



ENERGY ASSURANCE DAILY

Friday Evening, October 08, 2010

Electricity

NRC Issues “Yellow” Violation at OPPD’s Fort Calhoun Nuclear Power Plant in Nebraska

The Nuclear Regulatory Commission (NRC) issued a violation of substantial safety significance at Omaha Public Power District’s (OPPD) Fort Calhoun nuclear power plant in Nebraska, the agency said on October 7, citing inadequacies in the plant’s flood protection strategy. Specifically, NRC inspectors found that the licensee’s flood protection strategy might not have been fully effective during worst-case Missouri River flooding scenarios. The strategy called for workers to install floodgates in front of doors of the plant’s auxiliary building and intake structure and pile sandbags on them. OPPD had a stockpile of empty sandbags, but did not have all the sand on site necessary to fill them. In addition, their strategy for buttressing floodgates may not have been effective. The NRC determined that the violation was “yellow,” indicating substantial safety significance. Yellow is the second-most severe color-coded violation that the NRC could issue. As a result of the investigation, OPPD officials made changes to their strategy, established a stockpile of thousands of filled sandbags, and made other changes to their flood plan to make it more effective.

http://adamswebsearch2.nrc.gov/idmws/doccontent.dll?library=PU_ADAMS^PBNTAD01&ID=102800235

NRC Launches Special Inspection at Dominion’s North Anna Nuclear Power Plant in Virginia October 4

The Nuclear Regulatory Commission (NRC) dispatched a Special Inspection Team to examine the discovery of a specific type of insulation inside the containment buildings at Dominion’s North Anna nuclear power plant in Virginia, the NRC said in a release. The team was expected to examine the discovery of a specific type of insulation inside the containment buildings for the plant’s two units. The insulation does not pose an immediate safety concern, but analyses completed for the plant did not appear to take into account the presence of that material inside containment. Material that may become loose inside containment, such as the insulation, could potentially block the flow of water during certain accident scenarios. The inspection began on October 4 and was slated to run for about one week. The NRC will issue a report within 45 days of the completion of the inspection.

http://adamswebsearch2.nrc.gov/idmws/doccontent.dll?library=PU_ADAMS^PBNTAD01&ID=102780224

Sky Energy Plans 600 MW Clean Coal Power Plant in Bell County, Kentucky

The facility would burn 2 million tons/year of coal. Officials in Bell County said recently that they had raised enough money to seek a construction permit.

http://www.wkyt.com/wymtnews/headlines/Plans_are_underway_to_build_plant_104528979.html

Update: Provincial Government Cancels Plans for TransCanada to Construct 900 MW Gas-Fired Power Plant in Oakville, Ontario

The Ontario government has abandoned plans for TransCanada to construct a 900 MW gas-fired power plant in Oakville, saying that “changes in demand and supply – including more than 8,000 MW of new, cleaner power and successful conservation efforts – have made it clear that [the facility] is no longer required.” TransCanada said last year that it would construct the facility. The government, however, says now that “a transmission solution can ensure” the region satisfies its electric demand.

<http://www.news.ontario.ca/mei/en/2010/10/oakville-power-plant-not-moving-forward.html>

<http://af.reuters.com/article/energyOilNews/idAFN0716951920101007>

Power Grid Vulnerable to Cyber Attackers: Texas A&M Researchers

Cyber attackers could hack into the electric grid to manipulate prices, upset the balance of supply and demand, and even cause power outages, according to researchers at Texas A&M. The potential for cyber attacks grows, one researcher said, as utilities shift to automated systems and deploy smart grid technology.

<http://www.technologyreview.com/energy/26472/>

Pepco Announces Six-Point, \$250 Million-Plus Reliability Enhancement Plan for Washington D.C. October 7

Pepco plans to spend more than \$250 million over the next five years on its six-point Comprehensive Reliability Enhancement Plan for the District of Columbia, the company said on October 7. The six initiatives are: enhanced vegetation management, priority feeders, load growth, distribution automation, feeder improvement, and selective undergrounding.

<http://www.pepco.com/welcome/news/releases/archives/2010/article.aspx?cid=1552>

Petroleum

Update: Citing Earlier Shutdown of Houston Ship Channel, Colonial Pipeline Freezes Gasoline, Distillate Deliveries along Houston-to-New York Pipeline as Demand Exceeds Available Space

Colonial Pipeline froze distillate and gasoline shipments along its Gulf Coast-to-New York pipeline system, saying that the weekend and early-week shutdown of the Houston Ship Channel caused demand to outpace the line's capacity for Cycle 57 shipments.

Reuters, 12:30 October 8, 2010

Compressor Snag at Valero's 250,000 b/d St. Charles Refinery in Norco, Louisiana

An issue with a compressor caused some impact to production at Valero's 250,000 b/d St. Charles refinery in Norco, Louisiana, a company spokesman said on October 8. The company said previously that a "compressor rupture" led to flaring at the facility, according to a filing with the National Response Center. A spokesman, however, said the earlier report was incorrect. "There was no rupture," he said.

Reuters, 09:41 October 8, 2010

<http://www.bloomberg.com/news/2010-10-08/valero-has-compressor-rupture-at-st-charles-oil-refinery.html>

Update: ExxonMobil Fixing Fire-Downed Hydrotreater at 238,600 b/d Joliet, Illinois Refinery October 7

ExxonMobil began fixing a fire-downed hydrotreater by October 7 at its 238,600 b/d Joliet, Illinois refinery, but the company did not say how long the work might take. The unit shut after a fire on October 5. A company spokesman said "all customer needs are being met."

Reuters, 18:08 October 7, 2010

Update: Tesoro Postpones Restart Plans at Explosion-Downed, 120,000 b/d Anacortes, Washington Refinery

Tesoro has postponed by 10 days plans to restart its 120,000 b/d Anacortes, Washington refinery, market sources said by October 8. The facility shut after a fatal explosion in April. The company had planned to begin restarting the plant on October 4, according to a previous source.

<http://online.wsj.com/article/BT-CO-20101008-706645.html>

<http://www.reuters.com/article/idUSWEN048120100929?type=marketsNews>

After Unscheduled Work, Chevron Says 45,000 b/d Salt Lake City, Utah Refinery Operating Normally by October 6

Chevron completed unscheduled work on a crude unit and resumed normal operations at its 45,000 b/d Salt Lake City, Utah refinery by October 6, a company spokesman said. It was not clear if the incident had any impact on production.

<http://online.wsj.com/article/BT-CO-20101008-706645.html>

Shell Reports Power Outage, Flaring at 327,000 b/d Deer Park, Texas Refinery October 7

A power outage forced shut "the PGC at the Olefins II and III units" and led to flaring at Shell's 327,000 b/d Deer Park, Texas refinery on October 7, the company said in a filing with state regulators. Operators made adjustments "to end the emission event." The incident lasted less than two hours.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=145804>

Update: PdVSA Reopens Bonaire Oil Terminal in Caribbean October 7

Venezuela's PdVSA reopened the Bonaire oil terminal in the Caribbean on October 7 almost one month after a fire forced shut the facility, according to traders.
Reuters, 15:43 October 7, 2010

Update: Strikes Could Force Companies to Begin Shutting at Least Four French Refineries over Weekend – Refinery Employees to Strike Next Week

Striking workers continued to prevent vessels from offloading at the Fos-Lavera oil port in France on October 8, and an industry group said the strike – now 12 days long – could force companies to begin shutting at least four associated refineries over the weekend. The industry group warned of fuel shortages, should the strike continue. At least five oil product cargoes had been diverted from the Fos-Lavera port to other facilities, as of latest reports. The situation could worsen next week when workers at numerous French refineries – representing about 1 million b/d of capacity – plan to begin strikes of their own. Those strikes could force offline, or seriously reduce rates, at each of the affected facilities. The strike's impact on European customers could be further exacerbated by a longer-than-expected shutdown at the continent's largest refinery – Shell's 400,000 b/d Pernis facility – in the Netherlands. Pernis shut a fluid catalytic cracker (FCC) for work three weeks ago, but a malfunction is now expected to keep the unit offline for another eight weeks, a source familiar with the situation said on October 8.

<http://www.bloomberg.com/news/2010-10-08/french-oil-port-strike-enters-12th-day-forcing-plants-to-halt.html>

<http://www.reuters.com/article/idUSLDE6970K420101008>

<http://www.stockbriefings.com/exxon-mobil-corporation-nysexom-production-slows-in-marseille/3174230>

Reuters, 11:29 October 8, 2010

Reuters, 12:51 October 7, 2010

DJN, 12:36 October 8, 2010

Natural Gas

Natural Gas Futures Slide to Lowest Level since September 2009 as EIA Repots Higher-than-Expected Storage Build October 7

Natural gas for November delivery slid 6.4 percent to \$3.617 per million Btus on the New York Mercantile Exchange (NYMEX) yesterday, the Wall Street Journal said, after the Energy Information Administration (EIA) reported that domestic gas inventories rose by 85 Bcf in the previous week. The \$3.617 figure marked the lowest level since September 2009, and the 85 Bcf storage build outpaced forecasters' expectations and the five-year average rise for the week.

<http://online.wsj.com/article/SB10001424052748704011904575538402065026366.html>

Other News

Compliance Energy to Begin Production by 2013 at Raven Coal Mine in British Columbia, Canada

Compliance Energy Corporation plans to begin coal deliveries in 2013 from the Raven Underground Coal Project in the Comox Coal Basin of Vancouver Island, British Columbia, the company said on October 7. The mine contains a measured and indicated coal resource of 72.0 million tonnes and an inferred coal resource of 59.4 million tonnes, according to a pre-feasibility study. Compliance expects to process an average of 1.88 million tonnes/year of raw coal on-site, and produce an average of 0.82 million tonnes/year of saleable semi soft metallurgical and thermal middlings coal over a 16-year mining term. The company intends to market the processed coal to Asian markets.

http://www.complianceenergy.com/news/press_releases/PDFs/101007_CEC_Press_Release.pdf

DOE Releases Comprehensive Report on Offshore Wind Power in the United States

U.S. Energy Secretary Steven Chu announced yesterday the release of a report from the Department of Energy's National Renewable Energy Laboratory (NREL), which comprehensively analyzes the key factors impacting the deployment of offshore wind power in the U.S. The report, "Large-Scale Offshore Wind Power in the United States: Assessment of Opportunities and Barriers," includes a detailed assessment of the Nation's offshore wind resources and offshore wind industry, including future job growth potential. The report also analyzes the technology challenges, economics, permitting procedures, and the potential risks and benefits of offshore wind power deployment in U.S. waters. To read the report, click on the first link below.

<http://www.nrel.gov/docs/fy10osti/40745.pdf>

<http://www.energy.gov/news/9663.htm>

Department of Energy Cites Savannah River Nuclear Solutions for Worker Safety and Health Violations October 8

The Department of Energy has issued a Preliminary Notice of Violation (PNOV) to Savannah River Nuclear Solutions, LLC (SRNS) for five violations of DOE's worker safety and health regulations and withheld \$3.08 million in contract fee for significant failures in safety performance, including the matters associated with this enforcement action. The violations are associated with a nitric acid spill event that occurred in F area on August 18, 2009, and an electrical arc flash injury that occurred in D-area on September 23, 2009.

<http://www.energy.gov/news/9672.htm>

Energy Prices

U.S. Oil and Gas Prices			
October 8, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	82.72	81.13	71.75
NATURAL GAS Henry Hub \$/Million Btu	3.62	3.85	3.70

Source: Reuters

Energy Notes

Update: After Arrest of Suspected Al Qaeda Member Who Worked in U.S. Nuclear Power Plants, NRC Aims to Bolster Security Procedures – Agency's Inspector General Recently Issued Numerous Recommendations

<http://edition.cnn.com/2010/US/10/06/nuclear.plant.security/>

SunEdison to Construct 30 MW of Solar Power Plants throughout CPS Energy Service Territory in San Antonio Area, Texas – Company to Break Ground in 2011

<http://www.memc.com/index.php?view=investors&c=106680&p=irol-news>

Update: ProLogis Signs Leases Related 25 MW Phase in Plan to Install 100 MW of Solar Power Capacity for SCE in California

<http://prologis.mediaroom.com/index.php?s=43&item=725>

BLM Okays BrightSource Energy's Plans to Construct 392 MW Ivanpah Solar Power Project in California

http://www.brightsourceenergy.com/images/uploads/press_releases/BLM_ROD_Release_10_7_10.pdf

PsomasFMG Breaks Ground on 9.6 MW Solar Power Project for Antelope Valley Union High School District in California by October 7

<http://www.prnewswire.com/news-releases/psomasfmg-breaks-ground-on-a-turnkey-solar-solution-for-the-antelope-valley-union-high-school-district-104518009.html>

Mitsubishi Power Systems Americas, Inc. Begins Construction on Wind Turbine Nacelle Manufacturing Plant in Fort Smith, Arkansas – Company Expects to Complete Facility by Fall of 2011

<http://www.prnewswire.com/news-releases/mitsubishi-salutes-the-public-private-partnership-that-brought-a-100-million-wind-turbine-manufacturing-facility-to-arkansas-104529734.html>

Center for Energy Workforce Development to Train 5,000 Low-Income, Young Adults for Work in Utility Sector

DJN, 12:34 October 8, 2010

Update: Tesoro to Continue FCC Overhaul for Another Week at 166,000 b/d Martinez, California – Company Began Work in Late September, and Had Expected it to Last Just One Week

Reuters, 13:34 October 7, 2010

Enbridge Energy Agrees to Pay \$1 Million Settlement in Wisconsin by October 7, Resolving Charges that Company Did not Comply with Certain Requirements of State Air Pollution Laws at Crude Oil Pipeline Breakout Storage Terminal in Superior, Wisconsin

http://www.doj.state.wi.us/absolutenm/templates/template_share.aspx?articleid=2255&zoneid=13

Oil Tank Breaks Off of Rig, Spills almost 6,800 Gallons of Diesel at Industrial Yard in California October 7

http://www.presstelegram.com/breakingnews/ci_16282900

Tanker Truck Crashes along Glenn Highway in Alaska, Spilling about 4,400 Gallons of Diesel Fuel October 7

<http://www.kfqd.com/node/5924>

Tugboat Sinks along Mississippi River near St. Louis, Missouri, Spilling Unknown Quantity of Diesel Fuel – Boat Was Carrying Approximately 8,700 Gallons of Fuel

<http://www.publicbroadcasting.net/kwmu/news.newsmain/article/1/0/1710061/St..Louis.Public.Radio.News/Coast.Guard..state.DNR.investigating.tugboat.sinking>

France's Paris Basin Could Yield 50,000 b/d of Shale Oil by 2020; Area Could Contain 100 Billion Barrels of Crude

<http://www.bloomberg.com/news/2010-10-07/paris-oil-drillers-seek-100-billion-barrels-next-to-brie-farms-vineyards.html>

Statfjord Crude Oil Loadings in Norwegian North Sea Slated to Jump by 33,000 b/d – to Total 171,000 b/d – in November 2010, Compared to October 2010

Reuters, 11:17 October 8, 2010

High Oil Prices, Low Freight Rates to Cause Increase in Demand for Floating Oil Storage over Next Few Months: Frontline CEO

Reuters, 04:43 October 8, 2010

High Line Pressure along Third-Party Gathering System Leads to Shutdown of XTO Energy's Russell Compressor Station in Texas October 7-11

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=145799>

Pipeline Fatalities Increased by Six (8 to 14) in 2009, Compared to 2008: NTSB

<http://www.nts.gov/Pressrel/2010/101006b.html>

Qatargas to Supply LNG to Repsol Energy Canada at Canaport LNG Facility in Saint John, New Brunswick - Qatargas to Deliver LNG Via 5.6 Bcf Q-Max and 4.6 Bcf Q-Flex Vessels

http://www.repsol.com/es_en/corporacion/prensa/notas-de-prensa/ultimas-notas/07102010-repsol-firma-contrato-abastecimiento-gas-con-qatargas.aspx

Consortium to Make Final Decision on Proposed Nabucco Pipeline in 2011, Instead of by the End of 2010, Pipeline Partner Executive Says – Line Would Deliver Natural Gas from Caspian Region to Western Europe

http://www.downstreamtoday.com/news/article.aspx?a_id=24265

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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