



ENERGY ASSURANCE DAILY

Thursday Evening, October 23, 2008

Electricity

High Winds Knock out Power to Nearly 30,000 Customers in Kansas October 22

Power was knocked out in many areas of western Kansas October 22 as wind gusts were measured between 90 and 100 mph. The National Weather Service reported that nearly 30,000 meters were without power after major transmission lines and power poles were knocked down. Lane-Scott Electric Cooperative which serves customers in central Kansas said virtually all power had been restored in several counties Wednesday afternoon after thousands of homes and businesses began losing service late Tuesday.

<http://www.hutchnews.com/Latestlocalnews/weatherbrf2008-10-23T10-35-51>

Tenaska's 830 MW High Desert Power Project Aggregate Gas-fired Unit in California Shut by October 22

According to the California Independent System Operator, the unit experienced an unplanned outage on October 22.

<http://www.caiso.com/unitstatus/data/unitstatus200810221515.html>

AES's 498 MW Alamitos Gas-fired Unit 5 in California Shut by October 22

According to the California Independent System Operator, the unit experienced an unplanned outage on October 22.

<http://www.caiso.com/unitstatus/data/unitstatus200810221515.html>

Luminant's 575 MW Big Brown 1 Coal-fired Unit in Texas Shut by October 22

Reuters, 9:10 October 23, 2008

OPG's 535 MW Lennox Oil/Gas-fired Unit 4 in Ontario Shut by October 23

Reuters, 9:10 October 23, 2008

Update: PG&E's 1,087 MW Diablo Canyon Nuke Unit 1 Ramps Up to 97 Percent October 23 after Jellyfish Reduce Output, 1,087 MW Diablo Canyon Nuke Unit 2 Remains Shut

PG&E ramped up the Diablo Canyon 1 reactor to 97 percent of capacity after the unit operated at 50 percent October 22 when jellyfish threatened the flow of water to critical pumps. Diablo Canyon 2 remains shut after an influx of the jellyfish cut water flows to pumps, a PG&E representative said.

Bloomberg News, 13:19 October 23, 2008

Update: Entergy's 1,207 MW Grand Gulf Nuke Unit 1 in Mississippi Ramped Up to 15 Percent by October 23

According to the Nuclear Regulatory Commission, the unit was operating at 2 percent on October 22.

Information derived from NRC Power Reactor Status Reports:

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

AES's 226 MW Huntington Beach Gas-fired Unit 1 in California Returns to Service by October 22

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

<http://www.caiso.com/unitstatus/data/unitstatus200810221515.html>

SMUD's 102 MW Solano Wind Farm in California Returns to Service by October 22

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

<http://www.caiso.com/unitstatus/data/unitstatus200810221515.html>

Minor Radiation Leak Leads to Evacuation at Entergy's 563 MW Vermont Yankee Nuclear Power Plant October 20

According to media reports and a statement from an Entergy spokesman, a brief evacuation of the top floor of the reactor building at the Vermont Yankee nuclear plant was ordered the evening of October 20 after unsafe levels of radiation spread over a wider area. Entergy employees and contractors were evacuated from the refueling floor for approximately four hours. A Vermont Department of Health official reported the employees were exposed to a very minor amount of radiation.

<http://www.rttnews.com/Content/GeneralNews.aspx?Node=B1&Id=750994>

New Jersey Governor Corzine Introduces New Energy Master Plan

New Jersey Governor John Corzine revealed the State's new energy master plan earlier this week which lays out a series of strategies to achieve five main goals; increase conservation and energy efficiency, reduce peak demand for electricity, develop reliable energy infrastructure, invest in clean-energy technology and achieve 30 percent of the State's electricity needs from renewable sources by 2020.

<http://nj.gov/governor/news/news/2008/approved/20081022a.html>

NERC Ten Year Outlook for Electric Reliability Highlights Environmental Initiatives, Transmission among Key Concerns

In its 2008 Long-Term Reliability Assessment, the North American Electric Reliability Corporation (NERC) announced the impact of environmental initiatives and the need for transmission infrastructure are among the most important issues facing electric reliability in North America over the next decade. The report covered other key reliability developments including; a general improvement in capacity margins whereas the Desert Southwest and Western Canada will require more resourced by 2010, a 750 percent growth in proposed wind generation by 2017, an increased effort in demand response nationwide and a section on the growing percentage of bulk power system outages being caused by operational failure of protection systems

The 2008 Long-Term Reliability Assessment is available at: <http://www.nerc.com/files/LTRA2008.pdf>

http://www.nerc.com/news_pr.php?npr=186

Wind Energy Industry Installs 1,400 MW in 3rd Quarter 2008, American Wind Energy Association Reports

In its third quarter market reports, the American Wind Energy Association (AWEA) said 1,389 MW of wind energy were installed this quarter bringing the total of wind power projects completed to 4,204 MW this year. Texas was highlighted within the report as adding the most wind power capacity of any state in the third quarter, 693 MW.

AWEA forecasts 2008 to be another record breaking year for wind energy installations.

AWEA's Third Quarter Report available at <http://www.awea.org/publications/reports/3Q08.pdf>

http://www.awea.org/newsroom/releases/AWEA_Quarterly_Report_102208.html

Petroleum

Update: Offshore Oil Output Continues to Climb in Gulf of Mexico after Hurricanes Gustav and Ike, MMS Reports October 23

An estimated 420,328 b/d of oil production remained shut in the Gulf of Mexico October 23, according to the Minerals Management Service (MMS). That total accounts for about 32.3 percent of the region's output. Based on data from offshore operator reports submitted as of 11:30 a.m. CDT October 23, 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.

<http://www.mms.gov/ooc/press/2008/press1023.htm>

Equipment Malfunction Briefly Shuts Hydrogen Plant at ExxonMobil's 150,000 b/d Torrance, California Refinery October 22

An equipment malfunction at the Torrance refinery late October 22 caused the hydrogen plant to shut and affected output, according to a refinery representative. The hydrogen plant has returned to service.

Reuters, 08:36 October 23, 2008

Reuters, 12:23 October 23, 2008

Bloomberg News, 12:54 October 23, 2008

Gasifier Outage Has No Impact on Production at Valero's 210,000 b/d Delaware City, Delaware Refinery

A Valero representative reported the unscheduled shutdown of a gasifier at the company's Delaware City refinery over the weekend of October 18-19 had no material impact on production.

Reuters, 08:40 October 23, 2008

Valero Reports Unplanned Maintenance at 146,000 b/d Corpus Christi, Texas Refinery

A Valero spokesperson said the maintenance involves a hydrogen desulfurization unit and will not have a significant impact to unit throughput.

Bloomberg News, 17:29 October 22, 2008

FCC Unit Returns Following Brief Shutdown at Tesoro's 103,500 b/d Wilmington, California Refinery

Tesoro shut a 35,000 b/d fluid catalytic cracking (FCC) unit at its Wilmington, California refinery late October 22 due to a malfunction the FCC experienced during turnaround work. As of October 23, the FCC was been placed back into operation and flaring was reported as a result.

Bloomberg News, 18:00 October 22, 2008

Reuters, 11:56 October 23, 2008

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 2,553 MMcf/d of natural gas output remained shut in the Gulf of Mexico October 23, according to the Minerals Management Service (MMS). This total accounts for about 34.5 percent of the Federal offshore gas production in the Gulf. .

<http://www.mms.gov/ooc/press/2008/press1023.htm>

Range Resources and MarkWest Energy Announce Commencement of Large-scale Gas Processing Infrastructure in Pennsylvania

Range Resources Corporation and MarkWest Energy Partners jointly announced the plans to construct midstream infrastructure to gather and process the natural gas that Range Resources is extracting from the Marcellus Shale. MarkWest's investment includes a refrigeration plant, which has the capacity to process 30 MMcf/d of natural gas. In addition, MarkWest is constructing a 30 MMcf/d cryogenic processing plant that is expected to begin operations late in the first quarter of 2009. In the announcement, company officials anticipate reaching 30 MMcf/d of Marcellus production end 2008 and exiting 2009 at 80 to 100 MMcf/d.

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?BzID=790&ResLibraryID=26971&Category=1261>

Other News

Emerald City Ethanol Cancels Plans to Build 40 Million Gallon/Year Ethanol Plant in Kansas

A proposed ethanol plant to be located in Harvey County, Kansas will no longer be built as the company, Emerald City Ethanol, did not renew the option to build the plant during an October 20 Harvey County Economic Development Council board meeting.

<http://www.thekansan.com/news/x1588586619/Ethanol-plant-won-t-come-to-county>

Abengoa Bioenergy's 30 Million Gallon/Year Portales, New Mexico Ethanol Plant to Shut Temporarily

The company's vice president told local newspapers October 22 that the plant is laying off staff and shutting down temporarily amid poor market conditions. The temporary shutdown could last weeks or months, according to the company executive.

http://www.abqjournal.com/abqnews/index.php?option=com_content&task=view&id=9129&Itemid=2

ADA-ES Holds Groundbreaking Ceremony for its Activated Carbon Production Facility in Louisiana October 21

ADA-ES held a groundbreaking ceremony on October 21 at the construction site of what it anticipates will be North America's largest activated carbon production facility. The first production line of the Red River facility is expected to produce 125 to 175 million pounds of activated carbon per year and is slated to come online in 2010.

http://www.adaes.com/PDFs/press/ADES_Groundbreaking_Final%2010-13-2008.pdf

<http://www.ktbs.com/news/Groundbreaking-held-on-clean-coal-plant-in-Red-River-Parish-18953/>

Energy Prices

U.S. Oil and Gas Prices			
October 23, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	67.23	70.60	86.52
NATURAL GAS Henry Hub \$/Million Btu	6.94	6.64	6.30

Source: Reuters

Energy Notes

About 12,598 Memphis Light, Gas and Water Customers without Power Early October 23, Electricity Since Restored

<http://azimuth.mlgw.org/OutageSummary.php>

Electrical Equipment Failure Causes Underground Explosion in California, Knocking out Power to 2,000 SCE Customers October 21

http://www.sgvtribune.com/news/ci_10781403

Copper Wire Thieves Break into AEP Substation in Ohio, Leave 3,500 AEP Customers without Power October 22

<http://www.wtrf.com/story.cfm?func=viewstory&storyid=45848>

Update: State Approves 214-mile Montana to Alberta Transmission Line

http://www.flatheadbeacon.com/articles/article/state_approves_214_mile_montana_alberta_power_line/6205/

Suncor CEO Announces Spending Cuts, Delays to its Voyager Oil Sands Project in Alberta Amid Decrease in Crude Prices and Weak Economy

Reuters, 11:58 October 23, 2008

Flare Gas Compressor Fails at Valero's 160,000 b/d Paulsboro, New Jersey Refinery October 23

Bloomberg News, 12:36 October 23, 2008

Movement to Equip LNG Terminals with Export Facilities on Upswing, Industry Executive Reports

<http://money.cnn.com/news/newsfeeds/articles/djhighlights/200810212356DOWJONESDJONLINE000801.htm>

ExxonMobil and Alaska Officials Working to Overcome Obstacles Blocking North Slope Natural Gas Field Leases Critical to Progress of Planned 1,170-mile Pipeline Project

http://www.downstreamtoday.com/News/Articles/200810/Alaska_Exxon_Mobil_Work_To_Overcome_Obs_13422.aspx

Dow Jones Analysts Report 76 Bcf Build in U.S. Natural Gas Storage

Dow Jones Wire, 10:21 October 23, 2008

Iraq Exports 1.8 Million b/d in October, to Increase in November

Reuters, 09:02 October 23, 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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