



U.S. DEPARTMENT OF ENERGY  
Office of Electricity Delivery and Energy Reliability  
Infrastructure Security and Energy Restoration

# ENERGY ASSURANCE DAILY

Wednesday Evening, August 25, 2010

## *Electricity*

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### **Storms Knock Out Power to More than 28,000 Customers in Arizona August 24**

Storms cut power to up to 12,900 Tucson Electric Power customers, about 11,000 Salt River Project (SRP) customers, and 4,400 APS customers in Arizona on August 24, multiple news and company sources reported. The companies had restored power to most affected customers, as of latest reports.

[http://azstarnet.com/staff/brian-j-pedersen/article\\_f0d4da0a-afc9-11df-b0d3-001cc4c002e0.html](http://azstarnet.com/staff/brian-j-pedersen/article_f0d4da0a-afc9-11df-b0d3-001cc4c002e0.html)

<http://www.azcentral.com/arizonarepublic/local/articles/2010/08/25/20100825azweather0825.html>

<http://www.fox11az.com/news/local/Severe-storm-slams-Tucson-101436294.html>

<http://twitter.com/APSOutageCenter>

<http://twitter.com/srpconnect>

### **Duke Energy's 510 MW Moss Landing Gas-Fired Unit 1 in California Reduced by August 24**

According to the California Independent System Operator, the unit reported an unplanned curtailment of 260 MW by August 24.

<http://www.caiso.com/unitstatus/data/unitstatus201008241515.html>

### **AES's 225 MW Huntington Beach Gas-Fired Unit 3 in California Shut by August 24**

According to the California Independent System Operator, the unit reported an unplanned outage by August 24.

<http://www.caiso.com/unitstatus/data/unitstatus201008241515.html>

### **Cabrillo Power's 110 MW Encina Gas-Fired Unit 3 in California Shut by August 24**

According to the California Independent System Operator, the unit reported an unplanned outage by August 24.

<http://www.caiso.com/unitstatus/data/unitstatus201008241515.html>

### **Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramped Up to 84 Percent by August 25**

The Nuclear Regulatory Commission reported that on the morning of August 24 the unit was operating at 55 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **Update: Exelon's 1,154 MW Braidwood Nuclear Unit 2 in Illinois at Full Power by August 25**

The unit shut automatically on August 16 "due to a main generator fault," Exelon said previously. The Nuclear Regulatory Commission reported that on the morning of August 24 the unit was operating at 85 percent.

[http://www.exeloncorp.com/newsroom/pr\\_20100823\\_Nuclear.aspx](http://www.exeloncorp.com/newsroom/pr_20100823_Nuclear.aspx)

Information also derived from the NRC Power Reactor Status Reports:

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

## **Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 2 in Alabama Ramped Up to 90 Percent by August 25**

The Tennessee Valley Authority (TVA) has reduced all three of Browns Ferry's 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 (NRC). The NRC reported that on the morning of August 24 the unit was operating at 81 percent.

<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/>

## **TVA to Shutter 1,000 MW of Coal-Fired Power in Kentucky, Tennessee, and Alabama**

The Tennessee Valley Authority (TVA) plans to idle nine coal-fired power units – and a combined 1,000 MW of power – in Kentucky, Tennessee, and Alabama, it said on August 24. The move is part of the company's plans to replace some of its older, less-efficient coal-fired units with other sources of power. Specifically, TVA expects to:

- Shut Unit 10 at the ten-unit, 1,369 MW Shawnee plant near Paducah, Kentucky, and consider converting the unit to run on biomass fuel.
- Shut Units 1 and 2 at the four-unit, 712 MW John Sevier plant near Rogersville, Tennessee within the next four to five years.
- Shut Units 1-6 at the eight-unit, 1,629 MW Widows Creek plant near Stevenson, Alabama. The company plans to idle two units in fiscal year 2011, and four other units between 2011 and 2015.

Some units will remain online at each of the affected facilities, according to TVA. The company has also broken ground on gas-fired units at the John Sevier plant, and is constructing gas-fired and nuclear power units at other company locations.

[http://www.tva.com/news/releases/julsep10/coal\\_plants.html](http://www.tva.com/news/releases/julsep10/coal_plants.html)

<http://www.tva.gov/sites/shawnee.htm>

<http://www.tva.gov/sites/johnsevier.htm>

<http://www.tva.gov/sites/widowscreek.htm>

## **CSB Cites Xcel Energy, Contractor for Failures Prior to Fatal 2007 Explosion at Company's Cabin Creek Hydroelectric Power Plant in Colorado**

The U.S. Chemical Safety Board (CSB) faulted Xcel Energy and its contractor, RPI Coating, Inc., for several failures prior to a fatal explosion on October 2, 2007 at Xcel's Cabin Creek hydroelectric power plant in Georgetown, Colorado. The accident occurred in the water tunnel, or penstock, of the plant. The contractors from RPI Coating, Inc. were recoating a 1,530-foot steel portion of the 4,300-foot penstock when a flash fire suddenly erupted as the vapor from flammable solvent ignited. Five of the contractors were killed. The CSB, in a report issued August 25, said the accident's causes included:

- A lack of planning and training for hazardous work by Xcel and RPI Coating, Inc.;
- Xcel's selection of RPI despite its having the lowest possible safety rating (zero) among competing contractors; and
- Allowing flammable liquids to be introduced into a permit-required confined space without necessary special precautions.

<http://www.csb.gov/newsroom/detail.aspx?nid=339>

## **GE and Partners Break Ground on Planned 183 MW Wind Power Project in Idaho by August 24**

The project will involve 122 turbines spread across 11 wind farms in southern Idaho. GE Energy Financial Services and its partners, Reunion Power, Exergy Development Group, and Atlantic Power Corp., plan to complete the work by the end of 2010.

<http://www.genewscenter.com/Press-Releases/Farming-the-Wind-Near-the-Oregon-Trail-Idaho-s-Governor-GE-and-Its-Partners-Launch-State-s-Largest-Wind-Power-Project-2a6f.aspx>

### **Update: Chevron Resuming Normal Operations after Compressor Shutdown at 260,000 b/d El Segundo, California Refinery**

Chevron restarted a compressor and expected to resume normal operations shortly at its 260,000 b/d El Segundo, California refinery, the company said on August 24. The unit malfunctioned and shut on August 23, but the incident did not impact production, according to a Chevron spokesman.

<http://af.reuters.com/article/energyOilNews/idAFWEN910020100825>

<http://www.bloomberg.com/news/2010-08-24/chevron-restarting-compressor-at-el-segundo-refinery-update1-.html>

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/c670270a9e38ebb188257789000c494e?OpenDocument>

### **Update: Mexico to Import Crude for First Time in More than Three Decades: Pemex Director General**

Mexico plans to import crude for the first time in more than three decades, an official with state-owned Pemex said on August 24, in a bid to improve its refineries' profit margins. The imports would account for just 3 percent of Mexican oil production, he said. He also said the move was not due to a dip in domestic output – Mexican production has barely dropped in 2010, compared to 2009 – but rather an effort to combine lighter, imported oil with heavier, domestically-produced oil. That, he said, would improve refinery margins.

<http://imarketnews.com/node/18254>

<http://www.reuters.com/article/idUSTRE67J3SB20100820>

### **Protestors Force Shell to Shut Oil Flow-Station in Niger Delta, Nigeria by August 25**

Shell shut the Otumara-Escravos oil flow-station in the Niger Delta, Nigeria, citing a protest by local women. The women were criticizing a lack of community development. It was not clear if the incident had any impact to production, but a Shell spokesman said the company was talking “with the women, their community, and representatives of the Delta state government.”

Reuters, 10:59 August 25, 2010

### **Chevron, ExxonMobil, and KazMunaiGas Eye 270,000 b/d Expansion at Existing 550,000 b/d Tengizchevroil Oilfield in Kazakhstan**

Chevron, ExxonMobil, and KazMunaiGas are making preliminary moves toward expanding production by 270,000 b/d at their jointly-owned 550,000 b/d Tengizchevroil oilfield in Kazakhstan, as owners of the associated Caspian Pipeline Consortium (CPC) pipeline have signaled they might push forward with plans to expand the CPC line's capacity. The Tengizchevroil field has been producing at about two-thirds of its intended capacity since inception, thanks to limited space along the 650,000 b/d, Kazakhstan-to- Russia CPC pipeline. The CPC, however, appears more likely than in previous years to expand the line's capacity to 1.4 million b/d. It plans to decide before the end of the year whether to pursue the project.

<http://centralasianewswire.com/Energy/Consortium-moves-closer-to-expanding-key-Kazakh-oil-pipeline/viewstory.aspx?id=1493>

## **Natural Gas**

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### **ACC Okays Rules to Reduce Natural Gas Usage 6 Percent by 2020 in Arizona**

The Arizona Corporation Commission (ACC) approved rules on August 24 that would require natural gas utilities to achieve annual energy savings of at least 6 percent by 2020. The savings would increase incrementally as a percent of retail energy sales in each prior year to reach that goal. The companies would, according to the ACC, be able to reach the goal through both demand side management and renewable energy resource technology (RET) programs. Up to one-third of the savings could result from energy efficient building codes and up to one-third of the savings could come from individual customers who adopt efficient home or business practices and technologies. Utilities would be allowed to count all energy savings resulting from RET projects that displace gas usage by customers. Each utility would be required to file an implementation plan with the ACC on June 1 of odd years; the plan would describe how the company intended to meet the standard for the next one to two calendar years. The rules must be approved by the Secretary of State and the Attorney General.

<http://www.azcc.gov/Divisions/Administration/news/100824Gas%20Energy%20Efficiency.pdf>

## After Numerous Fatal Explosions, Atmos to Replace 100,000 Steel Natural Gas Service Lines in Texas

After numerous fatal explosions across its North Texas service area, Atmos Energy Corp. has agreed to install plastic lines in place of 100,000 older, steel, natural gas service lines. The 100,000 lines make up less than 5 percent of the 2.2 million steel lines in Texas, but state regulators are considering a plan to force Atmos and others to replace all those lines.

<http://www.dallasnews.com/sharedcontent/dws/dn/latestnews/stories/082310dnbusatmos.8293b1c5.html>

## Other News

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### Penn State-Led Team to Establish Energy Innovation Hub in Pennsylvania

A team led by The Pennsylvania State University will receive up to \$122 million over the next five years from the Department of Energy (DOE) to establish an Energy Innovation Hub focused on developing technologies to make buildings more energy efficient, DOE said on August 24. The Energy Innovation Hub will be located at the Philadelphia Navy Yard Clean Energy campus.

<http://www.energy.gov/news/9380.htm>

### Biden Releases Report on Recovery Act Impact on Innovation – Analysis Says Investments Have Put United States on Track to Achieve Major Energy-Related Breakthroughs

The Recovery Act's \$100 billion investment in innovation has put the United States on track to achieve significant energy-related breakthroughs, according to a report released by Vice President Joe Biden on August 24. The country is on target to:

- Cut the cost of solar power in half by 2015, putting it on par with the cost of retail electricity from the grid.
- Cut the cost of batteries for electric vehicles by 70 percent between 2009 and 2015, putting the lifetime cost of an electric vehicle on-par with that of its non-electric counterpart.
- Double U.S. renewable energy generation capacity and U.S. renewable manufacturing capacity by 2012.

To read more about the report, click on the link below.

<http://www.energy.gov/news/9383.htm>

### Garden State Ethanol Plans Algae-Based 35 MMGal/Yr. Ethanol-and-Biodiesel Plant in Woodbine, New Jersey

The facility would produce 25 MMGal/Yr. of ethanol and 10 MMGal/Yr. of biodiesel. The town's mayor said it would "take about a year to get permits for the site approved, and we'll just move from there." The company planned to begin demonstrating its technology this week.

[http://www.pressofatlanticcity.com/communities/upper\\_capemay/article\\_d66b2f36-abe4-11df-9b6d-001cc4c03286.html](http://www.pressofatlanticcity.com/communities/upper_capemay/article_d66b2f36-abe4-11df-9b6d-001cc4c03286.html)

## Energy Prices

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U.S. Oil and Gas Prices			
August 25, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	70.97	74.67	71.60
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.07	4.28	2.85

Source: Reuters

**Rain and Winds Cut Power to 11,000 Oklahoma Gas and Electric Customers in Oklahoma August 24 – Company Restores Power to All, as of Latest Reports**

<http://newsok.com/high-winds-heavy-rain-hit-oklahoma/article/3488513>

**Equipment Snag Knocks Out Power to as Many as 10,000 BC Hydro Customers in Vancouver, British Columbia – Company Says Incident Not Related to Weekend and Early-Week Outages**

<http://www.news1130.com/news/local/article/93039--part-of-vancouver-hit-with-another-power-outage>

**U.S. Northwest Achieved Estimated Total Regional Savings of 218 Average MW through 2005-2009 Market Transformation Investments: Northwest Energy Efficiency Alliance**

[http://www.nwalliance.org/news\\_media/pressreleasedetail.aspx?ID=929](http://www.nwalliance.org/news_media/pressreleasedetail.aspx?ID=929)

**U.S. Crude Oil Futures Dip to Lowest Price in 11 Weeks on Economic Concerns August 24 – Gasoline Futures Slide to Eight-Month Low**

Reuters, 16:37 August 24, 2010

**California Fire Marshal Orders 3,000 In-State Service Stations to Remove “Hold Open” Gasoline Pump Latches August 23 – Marshal Cites “Hazard to the Public Health and Welfare”**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=23819](http://www.downstreamtoday.com/news/article.aspx?a_id=23819)

**Update: Judge Repeals ConocoPhillips’ State-Issued Permits to Deliver Oversized Refinery Equipment along Highway 12 in Idaho, Citing Potential for Accident and Other Factors – Judge Directs State to Re-Assess Company’s Request**

<http://www.rdmag.com/News/FeedsAP/2010/08/energy-permits-revoked-for-oversized-shipments-through-id/>

**Despite Forecasts of Extreme Economic Toll, Government-Imposed Moratorium on Deepwater Drilling Fails to Cause Job Losses on Par with Most Dire Projections**

[http://www.nytimes.com/2010/08/25/us/25drill.html?\\_r=2&emc=tnt&tntemail=y](http://www.nytimes.com/2010/08/25/us/25drill.html?_r=2&emc=tnt&tntemail=y)

**Update: After Rupture-Induced Shutdown, Iraq Resumes Delivers along Iraq-to-Turkey Oil Pipeline August 24**

<http://www.automatedtrader.net/real-time-dow-jones/13382/-iraq-resumes-crude-oil-pumping-to-turkey- -shipper>

**Petrobras, Brazilian Government Dispute Quantity of Oil Located Offshore Brazil – Area is to Be Employed in Oil-for-Stock Exchange, Government Says it Contains More than 4.5 Billion Barrels, but Petrobras Says it Contains Less than 4 Billion Barrels**

Reuters, 08:05 August 25, 2010

**China Likely to Boost Oil Refining Capacity by Almost 3 Million b/d between 2010-2015: Industry Officials, Chinese Media**

Reuters, 04:44 August 25, 2010

**State-Controlled Sonangol to Break Ground in 2010 on Planned 200,000 b/d Refinery in Angola: Oil Minister**

Reuters, 11:29 August 25, 2010

**U.S. Natural Gas Spot Prices Slide to 15-Plus-Week Lows in New York and Henry Hub amid Moderate Weather Forecasts, High Inventories and Increased Production August 24**

Reuters, 15:14 August 24, 2010

**Vibration Shutdown Forces Offline Compressor Multiple Times at Wasson CO2 Removal Plant in Texas August 24 – Operators Reset Vibration Switch, Restart Plant Later in Day**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=143928>

**Citing High Line Pack Level, Gulfstream Natural Gas Tells Shippers it Cannot Absorb Significant Amount of Under-Deliveries along 1.26 Bcf/d, 745-Mile, Mississippi-to-Florida Natural Gas Pipeline August 25**  
<http://www.1line.gulfstreamgas.com/1Line/wgp/download?delvid=3292804&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

**Explosion Forces Shut Iran-to-Turkey Natural Gas Pipeline by August 25 – Botas says it could take as long as One Week to Restart Line**  
Reuters, 03:40 August 25, 2010

**WSI Issues Slight Downward Revision to its 2010 Hurricane Season Forecast, but Still Predicts Active Remainder to Season – Report Forecasts 18 Named Storms, 10 Hurricanes, and 5 Intense Hurricanes**  
<http://www.wsi.com/6340e057-91cf-41b3-a7ed-4b410cfeae97/news-scheduled-forecast-release-details.htm>

## **Links**

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***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](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.

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

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