



ENERGY ASSURANCE DAILY

Thursday Evening, October 14, 2010

Electricity

Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Reduced to 81 Percent by October 14

The Nuclear Regulatory Commission reported that on the morning of October 13 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: Exelon's 850 MW Dresden Nuclear Unit 3 in Illinois Ramped Up to 16 Percent by October 14

The unit shut automatically (full scram) on October 11 as operators transferred the 'A' reactor protection system bus from normal to reserve power, in preparation for maintenance, the company said in a previous filing with the Nuclear Regulatory Commission (NRC). Normally a half scram is expected. The NRC reported that on the morning of October 13 the unit was not operating.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101012en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

AES's 336 MW Alamosa Gas-Fired Unit 4 in California Reduced by October 13

According to the California Independent System Operator, the unit reported an unplanned curtailment of 126 MW by October 13.

<http://www.caiso.com/unitstatus/data/unitstatus201010131515.html>

Update: EDF to Pursue Plans for 1,600 MW Nuclear Power Unit in Maryland, Despite Partner's Decision to Drop Out of Loan Guarantee Process

Electricite de France (EDF) plans to pursue a proposal to construct a 1,600 MW reactor at the existing Calvert Cliffs nuclear power plant in Maryland, despite its partner's – Constellation Energy – decision to abandon the loan guarantee process. Citing an "unreasonably burdensome" cost and "unacceptable risks," Constellation told the U.S. Department of Energy (DOE) last week that it could not move ahead with the \$7.5 billion loan guarantee process for the proposed Calvert Cliffs 3 facility. EDF, however, says now that it is ready to purchase Constellation's share of the project, and move forward with the facility on its own.

<http://finance.yahoo.com/news/EDF-seeks-to-modify-apf-3958344961.html?x=0&.v=1>

<http://ir.constellation.com/releasedetail.cfm?ReleaseID=516614>

<http://www.constellation.com/portal/site/constellation/menuitem.5119c68c6cf2d3688ec66a10016176a0>

<http://www.bloomberg.com/news/2010-10-12/constellation-nuclear-loan-guarantee-pullout-tests-obama-s-taste-for-risk.html>

Satisfying Current or Projected Renewable Portfolio Standards Would Require \$50 to \$100 Billion in Investments: Brattle Group

Satisfying current state-level renewable portfolio standards (RPS) will require transmission investments of approximately \$50 billion nationwide over the next 10 to 15 years, according to The Brattle Group. If a 20 percent federal RPS were introduced that required states to meet either the higher of their RPS standards or 20 percent, transmission investment needs would increase to approximately \$100 billion, not including baseline reliability upgrades.

<http://www.brattle.com/NewsEvents/NewsDetail.asp?RecordID=865>

PJM Board Authorizes \$1.8 Billion in Transmission Upgrades across U.S. Northeast and Midwest Territory

The PJM Board yesterday authorized an additional \$1.8 billion in transmission upgrades and improvements across its U.S. Northeast and Midwest service territory, PJM said on October 13. The upgrades were identified through PJM's Regional Transmission Expansion Plan, which forecasted reliability needs through 2025. The plan changes include \$1.1 billion in reliability-related transmission upgrades and additions and \$0.7 billion for interconnection of generation and merchant transmission. The Board also approved removing from the regional plan a proposed 500 kV line connecting the Branchburg, Roseland, and Hudson substations in northern New Jersey. Instead, existing lines will be upgraded and two new underground 230 kV cables will be installed to address projected overloads.

<http://www.pjm.com/~media/about-pjm/newsroom/2010-releases/20101013-pjm-board-authorizes-1.8-billion-in-transmission-upgrades.ashx>

TVA Aims to Expand Nuclear Power Capacity, Focus on Renewables, and Shutter Approximately 3,000 MW of Coal-Fired Electricity

The Tennessee Valley Authority (TVA) presented a draft version of a long-term energy resource plan – “Plan C” – at the company's headquarters on October 13. “Plan C” is the company's favorite among five strategies that its planners considered. TVA would, according to the plan, increase nuclear power capacity after 2018, enhance its focus on renewable energy sources, energy efficiency, and demand response, install new gas-fired capacity as necessary, construct a new pumped-storage hydropower unit, and shutter 3,000 MW of coal-based power capacity.

<http://www.knoxnews.com/news/2010/oct/14/nuclear-rises-coal-recedes-in-tva-long-term-plan/>

First Solar Plans Solar Module Manufacturing Plants in United States and Vietnam

First Solar, Inc. plans to build two new four-line manufacturing plants – one in the United States and another in Vietnam – that will boost the company's annual manufacturing capacity by nearly 500 MW, it said on October 14. The company expects to complete the plants in 2012. Combined with previously-announced expansions, the company intends to nearly double its production capacity from 1.4 GW in 2010 to more than 2.7 GW in 2012.

<http://investor.firstsolar.com/phoenix.zhtml?c=201491&p=irol-newsArticle&ID=1482647&highlight=>

Petroleum

Citing Low Inventories, Product Outages, South Dakota Governor Exempts Delivery of Petroleum Products from Federal Hours-of-Service Regulations

Citing extremely low inventories and outages of petroleum products in South Dakota, Governor Mike Rounds declared a state of emergency and exempted delivery of petroleum products from federal motor carrier regulations on drivers' hours-of-service, the Governor said on October 12. The executive order expires at midnight, October 31, 2010.

<http://www.state.sd.us/news/showDoc.aspx?i=12618>

Update: ExxonMobil Resumes Normal Operations after Hydrogen Sulfide Leak at 192,500 b/d Chalmette, Louisiana Refinery

ExxonMobil returned its 192,500 b/d Chalmette, Louisiana refinery to normal operations by October 14, a spokesman said, after the company plugged a hydrogen sulfide leak last week. The spokesman said previously that the incident had impacted production. It remained unclear, as of latest reports, whether the leak was to blame for the death of a contractor at the facility.

<http://uk.reuters.com/article/idUKWEN119520101014>

<http://af.reuters.com/article/energyOilNews/idAFN1112595420101011>

Hovensa Returning 145,000 b/d FCC to Normal Operations after Weather-Induced Shutdown at 500,000 b/d St. Croix, U.S. Virgin Islands Refinery

A 145,000 b/d fluid catalytic cracking unit (FCC) was nearing normal operations at Hovensa's 500,000 b/d St. Croix, U.S. Virgin Islands refinery, the company said on October 13. Operators shut the unit on October 6, citing precautionary reasons after a weather-induced electrical malfunction.

[http://www.nasdaq.com/asp/stock-market-news-](http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=201010140930dowjonesdjonline000422&title=refinery-statusexxonmobils-chalmette-plant-near-normal-operations)

[story.aspx?storyid=201010140930dowjonesdjonline000422&title=refinery-statusexxonmobils-chalmette-plant-near-normal-operations](http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=201010140930dowjonesdjonline000422&title=refinery-statusexxonmobils-chalmette-plant-near-normal-operations)

Update: Strikes Disrupt Operations at 11 of 12 French Refineries by October 14

Striking workers continued to block at least nine oil refineries and the Fos Lavera port in France on October 14, and panic buying led to brief fuel shortages on October 13, news and official sources said. Only one of the nation's 12 refineries was running normally, and seven refineries had begun to shut down, as of latest reports. The strikes were preventing 63 vessels, including 45 carrying crude oil or oil products, from entering the Fos-Lavera port on October 14, the local port authority said. Sources conflicted as to when the strikes, absent of panic buying, might begin to trigger fuel shortages. The government said the nation had enough stocks to satisfy demand for at least one month, but a union and an industry group said fuel shortages could begin as soon as next week. Regardless of the time frame, the disruptions – combined with the impact of a maintenance shutdown at Shell's 412,000 b/d Pernis refinery in the Netherlands – caused European gasoline prices to surge to near six-month highs on October 13. The refinery strikes are part of a broader, nationwide protest – involving multiple industries – that has compounded the impact of the separate, weeks-long strike at the Fos Lavera port. The Fos Lavera strike had already forced six French refineries and one Swiss facility to reduce production; the latest strikes only exacerbated the problem.

<http://www.reuters.com/article/idUSLDE69D0FO20101014>

<http://www.bloomberg.com/news/2010-10-14/france-has-enough-fuel-to-last-a-month-if-strike-persists-minister-says.html>

Reuters, 11:33 October 14, 2010

Reuters, 11:40 October 14, 2010

Shell Encourages United States to Implement More-Stringent, European-Style Rules for Drillers

The United States should implement more-stringent regulations for drillers, and specifically those that “match more clearly the European approach,” Shell's CFO said on October 14. Those tougher rules could have helped avoid the errors that played a role in the Deepwater Horizon explosion and spill, the CFO said. He said the United States should require all drillers to create a “safety case”: that is, a plan to identify possible risks and establish liable parties. A BP spokesman confirmed that the company did not prepare safety cases, but said that fact did not mean that standards were stronger in the European North Sea than in the United States.

Reuters, 11:23 October 14, 2010

Natural Gas

Update: NTSB Releases Preliminary Report on Fatal September Explosion along PG&E's 30-Inch Natural Gas Pipeline in San Bruno, California

A brief power failure and pressure increase preceded the fatal September 9 explosion and Pacific Gas and Electric Company's (PG&E) 30-inch natural gas pipeline in San Bruno, California, the National Transportation Safety Board (NTSB) said in a preliminary report. The NTSB did not say what caused the explosion. It did, however, say that the power outage caused an electrical valve to open fully, and that, subsequently, the line's pressure increased to 386 pounds per square inch gauge (psig). The line was permitted to run at 400 psig, according to PG&E. After the line ruptured, the line's pressure fell to 289.9 psig. PG&E dispatched crews to isolate the damaged segment some 34 minutes after the pressure dipped. Operators shut off the second of two manual valves about 44 minutes after that. The incident led to the release of about 47.6 MMcf of natural gas.

<http://www.nts.gov/Surface/pipeline/Preliminary-Reports/San-Bruno-CA.html>

<http://abcnews.go.com/Business/wireStory?id=11874467>

http://www.pge.com/about/newsroom/newsreleases/20101013/pgampe_welcomes_preliminary_report_by_federal_investigators_on_san_bruno_pipeline_accident.shtml

Update: Golden Pass LNG in Texas to Take Delivery of First LNG Shipment during October 2010

Golden Pass LNG is slated to take delivery of its first LNG shipment – a cargo from the Port of Ras Laffan, Qatar – in October 2010, according to company official. The facility has the capacity to import about 2 Bcf/d, according to its website. Golden Pass LNG is a joint venture of affiliates of Qatar Petroleum, ExxonMobil, and ConocoPhillips.

http://www.downstreamtoday.com/news/article.aspx?a_id=24311

http://www.gpterminal.com/terminal/terminal_home.aspx

http://www.gpterminal.com/terminal/about_home.aspx

Other News

Air Products Plans 180-Mile Hydrogen Pipeline to Supply Refinery and Petrochemical Industries in Louisiana and Texas

Air Products plans to construct a 180-mile pipeline to connect its existing hydrogen pipeline systems in Louisiana and Texas, the company said on October 13. The project would unit over 20 hydrogen plants and over 600 miles of pipeline, creating the world's largest hydrogen plant and pipeline supply network. The system would supply refinery and petrochemical facilities with over 1 Bcf/d of hydrogen. Air Products expects to complete the project in mid-2012.

<http://www.airproducts.com/PressRoom/CompanyNews/Archived/2010/13Oct2010.htm>

Energy Prices

U.S. Oil and Gas Prices			
October 14, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	83.09	83.21	74.95
NATURAL GAS Henry Hub \$/Million Btu	3.58	3.56	4.03

Source: Reuters

Energy Notes

Storms Cut Power to More than 13,000 Duke Energy Customers in Ohio October 13 – Company Restores Power to Most Later in Evening

http://www.kypost.com/dpps/weather/Storms-roll-in,-knock-out-power_5226605

Entergy Discovers Tritium Levels above EPA Drinking Water Standards at Monitoring Well near Company's Pilgrim Nuclear Power Plant in Massachusetts – Company Sees No Threat to Drinking Water, as Nearest Supply More than Two Miles from Plant

<http://www.patriotledger.com/business/x819631224/Tritium-levels-at-Pilgrim-rise-above-federal-drinking-water-standards-again>

Suspicious Device Forces Shut Checkpoint at APS' Palo Verde Nuclear Power Plant in Arizona October 13 – Checkpoint Reopened within Hours, as Device Thought to be Smoke Flare

<http://www.star-telegram.com/2010/10/13/2543287/suspicious-device-found-at-Nuclear.html>

Sun Edison, SkyPower Limited Plan 18.5 Solar Power Project in Ontario, Canada

MKW, 12:25 October 14, 2010

NRC Proposes to Amend Security Rules Relating to Transporting Spent Nuclear Fuel – “Rule Would Establish Generically-Applicable Security Requirements”

<http://edocket.access.gpo.gov/2010/2010-25392.htm>

Cal/OSHA Completes Investigations of all California Refineries in Wake of Deadly April Explosion at Tesoro's Anacortes, Washington Refinery – Reports Says California Refineries are Using Most-Advanced Technologies for Controlling Corrosion

<http://www.dir.ca.gov/DIRNews/2010/IR2010-31.html>

Canada-Newfoundland and Labrador Offshore Petroleum Board Okays Hibernia Management and Development Company's Plans to Develop 300 Million Barrel Hibernia South Reservoir Offshore Newfoundland and Labrador

<http://www.pennenergy.com/index/petroleum/display/1794424298/articles/pennenergy/petroleum/offshore/2010/10/regulators-approve.html>

Europe-to-United States Gasoline Deliveries Surge by 15 Percent in September 2010, Compared to August 2010, as Refinery Maintenance and Profit Margins Encourage Exports to United States

<http://www.bloomberg.com/news/2010-10-13/gasoline-rebound-in-u-s-fans-europe-s-september-exports-energy-markets.html>

European Union Declines to Impose Deepwater Drilling Moratorium Offshore Continent, but Opts to Recommend Stronger Safety Standards

http://www.rigzone.com/news/article.asp?a_id=99991

Panama-Registered Oil Tanker Escapes Somali Pirate Attack in Tanzanian Waters by October 13

<http://www.eturbonews.com/19049/somali-pirates-attack-oil-tanker-ship-tanzania>

PG&E Repairing Leak along 8-Inch Natural Gas Pipeline in California October 13

<http://www.modbee.com/2010/10/12/1380828/gas-leak-fix-todaysite-about-100.html>

Turbine Shuts, Restarts at Goldsmith Gas Plant in Texas October 13

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=146057>

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

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