



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

ENERGY ASSURANCE DAILY

Thursday Evening, September 09, 2010

Electricity

FPL's 693 MW Turkey Point Nuke Unit 4 in Florida Shut by September 9

The unit shut automatically "during maintenance on a reactor protection system relay," the company said in a filing with the Nuclear Regulatory Commission (NRC). "During the replacement of this relay, the logic condition was met, causing a Reactor Trip and Turbine Trip," according to the filing. The NRC reported that on the morning of September 8 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100909en.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: Delta Energy Center's 880 MW Delta Energy Center Gas-Fired Unit in California Returns to Service by September 8

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus201009081515.html>

Update: Calpine Restarts 366 MW Inland Empire Gas-Fired Unit 2 in California by September 8

According to the California Independent System Operator, the unit reported a return from an unplanned/planned outage.

<http://www.caiso.com/unitstatus/data/unitstatus201009081515.html>

Update: Elk Hills Power's 552 MW Elk Hills Gas-Fired Unit in California Ramps up by September 8

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 322 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201009081515.html>

Update: Duke Energy's 510 MW Moss Landing Gas-Fired Unit 2 in California Ramps up by September 8

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 180 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201009081515.html>

NRG Energy Plans 300 MW Gas-Fired Power Islands in El Segundo, California

NRG Energy awarded Siemens Energy a project to install two gas-fired Flex-Plant 10 power islands in El Segundo, California, Siemens said on September 9. The islands can generate 300 MW of electricity within 10 minutes, according to Siemens. The plant is expected to enter service in the spring of 2013.

http://www.siemens.com/press/pool/de/pressemitteilungen/2010/fossil_power_generation/EFP201009120e.pdf

BP Breaks Ground on Planned 250.8 MW Cedar Creek II Wind Farm in Colorado by September 8

BP Wind Energy celebrated the ramp-up to full construction of its planned 250.8 MW Cedar Creek II Wind Farm in Colorado, it said on September 8. The company expects to open the facility in June 2011.

<http://www.bp.com/genericarticle.do?categoryId=9024973&contentId=7064933>

Citing Economy, Regulatory Uncertainty, ODEC Postpones Plans to Construct 1,500 MW Coal-Fired Power Plant in Virginia

Old Dominion Electric Cooperative (ODEC) pushed back by 18-24 months the permit process for its proposed 1,500 MW coal-fired Cypress Creek Power Station in Virginia, the company said on September 8, citing regulatory uncertainty and lagging electric demand. ODEC, however, said it still expected to construct the facility. A spokesman said the company could break ground in 2014 and begin service in 2018; it had originally expected to start construction in 2011 or 2012.

<http://www.odec.com/View.aspx?page=events>

<http://www.virginiabusiness.com/index.php/news/article/odec-delays-plans-for-power-plant-permits/307569/>

<http://www2.timesdispatch.com/business/2010/sep/09/b-odec09-ar-495899/>

OPG to Convert 230 MW Coal-Fired Atikokan Power Plant to Run on Biomass

Ontario Power Generation (OPG) plans to launch a three-year project to convert its 230 MW Atikokan coal-fired power plant in Ontario, Canada to run on biomass, Electric Light & power reported on September 8. The facility would produce 150 million KWh of electricity, according to the source.

http://www.elp.com/index/display/article-display/8284425890/articles/electric-light-power/generation/coal/2010/09/Ontario_coal_plant_switches_to_biomass_fuel.html

<http://www.opg.com/power/fossil/atikokan.asp>

Petroleum

Update: New Step Could Push Back BP's Plans to Kill Blown-Out Well in Gulf of Mexico

BP will perform "plug and abandonment procedures" before carrying out its plan to permanently kill the blown-out Macondo well in the Gulf of Mexico, National Incident Commander and retired U.S. Coast Guard Admiral Thad Allen said on September 8. Admiral Allen said to "think of the bottom kill as being divided now into two parts in sequence." The first part would involve injecting cement from above, and the second part would "be done by executing the intercept, the relief well, and then cementing it from the bottom up," he said. The process is slated to begin on September 18 or September 28.

http://www.nola.com/news/gulf-oil-spill/index.ssf/2010/09/final_shutdown_of_bp_oil_well.html

<http://app.restorethegulf.gov/go/doc/2931/894669/>

Update: OCS Safety Oversight Board Completes Review of Offshore Oil and Gas Oversight and Regulation

The Outer Continental Shelf (OCS) Safety Oversight Board completed a review of offshore oil and gas oversight and regulation, Secretary of the Interior Ken Salazar announced on September 8. The team delivered a set of recommendations that, according to Salazar, reinforced and expanded on ongoing reforms in-the-works at the Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEMRE). Secretary Salazar established the Board after the Deepwater Horizon explosion in the Gulf of Mexico. The Board provided recommendations to strengthen permitting, inspections, enforcement, and environmental stewardship. BOEMRE Director Michael R. Bromwich said the agency had developed an implementation plan for the recommendations, and said many of them were already underway or planned.

<http://www.doi.gov/news/pressreleases/Salazar-OCS-Safety-Board-Report-a-Blueprint-for-Next-Steps-on-Internal-Reforms-of-Offshore-Energy-Oversight.cfm>

Update: EPA Says Criminal Arm Investigating Late-July Rupture along Enbridge's 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B

The U.S. Environmental Protection Agency (EPA) has begun a criminal investigation into the July 25 rupture along Enbridge's 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B, the agency said on September 8. Enbridge shut the line after the rupture caused about 19,000 barrels of oil to spill into a creek near the company's Marshall, Michigan pump station. Multiple other federal and state agencies – the National Transportation Safety Board (NTSB), the Railroads, Pipelines and Hazardous Materials Subcommittee of the U.S. House Transportation Committee, the Michigan Attorney General's office, and the Michigan Occupational Safety and Health Administration – are performing their own investigations. The line remained shut and clean-up efforts continued, as of latest reports. Enbridge was still awaiting federal regulators' decision to approve or reject the company's plan to resume operations.

<http://michiganmessenger.com/41730/epa-says-it-has-launched-a-criminal-probe-of-enbridge-oil-pipeline-rupture>

<http://response.enbridgeus.com/response/main.aspx?id=13233>

Valero Restarting Multiple Units after Power Failure at 310,000 b/d Port Arthur, Texas Refinery September 8-9

A power failure forced offline a crude unit, two sulfur recovery units (SRU), an atmospheric vacuum unit (AVU), and a diesel hydrotreater at Valero's 310,000 b/d Port Arthur, Texas refinery on August 8, but the company was restarting all the affected units on September 9, according to a spokesman and a filing with state regulators. The company did not expect "a significant impact to supply," the spokesman said.

<http://af.reuters.com/article/energyOilNews/idAFWEN951620100909>

<http://www11.tceq.state.tx.us/oce/eei/index.cfm?fuseaction=main.getDetails&target=144556>

Valero Plans Flaring after Breakdown at 265,000 b/d Carson, California Refinery September 8-9

It was not clear if the incident had any impact to production.

<http://www.bloomberg.com/news/2010-09-09/bp-reports-breakdown-at-carson-california-oil-refinery.html>

Holly Shuts Unit after Leak at 95,000 b/d Artesia, New Mexico Refinery September 8

Holly shut a leaky naphtha vessel at its 95,000 b/d Artesia, New Mexico refinery on September 8, the company said in a filing with state and federal regulators. It was not clear if the incident had any impact to production.

<http://uk.reuters.com/article/idUKWEN951220100909>

Blueknight Energy to Convert 8-Inch, 130-Mile Product Pipeline in Oklahoma to Deliver Crude Oil

Blueknight Energy plans to convert the 8-inch, 130-mile, Eagle North oil product pipeline in Oklahoma to move crude oil, according to the company's website. The line runs from Ardmore, Oklahoma to Drumright, Oklahoma. The company also plans to build a 10-mile extension to the Cushing Interchange.

<http://www.bkep.com/pipeline-gathering-and-transportation-services>

<http://news.tradingcharts.com/futures/6/7/145075076.html>

Update: After Early-Week Explosion, Pemex to Restart Coker Unit over Weekend at 270,000 b/d Cadereyta Refinery in Mexico

Pemex expected to restart an explosion-downed coker unit on September 11 at its 270,000 b/d Cadereyta refinery in Mexico, the company said on September 8. The explosion killed one worker instantly; a second worker died this morning. Pemex shut a 40,000 b/d hydrotreater and a 54,000 b/d coker. It planned to restart the coker on Saturday, September 11, and expected to finish the hydrotreater repairs within two weeks, according to various company sources. Pemex said previously that it expected the incident to reduce the refinery's rates by 15,000 b/d, from 215,000 b/d before the blast (the facility was presumably operating below capacity) to 200,000 b/d afterward.

<http://online.wsj.com/article/BT-CO-20100908-717635.html>

<http://www.businessweek.com/news/2010-09-08/pemex-aims-to-fix-cadereyta-refinery-coker-this-week.html>

Reuters, 12:19 September 9, 2010

Seasonal Maintenance Leads U.S. Refiners to Reduce Utilization by 0.5 Percent Last Week, to Total 86.5 Percent, or Lowest Average Since April 2010: Bloomberg News

<http://www.businessweek.com/news/2010-09-09/refiners-cut-oil-output-to-april-low-in-survey-energy-markets.html>

Compressor Failure Causes Flaring at Shell's 156,400 b/d Martinez, California Refinery September 9

A "Wet Gas Compressor mechanical failure" led to flaring at Shell's Martinez, California refinery on September 9, according to a filing with state regulators. It was not clear if the incident had any impact on production.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/0b342e62718351a088257799005d63ae?OpenDocument>

<http://af.reuters.com/article/energyOilNews/idAFWEN952620100909>

Update: After Hurricane Earl, Imperial Oil Resumes Normal Operations at 82,000 b/d Dartmouth, Nova Scotia Refinery September 8

The company shut the refinery ahead of the storm.

Reuters, 09:01 September 9, 2010

Fire Forces Shut PdVSA Export Terminal on Bonaire Island, Caribbean September 8-9

A fire forced shut PdVSA's 12 million barrel Bonaire oil storage terminal in the Caribbean on September 8-9, according to traders and a witness. The terminal exports oil and oil products to China and the United States. The fire began when lightning struck a naphtha tank, according to PdVSA. The fire was expected burn out within three hours, Bonaire's governor said on September 9.

<http://www.reuters.com/article/idUSN0914450320100909>

Reuters, 12:29 September 9, 2010

Update: Enap Controls Blaze at Oil-and-Gas Platform Offshore Argentina – Affected Platform Supplies Oil to Argentina, and Produces Just 408 b/d of Oil and 10 MMcf/d of Natural Gas

<http://af.reuters.com/article/energyOilNews/idAFN087621920100908>

Natural Gas

Sempra Seeks FERC Okay to Re-Export up to 250 Bcf of LNG from Cameron LNG Terminal in Louisiana

Sempra filed for approval from the Federal Energy Regulatory Commission (FERC) to re-export up to 250 Bcf of liquefied natural gas (LNG) from the company's Cameron LNG terminal in Louisiana, according to a regulatory filing. The project would not involve any new construction. Sempra hopes to begin re-exports by the start of February of 2011.

<http://af.reuters.com/article/energyOilNews/idAFN0810577620100908>

Other News

Mariner Energy Extinguishes Small Fire on Platform in Gulf of Mexico September 9

A maintenance crew extinguished a small fire on a non-producing Mariner Energy platform in the Gulf of Mexico on September 9, a company spokesman said. There were no injuries and the crew went back to work. The fire came just one week after a separate blaze on another Mariner-owned platform in the Gulf of Mexico.

http://www.nytimes.com/aponline/2010/09/09/us/AP-US-Gulf-Platform-Fire.html?_r=1&hp

Reuters, 12:01 September 9, 2010

Peabody Energy Aims to Construct Coal Export Terminal along U.S. West Coast

Portland General Electric (PGE) plans to close its Boardman coal-fired power plant in Oregon by 2020, but Peabody Energy expects to export the coal that served the plant – along with other coal supplies – to growing Asian markets. The company aims to announce plans by the end of 2010 to construct a coal export terminal along the U.S. West Coast.

http://www.oregonlive.com/environment/index.ssf/2010/09/global_mining_companies_are_fo.html

Lincolnway Energy LLC Plans to Convert 50 MMGal/Yr. Coal-Fired Ethanol Plant in Nevada to Run on Biomass

<https://www.lincolnwayenergy.com/history.htm>

<http://www.desmoinesregister.com/article/20100909/BUSINESS01/9090347/1029/BUSINESS/Nevada-ethanol-plant-gets-biomass-grant>

Secretary Chu Announces Carbon Capture and Storage Simulation Initiative

U.S. Secretary of Energy Steven Chu announced yesterday the creation of the Carbon Capture and Storage Simulation Initiative with an investment of up to \$40 million from the American Recovery and Reinvestment Act. The partnership announced yesterday will bring together national laboratories and regional university alliances to collaborate on advancing the science and research related to carbon capture and storage (CCS).

<http://www.energy.gov/news/9460.htm>

Energy Prices

U.S. Oil and Gas Prices September 9, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	74.90	74.31	72.28
NATURAL GAS Henry Hub \$/Million Btu	3.81	3.71	2.43

Source: Reuters

Energy Notes

Update: New York State PSC Okays New York Portion of Hudson Transmission Partners Proposed, Approximately-Seven-Mile, 345 kV Transmission Line from New Jersey to Manhattan September 8

[http://www3.dps.state.ny.us/pscweb/WebFileRoom.nsf/Web/D16CA71626A3F86F852577980059CD5C/\\$File/pr10081.pdf?OpenElement](http://www3.dps.state.ny.us/pscweb/WebFileRoom.nsf/Web/D16CA71626A3F86F852577980059CD5C/$File/pr10081.pdf?OpenElement)

Update: California Energy Commission Approves Construction of Mojave Solar LLC's Proposed 250 Abengoa Mojave Solar Project September 8

http://www.energy.ca.gov/releases/2010_releases/2010-09-08_Abengoa_nr.html

Cape Wind Could be Forced to Install Fewer than 130 Turbines Offshore Massachusetts, Should It Fail To Find Enough Customers to Purchase the Site's Power

http://www.bostonherald.com/business/general/view/20100908shrinking_cape_wind_project_may_be_cut_unless_more_power-buying_deals_made/

Update: Entergy to Reconsider its Methods for Assessing Underground Pipelines at Vermont Yankee Nuclear Power Plant in Vermont – Re-Evaluation is Part of Company's License Renewal Application

<http://www.timesargus.com/article/20100908/NEWS02/709089917/1003/NEWS02><http://www.timesargus.com/article/20100908/NEWS02/709089917/1003/NEWS02>

Continental U.S. Power Output Increases by 12 Percent in Week Ended September 4, Compared to Same Week in 2009: Edison Electric Institute

Reuters, 11:32 September 9, 2010

Rowan Cos. Inc. to Relocate Two Jack up Drilling Rigs from Gulf of Mexico to Middle East in Late 2010

http://www.ogi.com/index/article-display/2800083620/articles/oil-gas-journal/drilling-production-2/2010/09/rowan-to_move_two/QP129867/cmpid=EnLEDSeptember92010.html

Update: Valve Failure Causes Approximately 30,000 Gallons of Oil to Spill at Storage Tank in Indianapolis, Indiana September 7 – No Oil Left Site of Spill

http://www.therepublic.com/view/story/6d7223f558ba47dc8ff8786ac5b86a05/IN--Indianapolis_Oil_Spill/

ConocoPhillips to Excavate, Clean 300-Foot Oil Spill near Dana Adobe, California – Spill Originated from Nipomo Creek Pipeline, and Was Discovered in the Spring of 2003

<http://www.newtimeslo.com/news/4949/conocophillips-agrees-to-clean-up-nipomo-oil-spill/>

OPEC Seaborne Oil Exports, Not Including Angola and Ecuador, to Drop by 130,000 b/d, in Four Weeks Ending September 25, Analyst Says – Dip Suggests Reversal of Nearly Two Years of Increased OPEC Output

Reuters, 11:33 September 9, 2010

DRD Towing Co. Pleads Guilty to Charges Related to Summer-2008 Collision and 283-Gallon Fuel Spill along Mississippi River

<http://www.chron.com/dispatch/story.mpl/ap/tx/7192116.html>

Operators to Restart Roberts Ranch Gas Plant in Texas September 9

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=144512>

Update: EnCana Says Government Tests Reveled Low-Level Contamination in Wyoming Water Wells That Was Not Related to Company's Oil and Gas Activities

Reuters, 12:36 September 9, 2010

Governor Ed Rendell Says He would not Impose Moratorium on Natural Gas Drilling in Pennsylvania

http://www.philly.com/philly/business/homepage/20100908_Rendell_No_drilling_moratorium.html

DOE to Invest as Much as \$16.5 Million in R&D Programs Related to Renewable Transportation Fuels Production

<http://www.greencarcongress.com/2010/09/doe-20100909.html>

Tropical Storm Igor, Two Additional Tropical Systems Do Not Appear on Path to Disrupt Energy Operations in U.S. Gulf of Mexico: NHC

Reuters, 14:19 September 8, 2010

La Niña to Continue at Least through Early 2011: NOAA

DJN, 10:06 September 9, 2010

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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