



ENERGY ASSURANCE DAILY

Wednesday Evening, October 28, 2009

Electricity

Winds Cut Power to about 154,000 Customers in California October 27-28

Winds knocked out power to 106,000 Pacific Gas & Electric (PG&E) customers, about 27,000 Los Angeles Department of Water & Power (LADWP) customers and approximately 21,000 Southern California Edison (SCE) customers in California on October 27. PG&E restored power to all but 17,000 customers by yesterday evening, and expected to return service to its remaining downed customers by this morning. About 5,100 LADWP customers remained in the dark, as of early this afternoon. The PG&E figure represents the total number of customers affected by the storm, rather than a peak outage.

SCE: <http://www.knx1070.com/Blowin--In-The-Wind/5543521>

PG&E: http://www.thereporter.com/news/cj_13658198

LADWP: <http://www.ladwpnews.com/go/doc/1475/365179/>

<http://www.ladwpnews.com/go/doc/1475/365619/>

<http://www.ktla.com/news/landing/ktla-wind-warning,0,7450591.story>

<http://abclocal.go.com/kabc/story?section=weather&id=7086690>

Dominion's 815 MW Surry Nuke Unit 2 in Virginia Reduced to 83 Percent by October 28

The Nuclear Regulatory Commission reported that on the morning of October 27 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/2009/>

Update: Sycamore Cogeneration's 360 MW Sycamore Gas-fired Unit in California Ramps up by October 27

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 125 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200910271515.html>

FPL Completes 200-Mile, 345-kV "Texas Clean Energy Express" Power Line in Texas

FPL's Next Era Energy Resources opened the 200-mile, 345-kV "Texas Clean Energy Express" power line in Texas earlier this month, the company said in a quarterly release. The line linked FPL's Horse Hollow and Callahan Divide wind farms to a substation, according to a news source.

<http://www.reuters.com/article/ELECTU/idUSN2725847720091027>

<http://seekingalpha.com/article/169267-fpl-group-inc-q3-2009-earnings-call-transcript?page=-1>

BPA Plans 500-kV Transmission Line in Washington and Oregon

The Bonneville Power Administration (BPA) plans to construct the 500-kV "I-5 Corridor Reinforcement Project" in Oregon and Washington, it said in an October 22 release. The line would connect a new substation in the Castle Rock area of Washington to a new substation in Troutdale, Oregon.

<http://www.piersystem.com/go/doc/1582/361035/>

Xcel Energy Plans 1,050 MW of New Wind and Solar Power in Colorado

Xcel Energy plans to add about 700 MW of wind-generated power and approximately 350 MW of solar-based power in Colorado by 2020, the company said on October 27. State law requires the utility to derive 20 percent of its power from renewable sources by 2020.

http://www.google.com/hostednews/ap/article/ALeqM5hlcX8eel7AvJZkV_3fekhnoz3wzQD9BK5S582

Lengthy Regulatory Process, Supply Constraints Slow U.S. Nuclear Power Growth

Companies have filed plans to build 26 nuclear reactors, but the Nuclear Regulatory Commission's (NRC) review process will likely take about four years, and construction will probably stretch another four or five years, a news source said. In addition, a shortfall of nuclear component supplies, an expected lack of workers, and an absence of investors continue to hamper nuclear power growth.

<http://www.nytimes.com/cwire/2009/10/27/27climatewire-can-potential-incentives-in-climate-bill-spu-28109.html>

Petroleum

BP Restarts SRU after Brief Shutdown at 467,720 b/d Texas City, Texas Refinery October 26-27

A sulfur recovery unit (SRU) shut late on October 26 at BP's 467,720 b/d Texas City, Texas refinery, but the company restarted the unit within a few hours, a source familiar with the facility's operations said. The incident triggered flaring, according to a filing with state regulators.

Bloomberg News, October 27, 2009

<http://www.reuters.com/article/rbssEnergyNews/idUSN2727214620091027>

Update: Valero Energy Restarts 38,000 b/d Hydrocracker at 315,000 b/d Corpus Christi, Texas Refinery by October 28

Valero returned a 38,000 b/d hydrocracker to normal rates at its 315,000 b/d Corpus Christi, Texas refinery by October 28, the company said. A fire forced the hydrocracker offline on October 7. Operators restarted the unit on October 18, but shut it again due to a leak on October 22. Separately at Corpus Christi, Valero continued to work on a gasoline-producing fluid catalytic cracking unit (FCC). The company shut that unit on October 25.

<http://www.reuters.com/article/rbssEnergyNews/idUSN2830119320091028>

Upset Triggers Flaring at Chevron's 260,000 b/d El Segundo, California Refinery by October 28

A news source did not say if the incident had any impact to production. The company said yesterday that it was shutting some, unidentified operations. It was not clear, however, if the two events were related.

Bloomberg News, 03:07 October 28, 2009

ConocoPhillips "Restoring" Unit at 147,000 b/d Carson, California Refinery October 27

ConocoPhillips began "restoring" an unspecified unit after a malfunction at its 147,000 b/d Carson, California refinery, a company spokesman said on October 27. The incident triggered flaring, according to a filing with state regulators.

Bloomberg News, 10:43 October 28, 2009

ConocoPhillips Starts up New Hydrocracker at 120,200 b/d Rodeo, California Refinery by October 28

ConocoPhillips started up a new hydrocracker unit at its 120,000 b/d Rodeo, California refinery during the third quarter of 2009, the company said in its quarterly earnings statement on October 28.

Reuters, 10:00 October 28, 2009

ConocoPhillips May Cut Refinery Production—CEO

ConocoPhillips does not plan to shut any of its refineries, but may adjust production rates, the company's CEO said by October 28.

Reuters, 12:07 October 28, 2009

PdVSA Restarts 135,000 b/d El Palito, Venezuela Refinery after Multi-Month Delay by October 28

Petroleos de Venezuela SA (PdVSA) restarted its 135,000 b/d El Palito, Venezuela refinery by October 28, months after the facility was slated to return from maintenance, a company source told a local newspaper. The company began the work on March 5, 2009, and expected to resume processing in June, 2009, the newspaper said. Operators restarted the facility after 12 days of attempts, according to the company source.

Bloomberg News, 08:26 October 28, 2009

Hess Cuts 500,000 b/d Hovensa, St. Croix Refinery to 77 Percent Capacity in Third Quarter of 2009

Hess reduced crude processing to 77 percent at its 500,000 b/d Hovensa refinery in St. Croix, U.S. Virgin Islands during the third quarter of 2009, or a decline from 91 percent in the same quarter of 2008, the company said on October 28. The company attributed the drop to reduced refining margins.
Bloomberg News, 11:49 October 28, 2009

Hess Eyes 80,000 b/d Oil Production from Bakken Shale in U.S. Northwest and Canada

Hess expects to produce 80,000 b/d of oil within four or five years from the Bakken Shale in North Dakota, Montana and Saskatchewan, Canada, the company said on October 28.
DJN, 11:10 October 28, 2009

<http://oilshalegas.com/bakkenshale.html>

Insurgent Attack Forces Shut Kirkuk, Iraq-to-Ceyhan, Turkey Oil Pipeline October 26

Insurgents exploded the Kirkuk, Iraq-to-Ceyhan, Turkey oil pipeline on October 26, but officials expected to restart the line on October 28, news sources said. The blast was the first known attack on an Iraqi oil pipeline since March 2008, according to one news source. The line delivered 490,000 b/d of oil in September, 2009, but an Iraqi official said supplies in Ceyhan, the line's terminus, were sufficient to prevent any disruption.

<http://www.reuters.com/article/featuredCrisis/idUSLS692969>

<http://www.google.com/hostednews/afp/article/ALeqM5ilckMtwrGMnl9OA4i6pxsCaJkgIw>

BG, Petroleo Brasileiro and Repsol Plan 120,000 b/d FPSO Vessel at Guara Oilfield offshore Brazil

BG Group, Petroleo Brasileiro and Repsol plan to construct a second 120,000 b/d floating production, storage and offtake (FPSO) vessel at the Guara oilfield offshore Brazil, a news source said. The companies expect to begin production in 2012, according to a BG Group official.

<http://online.wsj.com/article/BT-CO-20091028-705842.html>

Nexen Delays Plans for 72,000 b/d Production at existing 10,000-12,000 b/d Long Lake Oil Sands Project in Alberta, Canada

Nexen Inc. does not expect to boost production to 72,000 b/d by late 2010, as previously planned, at its existing 10,000-12,000 b/d Long Lake oil sands project in Alberta, Canada, a company official said on October 28. The company needs more operational information before it decides on a new schedule, the official said.

<http://www.theglobeandmail.com/report-on-business/long-lakes-full-production-delayed-again/article1341555/>

Russia Plans to Produce more than 9.8 Million b/d of Oil in 2010

Russia expects to produce a record 9.8 million b/d of oil in 2009, on average, and plans to boost that figure again in 2010, its deputy energy minister said on October 27. The nation has passed Saudi Arabia as the globe's biggest oil producer, according to a news source.

http://www.rigzone.com/news/article.asp?a_id=81846

Natural Gas

Questar Restarts Economy-Downed Natural Gas Wells in Rocky Mountains and Midcontinent, United States

Questar E&P increased its natural gas production to about 575 MMcf/d by the end of the third quarter, 2009—from an average 476 MMcf/d during the quarter—at wells in the Rocky Mountain states of Wyoming, Utah and Colorado and in the states of Oklahoma, Texas and Louisiana, it said on October 27. The company had reduced production due to price concerns.

<http://www.questar.com/qmr/qep/index.php>

http://www.questar.com/1OurCompany/newsreleases/2009_news/09-17_Questar_E%26P_Acquires_New_Haynesville_Shale_Acreage.pdf

Other News

Earthquake and Fire Could Cause Fatal Radioactive Releases at Los Alamos National Laboratory in New Mexico—Federal Board

An earthquake and subsequent fire could cause fatal radioactive materials releases at the Los Alamos National Laboratory, a nuclear weapons facility in New Mexico, the Defense Nuclear Facilities Safety Board said. The Board reported “major deficiencies” in the site’s safety procedures.

<http://www.latimes.com/news/nationworld/nation/la-na-plutonium-los-alamos28-2009oct28,0,6966430.story>

Energy Prices

U.S. Oil and Gas Prices			
October 28, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	77.44	80.89	62.86
NATURAL GAS Henry Hub \$/Million Btu	4.59	4.60	6.27

Source: Reuters

Energy Notes

Power Line Failure Cuts Electricity to about 16,000 Arizona Public Service Co. Customers in Arizona October 27—Company Restores Service to all Affected Customers within Two Hours

<http://www.yumasun.com/news/customers-53802-outage-power.html>

Update: FPL Group, Florida Power & Light Commission 25 MW Desoto Next Generation Solar Energy Center in Florida October 27

<http://www.fpl.com/news/2009/102709a.shtml>

Clean Coal Technology Would Raise Cost of Electricity Production by as Much as 78 Percent—Global Carbon Capture and Storage Institute

<http://www.theage.com.au/environment/clean-coal-would-add-78-to-electricity-price-20091028-hl2x.html>

Reuters, 01:42 October 28, 2009

Update: Southwest Power Pool Returns Wester Energy and Others’ Planned 765-kV Kansas-to-Oklahoma Transmission Line to Priority List

<http://finance.yahoo.com/news/Kansas-transmission-line-apf-3334319088.html?x=0&.v=2>

Holly, Tesoro, Chevron, Flying J, Silver Eagle and Pioneer Pipeline Plan Joint Emergency Response Drill at Utah Refineries October 29

<http://www.standard.net/topics/business/2009/10/26/refineries-hold-emergency-response-drills>

Propane Explosion Injures Two People in New York October 26

http://www.nydailynews.com/ny_local/2009/10/26/2009-10-26-two-hurt-as-powerful-explosion-rips-through-home-in-queens-gas-leak-suspected.html

Companies Increase Global Floating Storage of Petroleum Products by 20 Million Barrels in October 2009, to Total 97 Million Barrels—Energy Intelligence Briefing

<http://www.energyintel.com/#latest>

TAQA Bratani Begins Production at Planned 10,000 Boe/d Well in U.K. North Sea

http://www.rigzone.com/news/article.asp?a_id=81818

Loading Issues Halt Production at 12,000-to-14,000 b/d Galoc Oilfield in Philippines by October 27

<http://www.abs-cbnnews.com/business/10/27/09/galoc-oilfield-production-halted-otto-energy>

Compressor Shutdown at Wasson CO2 Removal Plant in Texas October 27-28

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=131242>

Valve Malfunction Triggers Flaring at Seminole Booster Station in Texas October 27

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=131206>

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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