



ENERGY ASSURANCE DAILY

Friday Evening, September 09, 2011

Major Developments

Electricity Restored after Blackout on September 8 Impacts 2 Million Customers in California and Arizona and 1 Million Customers in Mexico

Approximately three million customers lost power around 7:00 PM EDT on September 8 after a 500 kV transmission line tripped in western Arizona and cut the flow of electricity in parts of California, Arizona, and Mexico. By Friday morning, San Diego Gas & Electric had restored power to all its 1.4 million customers affected by the outage, and Arizona Public Service Company had restored power to all its 56,000 customers affected by the outage. Southern California Edison and Imperial Irrigation District also reported no remaining outages Friday morning. In Mexico, over one million customers lost power; sources reported nearly all customers affected by the outage in Mexico have regained power. Friday afternoon the Federal Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC) said they will work with the U.S. Department of Energy and local and state agencies to investigate the causes of the outages. The grid disturbance caused SCE's 1,070 MW San Onofre Nuclear Unit 2 and 1,080 MW Unit 3 reactors to go off line.

<http://www.cnn.com/2011/US/09/08/california.power.outages/index.html>

<http://abcnews.go.com/US/electrical-worker-blamed-leaving-millions-power-california-arizona/story?id=14478198>

<http://www.scpr.org/news/2011/09/09/28741/power-restored-14-million-socal/>

http://www.sdge.com/outages/sdoutage_newsrelease.shtml

http://www.aps.com/main/news/releases/release_673.html

<http://www.iid.com/>

<http://www.sce.com/PowerOutageCenter/poweroutagecenter.htm#>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110909en.html>

Electricity

Nearly 40,000 Lose Power in Pennsylvania, New York, and New Jersey as Mid-Atlantic Region Floods September 9

Power companies in Pennsylvania and New York reported nearly 40,000 customers were without power late Friday afternoon. More than 130,000 people were evacuated on Thursday in Pennsylvania, New York, and Maryland amidst floods resulting from persistent rain throughout the region.

<http://www.reuters.com/article/2011/09/09/usa-flooding-idUSN1E7880XA20110909>

https://www.firstenergycorp.com/outages/outages.do?state_code=PA

<http://www.peco.com/outagemap>

<https://selfserv.pplelectric.com/EUSelfServ/Outage/OutageMap.aspx>

https://www.firstenergycorp.com/outages/outages.do?state_code=NJ

<http://www.nyseg.com/Outages/outageinformation.html>

Update: NRC Rejects Dominion's Restart Plan at 1,842 MW North Anna Nuclear Plant in Virginia September 9

The plant has remained shut since August 23 when a 5.8 magnitude earthquake struck the area near the plant.

Dominion Virginia Power said at a meeting with NRC officials on Thursday that Unit 1 could restart September 22, and Unit 2 could be ready October 13. However, the NRC did not accept this plan and is requesting more information before granting permission to restart these nuclear reactors.

Reuters, 13:35 September 9, 2011

http://www.washingtonpost.com/national/health-science/va-nuclear-plant-experienced-strong-shaking-in-aug-23-quake/2011/09/08/gIQAuGOUcK_story.html

Update: Units 5 and 6 Return to Service at AES's Redondo Beach Gas-Fired Plant in California by September 8

According to the California Independent System Operator, the 179 MW Unit 5 and the 175 MW Unit 6 returned to full operation following an unplanned shutdown on September 7.

<http://content.aiso.com/unitstatus/data/unitstatus201109081515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201109081515.html>

TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Reduced to 73 Percent by September 9

The Nuclear Regulatory Commission reported that on the morning of September 8 the unit was operating at 94 percent.

Information derived from the NRC Power Reactor Status Reports:

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

LCRA to Replace 420 MW Thomas C. Ferguson Coal Plant near Marble Falls, Texas with 540 MW Gas-Fired Plant by 2014 September 8

The Lower Colorado River Authority awarded a contract to Fluor to replace LCRA's 420 MW Thomas C. Ferguson coal plant with a new natural gas-fired plant. LCRA expects the new plant to be on-line in 2014.

<http://www.lcra.org/energy/power/facilities/fergusonstudy.html>

<http://energyandenvironmentblog.dallasnews.com/archives/2011/09/flour-gets-contract-to-build-r.html>

Petroleum

Update: U.S. O&G Operators Keep Eye on Tropical Storm Nate; Two Pemex Export Terminals Remain Shut September 9

BP evacuated non-essential workers in the Gulf of Mexico as Tropical Storm Nate headed towards the Texas-Mexico border September 8 but did not shut production. Apache evacuated 19 non-essential workers but said it would not evacuate additional personnel. Royal Dutch Shell said it would not be evacuating workers from offshore platforms. Weather experts are now predicting that the impact to O&G production in the northern Gulf of Mexico is low due to the change in the storm's track. Mexico may get the brunt of the impact. Mexico's Pemex oil company had evacuated its rig off the coast of Tabasco and the Cayo Arcas and Dos Bocas crude-exporting ports remain closed for safety reasons. Nate is forecast to become a hurricane today, strengthening through Saturday and making landfall along the Mexican coast by Sunday.

<http://www.msnbc.msn.com/id/44450919/ns/weather/>

<http://www.businessweek.com/news/2011-09-09/tropical-storm-nate-to-become-hurricane-maria-may-intensify.html>

Reuters, 12:15, September 9, 2011

Update: O&G Producers Return to Gulf of Mexico in Wake of Tropical Storm Lee September 9

The Bureau of Ocean Energy Management, Regulation and Enforcement issued a press release Friday reporting that only four platforms out of 617 manned platforms in the U.S. Gulf of Mexico remain evacuated. BOEMRE estimates 87,378 b/d of oil production and 210 MMcf/d of natural gas production remain shut-in, down from a peak shut-in of 846,670 b/d and 2,205 MMcf/d September 6.

<http://www.boemre.gov/ooc/press/2011/press0909.htm>

<http://www.boemre.gov/ooc/press/2011/press0906.htm>

Units Impacted after Tesoro's 96,860 b/d Wilmington, California Refinery Experiences Power Interruption September 8

The refinery had a power outage Thursday morning due to an equipment failure at a Los Angeles Department of Water and Power receiving station. Several refinery units were impacted. Power has been restored, but plans to restart the affected refinery units were unclear late Friday.

<http://www.reuters.com/article/2011/09/09/refinery-operations-tesoro-wilmington-idUSWNAB540620110909>

Libya's AGOCO Aiming to Resume Exports of Mellitah Crude by September 15–17

Libya's Arabian Gulf Oil Company (AGOCO) is hoping to resume exports of Mellitah crude as early as next week. The port of Mellitah has offered for shipment an 80,000 metric-ton cargo of crude, equivalent to about 600,000 barrels, to be loaded from September 15–17. Crude output had dropped to nearly nothing since the uprising against the regime of Moammar Qadhafi in February. This news coincides with a report from Austrian energy group OMV that it's in direct contact with the National Transitional Council in Libya and is "optimistic" that the contracts it has in Libya will be upheld under the new government.

Reuters, 12:15 September 9, 2011

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Oil/8325101>

<http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2011/09/09/bloomberg1376-LR90K61A1I4H01-456ITK8011I18FB1FOBOOD4GDJ.DTL>

Natural Gas

Rupture Shuts Chevron's 14-Inch WTX LPG Pipeline near Coahoma, Texas September 8

The pipeline, which runs 480 miles from Big Spring, Texas to Mont Belvieu, Texas, ruptured and sparked a fire from an unknown ignition source on September 8. A third party reported a vapor near the site. Crews shut the pipeline and isolated the ruptured segment.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=158955>

Update: Spectra Energy Places the TEMAX/TIME III Project Expansion of Texas Eastern Transmission System into Service September 1

Spectra Energy Corp announced Wednesday that it successfully placed this expansion project into service on September 1. The TEMAX/ TIME III Project increases the capacity of Spectra's Texas Eastern Transmission system by 395 MMcf/d to deliver up to 455 MMcf/d of Rocky Mountain natural gas to markets in the northeast United States.

<http://www.spectraenergy.com/Newsroom/News-Archive/Spectra-Energy-Places-Major-Expansion-Projects-into-Service-as-Part-of-Ongoing-Growth-CapEx-Program/>

Update: Spectra Energy Places the NET Project Expansion of East Tennessee Natural Gas System into Service September 1

Spectra Energy Corp announced Wednesday that it successfully placed this expansion project into service on September 1. The Northeastern Tennessee (NET) Project, an expansion of the East Tennessee Natural Gas (ETNG) system, provides firm transportation services of up to 150 MMcf/d to the Tennessee Valley Authority's planned 880 MW natural gas-fired power plant at the John Sevier site in northeast Tennessee.

<http://www.spectraenergy.com/Newsroom/News-Archive/Spectra-Energy-Places-Major-Expansion-Projects-into-Service-as-Part-of-Ongoing-Growth-CapEx-Program/>

<http://www.tva.gov/abouttva/energy.htm>

Dominion Resource Applies to Export LNG from its Cove Point LNG Terminal in Maryland to Markets in Europe and Asia by 2016

The company filed an application with the U.S. Department of Energy on September 1 to export up to 1 Bcf of gas per day for 25 years. The company said it would convert its Cove Point LNG import terminal into an export terminal to reach markets in Europe and Asia by 2016. If approved, construction of LNG production units could begin as early as 2014.

Reuters, 12:27 September 9, 2011

http://www.pittsburghlive.com/x/pittsburghtrib/business/s_754855.html

Other News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices September 9, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	89.05	88.93	76.18
NATURAL GAS Henry Hub \$/Million Btu	3.99	4.18	3.79

Source: Reuters

Energy Notes

Update: Power Restored in Alabama after Peak Outages of Over 220,000 September 9

http://www.alabamapower.com/news/dyn_pressroom.asp?s=43&item=2399

<http://www.tuscaloosaneews.com/article/20110909/NEWS/110909732/1007/sitemaps>

Update: Hurricane Katia Should Not Impact Energy Infrastructure as it Heads Towards UK September 9

<http://www.telegraph.co.uk/earth/earthnews/8752674/Hurricane-Katia-heads-for-the-UK.html>

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

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

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