



ENERGY ASSURANCE DAILY

Thursday Evening, October 07, 2010

Electricity

Transmission Line, Power Plant Snags Knock Out Power to about 80 Percent of Customers in Juneau, Alaska October 5

The failure of a transmission line and the shutdown of a hydroelectric power plant knocked out electricity to 80 percent of Alaska Electric Light & Power Co.'s customers in Juneau, Alaska on October 5, the company said. The company restored power to most customers in just over an hour. Juneau Borough is home to nearly 31,000 people, according to a 2009 U.S. Census Bureau estimate.

http://www.juneauempire.com/stories/100610/loc_716565007.shtml

<http://quickfacts.census.gov/qfd/states/02/02110.html>

Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina Shut by October 7

The unit shut automatically on October 7 "due to a one loop reactor coolant low flow," the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of October 6 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101007en.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: Salazar Signs Lease for Proposed 468 MW Cape Wind Project on Outer Continental Shelf

Secretary of the Interior Ken Salazar and Cape Wind Associates, LLC signed on October 6 the nation's first lease for commercial wind energy development on the Outer Continental Shelf (OCS). The area offered in the lease is comprised of 25 square miles on the OCS in Nantucket Sound offshore Massachusetts. The facility would include 130 turbines and generate up to 468 MW of electricity. It is expected to produce an average of 182 MW. The project also includes a 66.5-mile buried submarine transmission cable system, an electric service platform, and two 115 kV lines connecting to the mainland power grid.

<http://www.doi.gov/news/pressreleases/Salazar-Signs-First-US-Offshore-Commercial-Wind-Energy-Lease-with-Cape-Wind-Associates-LLC.cfm>

Update: Salazar Okays 754 MW of Solar Power Projects in California October 5

Secretary of the Interior Ken Salazar approved two California projects – Tessera Solar's proposed 709 MW Imperial Valley Solar Project and Chevron Energy Solutions' proposed 45 MW Lucerne Valley Solar Project – that would be the first large-scale solar energy plants ever to be built on public lands.

<http://www.doi.gov/news/pressreleases/Salazar-Green-Lights-First-Ever-Solar-Energy-Projects-on-Public-Lands.cfm>

Update: Outbound Traffic Returns to Normal along Houston Ship Channel by October 7

There were no ships waiting to exit the Houston Ship Channel on October 7, the U.S. Coast Guard said, after a barge knocked over an electrical tower and forced closed the waterway over the weekend. The channel reopened yesterday. Several ships – presumably more than usual – were waiting to enter the channel, as of latest reports. Reuters, based on widely differing assumptions, estimated that the three-day shutdown deferred between 90,000 b/d and 1.4 million b/d of crude oil imports. Official sources, however, had not confirmed any lost shipments, and the four refineries that were threatened by the incident said they had not reduced production.

Reuters, 09:21 October 7, 2010

Reuters, 16:20 October 6, 2010

ExxonMobil Reports Gas, Hydrogen Sulfide Leak at 200,700 b/d Chalmette, Louisiana Refinery October 4

ExxonMobil was "in the process of containing a leak of compressed flammable gas which contains small amounts of hydrogen sulfide," a company spokesman said. The leak originated from a clamp that had been installed to plug a previous leak, a police official said. A worker died at the Chalmette facility yesterday, but it was not clear if the death was connected to the leak.

<http://www.bloomberg.com/news/2010-10-07/exxon-reports-gas-leak-at-chalmette-refinery-update1-.html>

Hydrogen Plant Shutdown Leads to Flaring at ConocoPhillips' 120,000 b/d Rodeo, California Refinery October 6

The shutdown of a "third party hydrogen plant" led to flaring at ConocoPhillips' 120,000 b/d Rodeo, California refinery on October 6, the company said in 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/8259fc6fc3d2e1ad882577b5000eb682?OpenDocument>

Update: Presidential Commission Releases Preliminary Reports Regarding Response to Deepwater Horizon Oil Spill in Gulf of Mexico

<http://www.oilspillcommission.gov/library#supporting-documents>

http://www.nytimes.com/2010/10/07/science/earth/07spill.html?_r=1&emc=tnt&tntemail1=y

Update: Strikes Could Force Shut Several French Refineries Early Next Week: Union Sources

Striking workers were keeping 51 ships, including 15 refined oil tankers and 18 crude oil carriers, from offloading at the Fos-Lavera oil terminal or entering the associated Marseille Harbor in France by October 7, the port authority said. The strike, now 11 days long, has forced numerous area refineries to operate at reduced rates, and could lead to widespread shutdowns early next week. The prospect of a broader strike – workers from the railway, refinery, power, and underground industries are expected to begin striking on October 12 – threatened to exacerbate the situation. Among the affected refineries:

- Workers initiated their own strike at Ineos' 207,000 b/d Lavera refinery, but ended the strike after about eight hours. The CGT union said previously that the facility was operating its units at minimum rates.
- The strike could force Total to shut some units at its 155,000 b/d La Mede refinery on October 10, a CGT union spokesman said.
- The strike could lead Total to shut a crude distillation unit on October 12 at its 119,000 b/d Feyzin refinery, union officials said.
- LyondellBasell's 126,000 b/d Berre l'Etang refinery could use up its crude supplies this week, and be forced offline on October 12, union sources said.
- ExxonMobil could shut its 115,000 b/d Fos-sur-Mer refinery on October 12.
- Petroplus could shut its 84,000 Reichstett refinery in Switzerland by the end of next week.

<http://www.bloomberg.com/news/2010-10-07/marseille-oil-port-strike-strands-vessels-hobbles-refineries.html>

<http://af.reuters.com/article/energyOilNews/idAFLDE6961N120101007>

Citing Small Spill, Sunoco Shuts 16-Inch, Michigan-to-Ohio Oil Pipeline October 6-7

Sunoco shut a 16-inch oil pipeline in Michigan, citing precautionary reasons, after the line spilled an estimated 1 barrel of oil on the ground. The line extends from Marysville, Michigan to Toledo, Ohio.

<http://www.fox59.com/news/sns-ap-mi--oilpipelinesshutdown.0.308457.story>

Update: Petrobras to Launch 180,000 b/d FPSO at Jubarte Field Offshore Brazil by End of 2010

Petrobras plans to bring online the 180,000 b/d P-57 floating production, storage, and offloading (FPSO) platform at the Jubarte field in the Campos Basin, offshore Brazil later in 2010. The platform is expected to reach peak production by early 2012.

http://www.rigzone.com/news/article.asp?a_id=99751

Update: Design Changes to Blame for Six-Month Delay in Plan to Construct 1.5 Million b/d Oil Pipeline in United Arab Emirates

The proposed 1.5 million b/d, 230-mile Abu Dhabi Crude Oil Pipeline will not open before the second half of 2011 – six months later than previously planned – due to design changes and the installation of oil metering facilities, an official with a project affiliate said by October 7. The line would deliver crude to the Fujairah oil terminal; it would avoid shipments through the Strait of Hormuz.

<http://www.reuters.com/article/idUSLDE6961HK20101007>

Natural Gas

Natural Gas Pipeline Leak Leads to Evacuations in Downtown South Bend, Indiana October 7

A contractor ruptured a natural gas pipeline in South Bend, Indiana early on October 7, forcing officials to evacuate several buildings in a four-square-block section of the city, news and official sources reported. The leak had been capped, but crews were still inspecting nearby buildings, as of latest reports.

<http://www.google.com/hostednews/ap/article/ALeqM5gTchpyKTyWbtE6I6Bhl6Pl5qYhxgD9IMTGB00?docId=D9IMTGB00>

<http://www.southbendtribune.com/article/20101007/News01/101009586/1137>

Norse Energy Breaks Ground on Pipeline Interconnection with Dominion Transmission in New York

Norse Energy Corp. and its subsidiaries have begun construction on a new pipeline interconnection (tap) arrangement with Dominion Transmission, a subsidiary of Dominion, Norse said on October 5. The new tap, located near Morrisville, New York, will accommodate deliveries into two of Dominion's parallel transmission pipelines. The selected site will also accommodate future interconnection to the Tennessee Gas Pipeline network. With additional pipeline investments, the upgrade will increase delivery capacity into the Dominion system to approximately 25 MMcf/d.

<http://www.norseenergy.com/showpress.php?releaseid=516343>

Other News

Symantec Survey Finds Majority of Businesses in Critical Infrastructure Have Experienced Cyber Attacks – Energy Industry Best Prepared

Some 53 percent of 1,580 global, private businesses involved in critical infrastructure - including companies in the energy industry - said they had experienced apparently politically-driven cyber attacks, according to a recent Symantec survey. Symantec said that energy companies, compared to businesses in other sectors, were best-prepared, compared to handle such attacks. Symantec issued numerous recommendations to protect against cyber attackers. It said the average attack cost companies \$850,000.

<http://www.symantec.com/connect/blogs/critical-infrastructure-protection-providers-networks-are-being-attacked>

Update: Aventine to Begin Production by Early Spring at 113 MMGal/Yr. Aurora, Nebraska Ethanol Plant

Aventine Renewable Energy plans to complete its 113 MMGal/Yr. ethanol plant in Aurora, Nebraska by the end of November, but the company does not expect to begin production until early spring, the company said by October 7. It cited weather conditions for the spring start-up.

http://www.auroranewsregister.com/index.php?option=com_content&view=article&id=2082:aventine-targets-spring-start-up&catid=13:featured-articles

Energy Prices

U.S. Oil and Gas Prices October 7, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	83.21	79.60	69.45
NATURAL GAS Henry Hub \$/Million Btu	3.56	3.81	3.23

Source: Reuters

Energy Notes

Winds Cut Power to about 10,600 Central Maine Power Customers in Maine October 6

http://www.fosters.com/apps/pbcs.dll/article?AID=/20101007/GJNEWS_01/710079701&template=SouthernMaineRegion

EPA Says PGE Failed to Install Necessary Pollution Controls at Boardman Coal-Fired Power Plants after Upgrades in 1998 and 2004 – Agency Says Company Has Been Violating Clean Air Act for 12 Years

http://www.oregonlive.com/environment/index.ssf/2010/10/portland_general_electrics_boa.html

<http://www.bizjournals.com/portland/stories/2010/10/04/daily25.html>

Update: North Dakota PSC Okays Three Transmission Line Projects: Otter Tail Power's and Xcel Energy's Proposed 250-Mile North Dakota-to-Minnesota Line and 68-Mile Bemidji-to-Grand Rapids Line in Minnesota, and Xcel's Planned 150-Mile, Minnesota-to-Wisconsin Line

<http://www.bemidjipioneer.com/event/apArticle/id/D9IMALI82/>

Public Service Co. of Colorado Halts Transmission Line Upgrade Project in Glenwood, Colorado, after Citizen's Complaint about Lack of Public Review

<http://www.postindependent.com/article/20101007/VALLEYNEWS/101009907/1083&ParentProfile=1074>

Update: Berthold City Council Okays Enbridge's Bid for Zoning Change Related to Company's Plans to Expand Oil Pipeline Capacity by 145,000 b/d in North Dakota

<http://www.grandforksherald.com/event/apArticle/id/D9IMT84G0/>

DOE Approves ConocoPhillips and Marathon's Request to Export as Much as 99 Bcf of Natural Gas from Nikiski LNG Terminal in Alaska to Asia through March 2013

<http://www.adn.com/2010/10/06/1489222/feds-give-ok-to-extension-of-nikiski.html>

Motiva Enterprises, Norfolk Southern Expand Doraville, Georgia Terminals to Allow for Delivery of Unit Trains of Fuel-Grade Ethanol

<http://www.prnewswire.com/news-releases/motiva-and-norfolk-southern-announce-unit-train-capability-104492604.html>

Update: Shell Seeks Approval to Drill Just One Well in Beaufort Sea, Offshore Alaska in 2011 – Company Not Requesting Federal Approval to Drill Three Wells in Chukchi Sea, as Previously-Planned

Reuters, 18:28 October 6, 2010

U.S. Oil Companies Mull Insurance Fund to Pay for Potential Oil Spills – Move Intended to Prevent Smaller Firms from Being Unable to Operate Offshore

Reuters, 07:35 October 7, 2010

Irving Oil to Start Benzene-Reducing Dehexanizer Distillation Column in June 2011 at 300,000 b/d Saint John, New Brunswick Refinery

<http://telegraphjournal.canadaeast.com/city/article/1252107>

Members of European Parliament Vote to Strengthen Regulation of Offshore Drilling, but Reject Bid to Ban Deepwater Exploration

http://www.rigzone.com/news/article.asp?a_id=99780

Chevron Shuts Natural Gas Wells at McElroy Field in Texas after Shutdown of Main Gas Distribution Line October 6-9

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=145753>

West Virginia DEP Files Lawsuit against EPA, Army Corps of Engineers, Citing Allegedly Anti-Surface Mining Policies

<http://www.wvpubcast.org/newsarticle.aspx?id=16956>

Canadian Pacific Railway Limited, Teck Resources Limited Announce 10-Year Deal to Transport Coal from Teck's Five Mines in Southeast British Columbia to Vancouver-Area Ports

<http://www8.cpr.ca/cms/English/Media/News/General/2010/Teck+and+Canadian+Pacific.htm>

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.

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

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