.asp?a_id=97522

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7064555>

<http://www.reuters.com/article/idUSN19241083>

Update: Enbridge Says Cost of Pipeline Spill in Michigan Could Reach \$300-400 Million, Not Including Potential Penalties or Fines

<http://www.fox23.com/business/story/Enbridge-estimates-oil-spill-bill-at-up-to-400M/XMBs0ZHh00igqphSGlIC3Q.csp>

ExxonMobil Shuts Gas Plant after Pinhole Leak at 348,500 b/d Beaumont, Texas Refinery August 18

ExxonMobil shut a gas plant after it discovered “a pinhole leak in the #2 Depropanizer feed line” at its 348,500 b/d Beaumont, Texas refinery on August 18, the company said in a filing with state regulators. It was not clear if the incident had any impact to production.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=143713>

<http://www.reuters.com/article/idUSWEN896320100818>

Update: BP Searches for Leak along Indiana-to-Illinois White Oak Oil Products Pipeline - Line Spilled at Least 1,700 Gallons of Petroleum in Hammond, Indiana

BP continued to look for the source of a leak along its Indiana-to-Illinois White Oak oil products pipeline, but officials warned that the break could be "pinhole-sized" and said that it might take days or weeks to locate. Crews had recovered 1,700 gallons of product from the sewer system in Hammond, Indiana, as of August 18. It was unclear how much had spilled, in total, but an official with the Environmental Protection Agency (EPA) said it was "not a super large spill." BP had blocked off and was draining a three-plus-mile segment of the line, as of latest reports. "We don't expect much more to come out," according to the EPA official. The affected line delivers products from BP's 405,000 b/d Whiting, Indiana refinery to terminals in Chicago and Manhattan, Illinois, according to an earlier article from the Wall Street Journal. It was not clear if the incident had impacted operations at the Whiting, Indiana refinery or at either of the associated terminals.

<http://www.indystar.com/article/20100819/BUSINESS/8190471/1003/BP-hunts-source-of-Hammond-oil-leak>
<http://www.businessweek.com/ap/financialnews/D9HML1880.htm>
<http://online.wsj.com/article/BT-CO-20100818-709488.html>

Update: Hovensa Repairing Leak at 500,000 b/d St. Croix, U.S. Virgin Islands Refinery August 18

Hovensa was repairing a small leak in a sulfolane unit at its 500,000 b/d St. Croix, U.S. Virgin Islands refinery on August 18, the company said. The unit was offline, but the company expected to restart it later on August 18, according to a spokesman.

Reuters, 15:38 August 18, 2010

Update: Bloomberg Signs Bill Mandating 2 Percent Biodiesel in City-Sold Heating Oil

Mayor Michael Bloomberg signed a bill ordering that, beginning in October 2012, heating oil sold within New York City include a minimum of 2 percent biodiesel.

http://www.biodieselmagazine.com/article.jsp?article_id=4337

Ecopetrol Plans 450,000 b/d, 596-Mile Oil Pipeline in Colombia

Ecopetrol plans to construct a 596-mile oil pipeline that would deliver crude from the Llanos Orientales, a major production area, to the Covenas port on the Caribbean, Ecopetrol and Reuters said on August 18. The company expects to construct the line in three phases. It intends to break ground on the first 450,000 b/d phase in October 2010, and aims to finish that phase by 2012. It also plans to upgrade infrastructure at the port. It was not clear from Reuters or Ecopetrol how much capacity the second and third phases would add.

<http://af.reuters.com/article/energyOilNews/idAFN1822417820100819>
<http://www.ecopetrol.com.co/english/contenido.aspx?conID=44939&catID=382>

Natural Gas

Eagle Rock Shuts in Oil and Gas Production in East Texas, Citing Unscheduled Shutdown at Tristream Energy's Eustace Processing Facility

Eagle Rock Energy Partners, L.P.'s oil and gas production in East Texas has been temporarily shut-in due to the unscheduled shutdown of Tristream Energy, LLC's Eustace processing facility, Eagle Rock said on August 17. The Eustace plant shut on August 11 after an electrical failure caused significant damage to a sulfur recovery unit (SRU). Tristream plans to replace all of the tubes in the reaction furnace's waste heat recovery unit, and replace the catalyst in the SRU. It expects the work to last for 30 to 45 days, during which time substantially all of Eagle Rock's production in the area will be shut-in. Eagle Rock produced about 211 MMcf/d of natural gas in East Texas and Louisiana during the three months ended June 30, 2010, along with 109,500 barrels of natural gas liquids (NGLs) and condensate, according to an earlier company release.

<http://ir.eaglerockenergy.com/phoenix.zhtml?c=200871&p=RssLanding&cat=news&id=1460841>
<http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NTY1NTN8Q2hpbGRJRjRD0tMXxUeXBIPtM=&t=1>
http://www.tristreamenergy.com/press_releases/announces_Acquisition_of_East_Texas_Processing_Assets.htm

Other News

Illinois Coal Production to Surge by 20 Million Tons in 2011

Illinois coal production is expected to rise by 20 million tons in 2011, to a total of about 54 million tons. Three new mines – Deer Run, Sugar Camp, and Lively Grove – are slated to start production. The 54 million figure would be the state's highest since 1990.

<http://www.sj-r.com/business/x279157323/Illinois-coal-production-expected-to-jump-in-2011>

Energy Prices

U.S. Oil and Gas Prices			
August 19, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	74.17	76.55	71.69
NATURAL GAS Henry Hub \$/Million Btu	4.35	4.38	3.12

Source: Reuters

Energy Notes

Update: Wolverine Power Cooperative Sues State over Rejection of Air Permit for Company's Proposed 600 MW Coal-Fired Wolverine Clean Energy Venture in Michigan

<http://michiganmessenger.com/41124/wolverine-power-fights-for-the-right-to-burn-coal>

Basin Electric Proposes Carbon Capture and Storage Project at 870 MW Antelope Valley Coal-Fired Power Plant in North Dakota – Project Would Require 35 MW of Electricity

http://www.kfyrtv.com/News_Stories.asp?news=42387

To Comply with State Environmental Law, Black Hills Energy Could Convert 42 MW Coal-Fired Clark Power Plant in Colorado to Burn Biomass, or Shutter Facility and Expand Capacity at Planned Gas-Fired Facility near Pueblo Memorial Airport

<http://www.canoncitydailyrecord.com/Top-Story.asp?ID=14421>

<http://energyresources.blackhillsenergy.com/aer/renewable/wood-case.shtml>

At Least Five Manhole Covers Explode in Atlantic City, New Jersey from August 15-17 – Electrical Malfunctions Suspected to Blame

http://www.pressofatlanticcity.com/communities/atlantic-city_pleasantville_brigantine/article_d6a872c6-aa7a-11df-9cc5-001cc4c002e0.html

Update: At Least 14 People Visit Medical Centers on Minor Health Problems Related to Recent Blow-Out at Mantle Oil and Gas LLC Well in Assumption Parish, Louisiana

<http://www.klfy.com/Global/story.asp?S=12997934>

Copper Thieves Take Copper from Rochester Gas & Electric Cop. Transformer, Causing 4,800-Gallon Oil Spill into Slater Creek and Lake Ontario in New York over Last Weekend

<http://www.democratandchronicle.com/article/20100819/ROCEARTH04/308190010>

Update: PdVSA to Return Alkylolation Unit to Full Service within Two Weeks at 200,000 b/d Puerto La Cruz, Venezuela Refinery – Unit Shut after Explosion on August 17, but Incident Did not Impact Production

<http://online.wsj.com/article/BT-CO-20100818-712041.html>

Russian Officials Okay Plan to Expand Section along Existing, Approximately 600,000 b/d East Siberia Pacific Ocean Oil Pipeline by About 400,000 b/d

http://www.steelguru.com/russian_news/East_Siberia_Pacific_Ocean_oil_pipeline_to_reach_50_million_tonnes/161130.html

Afghanistan Discovers Estimated 1.8 Billion Barrel Oil Deposit: Ministry of Mining

<http://www.ogj.com/index/article-display/6576660494/articles/oil-gas-journal/exploration-development-2/reserves/2010/08/afghanistan-claims/QP129867/cmpid=EnlDailyAugust182010.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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