



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

# ENERGY ASSURANCE DAILY

Wednesday Evening, September 08, 2010

## Major Developments

### Update: Tropical Storm Hermine Knocks Out Power to More Than 320,000 Customers in Texas September 7-8

Rain from Tropical Storm Hermine flooded parts of Texas on September 7-8, knocking out power to an estimated 318,940 customers, news and company sources reported. Some 43,007 customers remained in the dark, as of this afternoon. The following table lists peak and current outage figures, based on latest available data.

Texas Customer Power Outages September 7-8, 2010			
Electric Utility	State	Peak	Latest Reported
CPS Energy	TX	230,000	9,053
AEP Texas	TX	52,005	5,629
Oncor	TX	28,312	28,312
Austin Energy	TX	12,000	13
<b>TOTAL *</b>		<b>322,317</b>	<b>43,007</b>

\*Total outages only represent electric utilities listed in this table.

Sources:

CPS Energy: [http://www.cpsenergy.com/CPSEnergyOutageMap/CPSSStaticMapV2\\_EXT.html](http://www.cpsenergy.com/CPSEnergyOutageMap/CPSSStaticMapV2_EXT.html) ,

[http://www.mysanantonio.com/news/wednesdays\\_downpour\\_sets\\_new\\_record\\_102433679.html](http://www.mysanantonio.com/news/wednesdays_downpour_sets_new_record_102433679.html)

AEP Texas: [https://www.aeptexas.com/outages/details.aspx?stormName=Tropical Storm Hermine](https://www.aeptexas.com/outages/details.aspx?stormName=Tropical%20Storm%20Hermine)

Oncor: <https://maps.oncor.com/summary.asp> ,

<http://www.dallasnews.com/sharedcontent/dws/dn/latestnews/stories/090910dnmetweather.d251d1d4.html>

Austin Energy: <https://my.austinenergy.com/outages/> , [http://www.statesman.com/blogs/content/shared-gen/blogs/austin/weather/entries/2010/09/08/flooding\\_keeps.html?cxntfid=blogs\\_weather\\_watch](http://www.statesman.com/blogs/content/shared-gen/blogs/austin/weather/entries/2010/09/08/flooding_keeps.html?cxntfid=blogs_weather_watch)

## Electricity

### Winds Cut Power to at Least 124,000 Customers in Michigan September 7

Winds cut power to 50,000 DTE Energy customers and 74,000 CMS Energy customers in Michigan on September 7, company spokespersons said. Fallen electrical wires sparked numerous fires across Detroit, and the heavy winds stoked the flames throughout the day. About 15,000 DTE Energy customers and nearly 2,800 CMS Energy customers were still without power, as of latest reports.

<http://www.thetimesherald.com/article/20100908/NEWS05/100908005/1001/NEWS/Winds+push+fire+through+dozens+Detroit+homes+>

<http://www.aolnews.com/nation/article/fires-rip-through-detroit-dozens-of-homes-destroyed/19624942>

[http://www.upi.com/Top\\_News/US/2010/09/08/UPI-NewsTrack-TopNews/UPI-62061283961687/](http://www.upi.com/Top_News/US/2010/09/08/UPI-NewsTrack-TopNews/UPI-62061283961687/)

[http://www.mlive.com/news/bay-city/index.ssf/2010/09/update\\_100\\_bay\\_county\\_customer.html](http://www.mlive.com/news/bay-city/index.ssf/2010/09/update_100_bay_county_customer.html)

### Copper Thefts on the Rise in Baton Rouge Area, Louisiana: Police

Thieves stole copper from four Dixie Electric Membership Corp. substations over the first two weeks of August, and struck Entergy facilities eight times in the few months leading up to August 23, the companies reported. A local police spokesman referred to the incidents as part of a growing trend in the Baton Rouge area, Louisiana.

<http://www.theadvocate.com/opinion/102405954.html>

## **Update: Multiple Companies' 184 MW Luz Solar Partners Solar-Powered Units 8-9 in California Ramp up by September 7**

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 109 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201009071515.html>

## **Delta Energy Center's 880 MW Delta Energy Center Gas-Fired Unit in California Shut by September 7**

According to the California Independent System Operator, the unit reported an unplanned outage by September 7.

<http://www.caiso.com/unitstatus/data/unitstatus201009071515.html>

## **PGE Completes Final Phase of 450 MW Biglow Canyon Wind Farm in Oregon**

Portland General Electric (PGE) completed the final phase of its 450 MW Biglow Canyon Wind farm in Oregon, the company said on September 8. PGE opened the project in three phases: it launched the 125 MW first phase in December of 2007, the 150 MW second phase in August 2009, and the 175 MW third phase in August 2010. The company expects the facility to produce an average of around 150 MW.

[http://www.portlandgeneral.com/our\\_company/news\\_issues/news/09\\_08\\_2010\\_pge\\_s\\_largest\\_renewable\\_energy.aspx](http://www.portlandgeneral.com/our_company/news_issues/news/09_08_2010_pge_s_largest_renewable_energy.aspx)

## **NIST Finalizes Initial Set of Smart Grid Cyber Security Guidelines September 2**

The National Institute of Standards and Technology (NIST) issued on September 2 its first Guidelines for Smart Grid Cyber Security, which includes high-level security requirements, a framework for assessing risks, an evaluation of privacy issues at personal residences, and additional information for businesses and organizations to use as they craft strategies to protect the modernizing power grid from attacks, malicious code, cascading errors, and other threats.

[http://www.nist.gov/public\\_affairs/releases/nist-finalizes-initial-set-of-smart-grid-cyber-security-guidelines.cfm](http://www.nist.gov/public_affairs/releases/nist-finalizes-initial-set-of-smart-grid-cyber-security-guidelines.cfm)

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## ***Petroleum***

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## **Update: BP Says "Multiple Companies and Work Teams" to Blame for Deepwater Horizon Explosion in Gulf of Mexico – Company Accused of Shifting Blame**

"Multiple companies and work teams" made decisions that contributed to the fatal explosion onboard the Deepwater Horizon rig in the Gulf of Mexico, BP said in a September 8 report. The report, based on a four-month internal investigation, said the incident emerged from "a complex and interlinked series of mechanical failures, human judgments, engineering design, operational implementation and team interfaces." It included allegations of numerous missteps by BP's contractors, Halliburton and Transocean, as well as defenses of some of BP's actions ahead of the blast. Multiple sources referred to the report as an attempt by BP to shift blame. Halliburton, for its part, said the report involved "substantial omissions and inaccuracies." Transocean, similarly, referred to the report as "self-serving," saying it attempted "to conceal the critical factor that set the state for the Macondo incident: BP's fatally flawed well design. In both design and construction, BP made a series of cost-saving decision that increased risk." BP said it and Transocean incorrectly accepted the results of a negative pressure test, even though well integrity had not been established. BP, however, said the Transocean rig crew then failed to recognize and act on the influx of hydrocarbons into the well until the hydrocarbons were in the riser and rapidly flowing to the surface. After the well-flow reached the rig it was routed to a mud-gas separator, causing gas to be vented directly on to the rig rather than being diverted overboard. The flow of gas into the engine rooms through the ventilation system created a potential for ignition which the rig's fire and gas system did not prevent. Even after the explosion and had disabled the rig's crew-operated controls, BP said the blow out preventer (BOP) should have activated automatically to seal the well. The BOP, however, failed to operate. BP said that was probably because critical components were not working.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7064893>

[http://www.nytimes.com/2010/09/09/us/09spill.html?\\_r=1&hp](http://www.nytimes.com/2010/09/09/us/09spill.html?_r=1&hp)

<http://www.google.com/hostednews/ap/article/ALeqM5gIXWYBTpLtSayJtg41LKXpxSxVPAD9I3NUPG0>

Reuters, 11:08 September 8, 2010

Reuters, 07:01 September 8, 2010

Reuters, 11:57 September 8, 2010

Reuters, 11:18 September 8, 2010

## **Update: DOI Could Lift Deepwater Drilling Moratorium “Well Before” October 30 Deadline: BOEM Chief**

The Department of Interior (DOI) could end a six-month moratorium on deepwater drilling “well before” the ban’s October 30 deadline, the director of the Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEM) said on September 7. He said the BOEM was “working very hard to assimilate the massive amount of information we have... but we expect to finish that before October 30.”

[http://www.rigzone.com/news/article.asp?a\\_id=98423](http://www.rigzone.com/news/article.asp?a_id=98423)

## **Update: Power Outage Forces Shut Units, Triggers Catalyst Release at ExxonMobil’s 190,000 b/d Chalmette, Louisiana Refinery September 6**

An early-week power outage forced shut numerous units at ExxonMobil’s 190,000 b/d Chalmette, Louisiana refinery, and led to the release of 2,000 pounds of a spent catalyst, multiple news, company, and official sources said. The refinery’s public affairs manager referred to the catalyst as “a powder that is used in the refining process,” but said it was not hazardous.

[http://www.nola.com/news/index.ssf/2010/09/louisiana\\_deq\\_investigating\\_re.html](http://www.nola.com/news/index.ssf/2010/09/louisiana_deq_investigating_re.html)

<http://www.ens-newswire.com/ens/sep2010/2010-09-07-093.html>

## **Update: TransCanada Restarts 435,000 b/d Alberta-to-Illinois Keystone Oil Pipeline September 8**

TransCanada restarted its 435,000 b/d Alberta-to-Illinois oil pipeline on September 8, one week after it shut the line for unplanned work, a company spokesman said. He said the company remained “on schedule to ensure all our producers get all their shipments delivered.”

<http://www.reuters.com/article/idUSN0811132820100908>

## **Update: TransCanada Launches Binding Open Season for Oklahoma-to-U.S. Gulf Coast Expansion of Keystone Oil Pipeline**

TransCanada Corporation launched yesterday a binding Open Season for 150,000 b/d of capacity along its proposed 510,000 b/d pipeline from Cushing, Oklahoma to Nederland, Texas, the company and Reuters said on September 7. The line, or Cushing Marketlink Project, is a proposed expansion of the company’s existing Keystone oil pipeline. It is expected to begin service in the first quarter of 2013. The line’s remaining capacity – the 360,000 b/d not included in the Open Season – is already under contract.

<http://www.transcanada.com/5467.html>

[http://www.transcanada.com/docs/Key\\_Projects/Cushing\\_Marketlink\\_Open\\_Season\\_September\\_Final.pdf](http://www.transcanada.com/docs/Key_Projects/Cushing_Marketlink_Open_Season_September_Final.pdf)

<http://af.reuters.com/article/energyOilNews/idAFN0723536220100907>

## **Update: One Dead, 10 Injured after Explosion at Pemex’s 270,000 b/d Cadereyta Refinery in Mexico September 7**

Pemex shut a hydrotreater and a coker unit after an explosion killed one and injured ten others yesterday at its 270,000 b/d Cadereyta refinery in Mexico, the company and news sources said. Pemex said the damage was not widespread. It blamed the blast on a hydrogen compressor leak, and said it expected to temporarily process just 200,000 b/d of oil, compared to 215,000 b/d before the incident. The hydrotreater repairs were expected to last two weeks, according to an anonymous company source.

<http://online.wsj.com/article/BT-CO-20100907-715036.html>

<http://www.reuters.com/article/idUSN0723016420100908>

Reuters, 11:56 September 8, 2010

## **ConocoPhillips Shuts Portion of Unit at Belle Chasse, Louisiana Refinery September 6**

ConocoPhillips shut a portion of a sulfur unit for work on September 6, the company said in a filing with the National Response Center. The incident triggered flaring. It was not clear if there was any impact to production.

<http://www.businessweek.com/news/2010-09-07/conocophillips-flares-sulfur-dioxide-from-belle-chasse-refinery.html>

## **Citgo Reports Compressor Snags at 163,000 b/d Corpus Christi, Texas Refinery September 5-7**

Two flare gas recovery compressors failed on September 5-7 at the east plant of Citgo’s 163,000 b/d Corpus Christi, Texas refinery, the company said in a filing with state regulators. The incidents were unrelated, according to the filing. It was not clear if the incidents had any impact to production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=144516>

<http://www.reuters.com/article/idUSWEN945720100907>

## **Enap Sees no Oil Leak after Fire at Oil-and-Gas Rig in Strait of Magellan September 8**

Chilean-owned Empresa Nacional del Petroleo SA (Enap) extinguished a fire at a rig in the Strait of Magellan, but there were no injuries and no oil was spilled, the company said on September 8. Workers halted production before evacuating the scene. It was not clear how much output was affected.

<http://online.wsj.com/article/BT-CO-20100908-711482.html>

## **Natural Gas**

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Nothing to report.

## **Other News**

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### **Update: Fulcrum BioEnergy to Begin Operations in 2012 at 10.5 MMGal/Yr. Trash-to-Cellulosic Ethanol Plant in Nevada**

Fulcrum Bioenergy, Inc. plans to begin operations in 2012 at a 10.5 MMGal/Yr. trash-based cellulosic ethanol plant near Reno, Nevada, the company said on September 7. The facility, or Sierra BioFuels project, would convert post-sorted municipal solid waste (MSW) into ethanol.

<http://fulcrum-bioenergy.com/documents/FluorEPCCContractAward09-07-10.pdf>

### **Energy Secretary Announces \$575 Million in Funding for Industrial Carbon Capture and Storage Research and Development September 7**

U.S. Energy Secretary Steven Chu yesterday announced the selection of 22 projects that are expected to accelerate carbon capture and storage research and development for industrial sources. The projects will be funded with more than \$575 million from the American Recovery and Reinvestment Act.

<http://www.energy.gov/news/9455.htm>

## **Energy Prices**

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U.S. Oil and Gas Prices			
September 8, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	75.27	74.00	71.52
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.81	3.80	1.83

Source: Reuters

## **Energy Notes**

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### **Storm Knocks Out Power to Almost 17,000 FirstEnergy Customers in Ohio September 7**

<http://news-herald.com/articles/2010/09/08/news/nh3001998.txt>

### **Update: NRC Issues Final Safety Evaluation Report for Proposed License Renewal at NPPD's 764 MW Cooper Nuclear Power Plant in Nebraska – Agency Sees no Open Items to Preclude 20-Year License Renewal**

[http://adamswebsearch2.nrc.gov/idmws/doccontent.dll?library=PU\\_ADAMS^PBNTAD01&ID=102510178](http://adamswebsearch2.nrc.gov/idmws/doccontent.dll?library=PU_ADAMS^PBNTAD01&ID=102510178)

**NRC Issues Draft Environmental Impact Statement in Support of Proposal for Two New Reactors at Southern's Existing Vogtle Nuclear Power Plant in Georgia by September 7**

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-156.pdf>

**NRC Says SCE Lagging in Promise to Improve Safety Culture at 2,254 MW San Onofre Nuclear Power Plant in California**

[http://www.nctimes.com/news/local/sdcounty/article\\_934c6caa-bf61-5e12-a744-48b303b48710.html](http://www.nctimes.com/news/local/sdcounty/article_934c6caa-bf61-5e12-a744-48b303b48710.html)

**Update: Connacher Oil and Gas Limited Completes 13.1 MW Cogen Facility at Algar SAGD Bitumen Extraction Plant in Alberta, Canada by September 8**

<http://www.connacheroil.com/en/investor/cil-2010-09-08.pdf>

**DOE's Sandia National Laboratories to Invest \$8.5 Million to Advance Solar Energy Grid Integration Systems**

<http://www.energy.gov/news/9453.htm>

**DOE Issues Partial Guarantee for a \$98.5 Million Loan to Nevada Geothermal Power Company Subsidiary's 49.5 MW Blue Mountain Geothermal Project in Humboldt County, Nevada**

<http://www.energy.gov/news/9449.htm>

**Update: State Health Officials Report no Negative Health Impacts after 2008 Coal-Ash Spill from TVA's Kingston Coal-Fired Power Plant in Tennessee**

<http://www.knoxnews.com/news/2010/sep/08/health-agency-says-no-ill-effects-from-ash-spill/>

**Valve Failure Causes about 20,000 Gallons of Oil to Spill from Storage Tank in Indiana September 7 – Cleanup Continues September 8**

[http://www.wishtv.com/dpp/news/local/marion\\_county/10-thousand-gallons-of-oil-spilled](http://www.wishtv.com/dpp/news/local/marion_county/10-thousand-gallons-of-oil-spilled)

**Frontline Ltd. Expects Floating Storage to Rise as Oil Price Contango Widens**

<http://www.businessweek.com/news/2010-09-08/oil-contango-doubles-in-2011-recovery-betting-with-ship-demand.html>

**EIA Increases Forecast for 2010 Global Crude Demand by 50,000 b/d, Decreases 2011 Forecast by 100,000 b/d**

Reuters, 12:29 September 8, 2010

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

**Update: Second Tanker to Help Remove Diesel from Grounded Ship in Northwest Passage**

<http://www.cbc.ca/canada/north/story/2010/09/07/northwest-passage-nanny-tanker.html>

**Hyperdynamics Says Offshore Guinea Concession Could Contain 2.3 Billion Barrels of Recoverable Unrisked Prospective Oil Resources**

<http://investors.hyperdynamics.com/releasedetail.cfm?ReleaseID=505327>

**Growth in Crude Oil Demand to Outpace Global Refinery Expansions in 2010: Evaluate Energy**

<http://www.pr.com/press-release/260544>

**Despite Promises to Regulators, Chevron Failed to Perform Training Elements of Oil-Spill Response Plan Prior to Oil Exploration Work Offshore Canada: Postmedia News**

<http://www.vancouversun.com/news/Chevron+failed+meet+offshore+training+promises+Audit/3491558/story.html>

**Typhoon Causes Oil Service Platform to List 45 Degrees in Bohai Bay, Offshore China, Trapping 32 Workers, Throwing Four Into the Water, and Leaving Two Missing – Production Not Impacted**

<http://af.reuters.com/article/energyOilNews/idAFTOE68704A20100908>

**State DEP Says Chesapeake Energy Wells Likely to Blame for Stray Methane Gas in Pennsylvania**

[http://www.portal.state.pa.us/portal/server.pt/community/news\\_releases/14288](http://www.portal.state.pa.us/portal/server.pt/community/news_releases/14288)

**DCP Shuts Gathering System after Leak along Natural Gas Pipeline in Texas September 7**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=144508>

**Engines Shut and Restart at Andrews Booster Station in Texas September 6-7**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=144511>

**Tropical Storm Hermine Knocks Out Power to Tilden Gas Plant in Texas September 7 – Electricity Restored, Plant Restarted within Hours**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=144499>

**Enterprise Reports Corrosion-Induced Rupture along 6-Inch Natural Gas Pipeline in Texas September 6-7 – Company to Replace Affected Section**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=144518>

## **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.

### **ENERGY ASSURANCE DAILY**

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

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