



ENERGY ASSURANCE DAILY

Tuesday Evening, October 21, 2008

Electricity

Exelon's 1,116 MW Peach Bottom Nuke Unit 2 in Pennsylvania Trips, Reconnects October 20

Exelon said a "minor" transformer issue shut a generator and tripped the unit offline as it returned from a refueling outage. The incident occurred yesterday, but operators reconnected the unit to the grid later in the day. It was operating at 20 percent power this morning, according to a Nuclear Regulatory Commission report.

Bloomberg News, 12:04 October 21, 2008

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: AEP's 1,048 D.C. Cook Nuke Unit 1 in Michigan Still Down After Late-September Fire

The company is conducting inspections and is "in the process of getting information from vendors for when parts and equipment will be available," a spokesman said. The unit shut due to a September 20 fire.

Bloomberg News, 11:16 October 21, 2008

Update: Luminant to Restart 591 MW Sandow Coal-fired Unit 4 in Texas October 21

The company expected to restart the unit this afternoon "following the conclusion of boiler tube leak repairs," it said in a filing with state regulators. The unit shut yesterday.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115574>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115566>

Duke's 146 MW Southbay Gas-fired Unit 1 in California Returns to Service by October 20

According to the California Independent System Operator, the unit returned from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200810201515.html>

Sempra's 615 MW Termoelectrica De Mexicali Gas-fired Unit 1 in Mexico Shut by October 20

According to the California Independent System Operator, the unit experienced an unplanned outage by October 20.

<http://www.caiso.com/unitstatus/data/unitstatus200810201515.html>

ATCO's 368 MW Battle River Coal-fired Unit 5 in Alberta Shut October 21

Reuters, 8:10 October 21, 2008

Higher Perpetual Energy, DeWind Plan 620 MW of New Wind Power in Texas

Higher Perpetual Energy and DeWind plan to jointly develop 620 MW of new wind power among four Texas projects, according to a press release. The projects will involve 310 DeWind D8.2 turbines.

<http://www.marketwatch.com/news/story/higher-perpetual-energy-dewind-sign/story.aspx?guid=%7B0AE84F8E-6565-4CFD-8FE6-995CBF8592E0%7D&dist=hppr>

Dominion Virginia Power Plans 125 Miles of 500 kV Transmission Lines in Virginia

MYR Group received a contract to build two new 500 kV lines, and to reconstruct multiple existing transmission circuits. MYR said it planned to begin construction in early 2009.

MYR, 08:01 October 21, 2008

Puerto Rico Expected to Approve 1,000 MW Wind Power Project

Officials did not specify details of the facility, except to say it would be located on Puerto Rico's main island, and developed by foreign investors. Separately, the governor approved a purchase agreement between PREPA (the state utility) and Compania Vientos, under which PREPA will buy power from a 50 MW wind farm in Arecibo, beginning in 2012.

Reuters, 17:33 October 20, 2008

Update: State of Hawaii and Hawaiian Electric Company Unveil Plan to Boost Clean Energy Use That Could Account for 70 Percent of State's Energy Use by 2030

The plan would involve 1100 MW of new renewable energy, an undersea cable for wind power transmission, advanced meters, commitments to retire older fossil fuel plants, conversions of existing fossil fuel generators, a prohibition on new coal plants, and other elements.

<http://hawaii.gov/gov/news/releases/2008/state-and-hawaiian-electric-strike-sweeping>

Minnesota Utilities, Regulators and Clean-Energy Proponents Say New Transmission is Key Challenge to Meeting State's Energy Demand

With state law requiring utilities to get 25 percent of their power from renewable sources by 2025, experts say the state needs a significant transmission expansion, and utilities see the transmission grid faltering with significant population growth also adding pressure on the grid. To accommodate the surge, the state's 11 largest utilities, under the CapX 2020 plan, have already asked the Minnesota Public Utilities Commission for approval to construct 700 miles of new transmission lines. The companies plan to tell the state, by this year's end, how many additional lines they anticipate needing in the next 15 years.

<http://calibre.mworld.com/m/m.w?lp=GetStory&id=326243351>

Petroleum

Update: Offshore Oil Output Continues to Climb in Gulf of Mexico after Hurricanes Gustav and Ike, MMS Reports October 21

An estimated 502,139 b/d of oil production remained shut in the Gulf of Mexico October 21, according to the Minerals Management Service (MMS). That total accounts for about 38.6 percent of the region's output. Based on data from offshore operator reports submitted as of 11:30 a.m. CDT October 21, personnel remain evacuated from a total of 72 production platforms, equivalent to 10.4 percent of the 694 manned platforms in the Gulf of Mexico.

Offshore oil and gas operators continued to reboard platforms and restore production.

<http://www.mms.gov/oc/press/2008/press1021.htm>

Update: Estimated 45,997 b/d of Oil Production Remains Shut in Louisiana October 20 after Hurricanes Ike and Gustav

Operators have restored 97,766 b/d of oil output among 17 Louisiana parishes and in-State offshore areas, the Louisiana Department of Natural Resources reported October 20. The restored figure accounted for 62.8 percent of the region's estimated 155,767 b/d capacity (the numbers are in addition to MMS reports of Federal offshore production). An estimated 45,997 b/d, or 29.7 percent of capacity, remained shut. The status of the remaining 12,004 b/d, or 7.7 percent, was unconfirmed.

<http://dnr.louisiana.gov/sec/execdiv/pubinfo/daily-onshore-prod.ssi>

Teppco's Refined Products Terminal in Indiana Runs Out of Low-Sulfur Diesel

Teppco said in a bulletin it expected liftings at its Princeton, Indiana terminal to restart tomorrow afternoon. The company said it expected sporadic shortfalls at some of its terminals until sufficient supplies resume along the system. Trading sources said recent hurricanes and economic conditions were to blame for Teppco's and others' supply shortfalls. Teppco's 340,000 b/d system delivers refined products 4,600 miles from Texas to Pennsylvania and New York.

<http://www.platts.com/Oil/News/6990587.xml?p=Oil/News&sub=Oil>

Update: Valero's 295,000 b/d Port Arthur, Texas Facility Resuming Normal Output after Hurricane Ike

In addition to the fluid catalytic cracker (FCC) rates reported yesterday, a Valero spokeswoman said "everything" at the refinery "is returning to planned rates." The facility shut September 11 due to Hurricane Ike.

Bloomberg News, 19:09 October 20, 2008

Update: Hovensa Restarts All Major Processing Units at 500,000 b/d St. Croix, Virgin Islands Refinery, Company Says

Hovensa said it had restarted all major processing units and was “increasing the charge rates on those units to the planned rate for the time period.” According to an October 20 news source, a spokesman said a few minor units were being restarted, but would be online Tuesday. Hovensa shut the facility last week prior to Hurricane Omar. Reuters, 18:34 October 20, 2008

Hydrogen Line Outage, Upgrader Upset at Shell’s 100,000 b/d Scotford Refinery in Alberta, Canada

A spokesman said October 21 that the company would be stabilizing units and flaring for 16 hours due to a hydrogen line outage. He said the facility also sustained a unit upset at the upgrader. Bloomberg News, 07:24 October 21, 2008

Update: Diesel Fuel Shortfall to Stretch a Month in Western Canada—Industry Officials and Analysts

A diesel fuel shortage in Western Canada could last another several weeks or more as several refineries undergo planned maintenance or unplanned outages, industry officials and analysts said. As of Friday, diesel-production units were down or restarting at Suncor’s 260,000 b/d Alberta oil sands plant, Petro-Canada’s 135,000 b/d Edmonton facility, and Imperial’s 187,000 b/d Strathcona refinery. As a consequence, retail locations were short on diesel supplies in Manitoba, Saskatchewan and Alberta. Reuters, 16:43 October 17, 2008

United States Providing Oil-Rich Angola with Security Tools

The United States is supplying Angola with ships, radar and intelligence data seeking to protect the oil-rich nation from seaborne assailants, according to a U.S. admiral. Angola produces about 2 million b/d of oil, and recently surpassed Nigeria as Africa’s largest crude producer. Reuters, 14:50 October 20, 2008

Update: Mexican Crude Exports Drop in September on Lower Demand from Hurricane-Impacted U.S. Refineries—Pemex

Mexico exported 1.060 million b/d in September, down from 1.416 million b/d in August, due to decreased demand from hurricane-slowed U.S. refineries, Pemex said. The nation produced 2.722 million b/d of crude in September—slightly lower than the 2.759 million b/d in August. Reuters, 14:48 October 20, 2008

OPEC Seaborne Crude Exports, Not Including Ecuador, Dip 900,000 b/d in Four Weeks to October 5—Lloyd’s

Shipments dropped from 23.66 million b/d in the previous period to 22.766 million b/d, Lloyd’s Marine Intelligence Unit said. Gulf producers were responsible for most of the decrease. http://www.rigzone.com/news/article.asp?a_id=68088

Natural Gas

Update: Restoration to Offshore Natural Gas Production in Gulf of Mexico Continues Following Hurricanes Gustav and Ike, MMS Reports October 21

An estimated 2,717 MMcf/d of natural gas output remained shut in the Gulf of Mexico October 21, according to the Minerals Management Service (MMS). That total accounts for about 36.7 percent of the Federal offshore gas production in the Gulf. Offshore oil and gas operators continued to reboard platforms and restore production. <http://www.mms.gov/ooc/press/2008/press1021.htm>

Update: Estimated 527 MMcf/d of Natural Gas Production Remains Shut in Louisiana October 20 after Hurricanes Ike and Gustav

Operators have restored 956 MMcf/d of natural gas output among 17 Louisiana parishes and in-State offshore areas, the Louisiana Department of Natural Resources reported October 20. The restored figure accounted for 58.3 percent of the region's estimated 1,642 MMcf/d capacity (the numbers are in addition to MMS reports of Federal offshore production). An estimated 527 MMcf/d, or 32.1 percent of capacity, remained shut. The status of the remaining 158 MMcf/d, or 9.6 percent, was unconfirmed.

<http://dnr.louisiana.gov/sec/execdiv/pubinfo/daily-onshore-prod.ssi>

ExxonMobil, Alaska Work to Settle Suit Over North Slope Natural Gas Field

ExxonMobil and the state of Alaska are working to settle a lawsuit over the Point Thomson natural gas field, a clear obstacle in the state's efforts to develop a pipeline to the lower 48 states. ExxonMobil has held lease rights to Point Thomson for 30 years, but has yet to develop it. The field contains almost 25 percent of the North Slope's 35 trillion cubic feet reserves, and a resolution over its development is considered critical to the progress of a pipeline from Alaska to the lower states. The state had earlier threatened to revoke ExxonMobil's leases, but a judge ruled last year that the company could attempt to justify its rights to the land. ExxonMobil filed its 23rd development plan earlier this year.

<http://www.chron.com/disp/story.mpl/ap/tx/6069228.html>

Gazprom Says Russia, Iran and Qatar Agree to Create "Gas Troika"

The countries, which together hold more than half of the world's natural gas, agreed to create a "gas troika" to jointly explore and produce gas, Gazprom said.

Bloomberg News, 09:24 October 21, 2008

Other News

Kinder Morgan Says it could Begin Ethanol Deliveries along 106-mile Florida Pipeline by Mid-November

Kinder Morgan said it has performed successful tests, and says it could open the pipeline by mid-November. The line stretches from Tampa to Orlando, Florida, and would deliver ethanol with gas.

<http://www.bizjournals.com/houston/stories/2008/10/13/daily42.html>

Energy Prices

U.S. Oil and Gas Prices			
October 21, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	70.37	81.07	88.41
\$/Barrel			
NATURAL GAS			
Henry Hub	6.98	6.62	6.91
\$/Million Btu			

Source: Reuters

Energy Notes

Hydro Green Energy Receives FERC Preliminary Permits for Feasibility Study of Underwater, 140 MW Turbine Power System in Niagara River, New York

<http://www.buffalonews.com/145/story/468653.html>

Update: Acciona Energy to Finish Installation of 123 MW Red Hills Wind Farm in Oklahoma, 100.5 MW EcoGrove-I Project in Illinois by End of 2008

http://www.istockanalyst.com/article/viewiStockNews+articleid_2720722.html

Update: Valero's 275,000 b/d Aruba Refinery at Slowed Rates, but to Resume Normal Rates This Week—Facility Lost Electricity Due to Hurricane Omar

Reuters, 15:05 October 20, 2008

Fire at Venture Oil and Gas Oil Well in Mississippi October 20

http://www.leadercall.com/local/local_story_295094248.html

Gasoline-and-Diesel Truck Overturms, Leaks Fuel in Pennsylvania October 20

http://www.wnep.com/Global/story.asp?S=9210858&nav=menu158_1

Update: Oil Exports at Iraq's Basra Port Return to 1.6 Million b/d—Power Disruption Had Slowed Shipments by 300,000 b/d

Reuters, 03:36 October 21, 2008

Worker Cuts Through Natural Gas Transmission Line in Texas, Triggering Rupture, Explosion October 17

<http://www.kwtx.com/home/headlines/31181379.html>

Update: Washington's Ecology Department Appeals FERC Okay of NorthernStar Energy's Planned Bradwood LNG Terminal in Oregon

<http://intelligencepress.com/>

Update: SG Resources Receives Favorable FERC Environmental Review to Expand Natural Gas Storage Facility in Mississippi by About 16 Bcf, to a Total 40 Bcf

<http://intelligencepress.com/>

Update: FERC Gives Bobcat Gas Storage Okay to Start-up Pipeline Linking Natural Gas Storage Facility in Louisiana to Interstate System

<http://intelligencepress.com/>

Update: U.S. Ethanol Capacity Jumps Approximately 60 Percent from 2007, to Almost 11.2 Billion Gallons/Year

Reuters, 16:15 October 20, 2008

Assailants Kidnap Nigerian Oil Worker's Children, Police Say October 21

Reuters, 07:49 October 21, 2008

Explosion, Fire at Gas Plant Kill Five in Nigeria October 20

ANS, 13:22 October 21, 2008

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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