



ENERGY ASSURANCE DAILY

Monday Evening, November 17, 2008

Electricity

Wildfires across Los Angeles, California Area Force Utilities to Take Severe Measures Over Weekend

L.A. Mayor Urged Residents to Conserve Electricity on Saturday to Avoid Blackouts DWP Activated Rotating Power Outages Briefly, SCE Reports 41,000 Customers Lost out Power Over Weekend

Beginning early morning November 15, the Los Angeles Department of Water and Power (LADWP) began de-energizing some strategic power lines along the I-5 corridor due to the encroaching wildfires. The I-5 corridor serves as a critical passageway for utilities in the area as companies import power from plants in the Pacific Northwest and Southwestern U.S. through this corridor. The loss of this power imported through the high-voltage transmission lines lead to the LADWP to begin rotating power outages. To make up for the loss of power, the LADWP activated all in-basin power plants in order to generate additional electricity, and urged all residents to take every effort possibly to reduce their energy demand. Southern California Edison (SCE) reported 41,000 customers have been affected due to the fires, with only 565 customers without power early morning November 17. SCE reported the fires have already destroyed 243 poles and 32 transformers, and there are 31 located with downed wires. SCE also reported it has sufficient reserves and rerouting capability to meet all customer needs.

<http://www.ladwpnews.com/go/doc/1475/241105/>

<http://www.myfoxla.com/myfox/pages/News/Detail?contentId=7871859&version=148&locale=EN-US&layoutCode=TSTY&pageId=3.2.1>

<http://www.ladwpnews.com/go/doc/1475/241120/>

<http://www.sce.com/Feature/wildfires.htm>

<http://www.burbankleader.com/articles/2008/11/16/publicsafety/blr-blackouts19.txt>

Southern's 1,149 MW Vogtle Nuke Unit 2 in Georgia Shut by November 17

The company shut the unit to replace a defective reactor coolant seal. The Nuclear Regulatory Commission reported the unit was operating at 24 percent on November 16.

Information also derived from NRC Power Reactor Status Reports:

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

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN1750589620081117>

Update: Ameren's 1,125 MW Callaway Nuke Unit in Missouri at Full Power by November 15

The unit was shut on November 11 after a feed pump tripped due to low lube oil pressure. The Nuclear Regulatory Commission reported the unit was operating at 91 percent on November 14.

Information also derived from NRC Power Reactor Status Reports:

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

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN1454475820081114>

Update: Constellation's 1,120 MW Nine Mile Point Nuke Unit 2 in New York Ramped Up to 75 Percent by November 17

The unit was shut on November 12 due to problems with one of the re-circulating pumps. The Nuclear Regulatory Commission reported the unit was operating at 2 percent on November 16.

Information also derived from NRC Power Reactor Status Reports:

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

<http://www.reuters.com/article/marketsNews/idUSN1749648120081117>

Update: Dominion's 917 MW North Anna Nuke Unit 2 in Virginia Ramped Up to 96 Percent by November 15

The unit had been ramping up following prolonged problems associated with a failed transformer. The Nuclear Regulatory Commission reported the unit was operating at 74 percent on November 14.

Information also derived from NRC Power Reactor Status Reports:

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

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN1745537120081117>

Energy Northwest's 1,107 MW Columbia Generating Station Nuke Unit in Washington Shut by November 16

According to the Nuclear Regulatory Commission, the unit was operating at 15 percent on November 15.

Information derived from NRC Power Reactor Status Reports:

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

Update: Exelon's 1,163 MW Byron Nuke Unit 1 in Illinois at Full Power by November 17

According to the Nuclear Regulatory Commission, the unit was operating at 90 percent on November 16.

Information derived from NRC Power Reactor Status Reports:

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

Update: Progress Energy's 811 MW Brunswick Nuke Unit 2 in North Carolina Ramped Up to 23 Percent by November 17

The unit was shut on November 9 after a safety relief valve opened unnecessarily. The Nuclear Regulatory Commission reported the unit was operating at 5 percent on November 16.

Information also derived from NRC Power Reactor Status Reports:

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

<http://www.reuters.com/article/marketsNews/idUSN1749679320081117>

Update: TVA's 1,118 MW Browns Ferry Nuke Unit 3 in Alabama at Full Power by November 17

According to the Nuclear Regulatory Commission, the unit was operating at 82 percent on November 16.

Information derived from NRC Power Reactor Status Reports:

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

Update: Cabrillo Power I, 110 MW Encina Gas-fired Unit 3 in California Returns to Service by November 15

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

<http://www.caiso.com/unitstatus/data/unitstatus200811151515.html>

Update: Duke's 146 MW Southbay Gas-fired Unit 1 in California Returns to Service by November 14

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

<http://www.caiso.com/unitstatus/data/unitstatus200811141515.html>

Snow and Wind Storms Knock Out Power to 156,000 Hydro One Customers in Ontario November 15-16

Throughout the weekend of November 15 -16, a storm brought heavy wet snow and strong winds throughout central Ontario knocking out power to over 156,000 Hydro One customers. As of most recent reports, the company is still working to restore power to the 35,120 customers who remain without power.

<http://www.newswire.ca/en/releases/archive/November2008/17/c9213.html>

http://www.hydroonenetworks.com/en/about/our_services/power_outage_maps/NewReports/OutageSummary.html

Coal to Remain the World's Main Source of Power Through 2030, ACCCE Says

The American Coalition for Clean Coal Electricity (ACCCE) is reporting based on the International Energy Agency's recently released "World Energy Outlook 2008" publication that coal generated power world-wide will rise to 44 percent of all generation by 2015.

http://www.cleancoalusa.org/docs/archive/20081114_coal_power_2030_accce.pdf

Update: BP Begins Start-up of Ultraformer No. 3 at its 467,000 b/d Texas City, Texas Refinery after Three-Year Shutdown Following Hurricane Rita

According to a filing with state regulators, BP is restarting its Number 3 ultraformer at its Texas City refinery after it was shutdown due to Hurricane Rita in 2005. The start-up process began November 17 and is to last until December 3. A chief financial officer with BP said the refinery would be back at "full economic contribution" by the end of 2008 with the return of Ultraformer Number 3.

<http://www11.tceq.state.tx.us/occe/ee/index.cfm?fuseaction=main.getDetails&target=116515>

Bloomberg News, 10:08 November 16, 2008

Process Upset Reported at Tesoro's 97,000 b/d Wilmington, California Refinery November 17

An instrumentation failure related to the alkylation unit caused a malfunction early November 17 at Tesoro's Wilmington, California refinery. A company representative said the unit is in the normal start-up process and there is no impact to production.

Bloomberg News, 11:21 November 17, 2008

Reuters, 10:27 November 17, 2008

U.S. Refiners Slowing Plans to Expand, Upgrade Oil Refineries

The decline in gasoline usage and overall crude demand paired with a volatile capital market have lead oil companies to pullback in plans to expand or upgrade refineries. Marathon Oil as well as Valero both said in their third-quarter reports they would delay or cancel refinery upgrades as an effort to make broad cuts in their spending programs for 2009. Specifically, Marathon's \$1.9 billion upgrade to its 100,000 b/d Detroit, Michigan refinery has been delayed where as Valero said it would indefinitely postpone expansions and upgrades to its Port Arthur, Memphis, St. Charles and Quebec refineries.

<http://www.chron.com/dispatch/story.mpl/headline/biz/6113994.html>

Militants in Nigeria Seize Oil Boat Containing 94,000 Barrels of Oil

The Nigerian military said its navy had arrested 22 Filipinos after intercepting the vessel suspected of carrying the stolen crude. It is reported the vessel was from Singapore and was carrying 94,800 barrels of oil for delivery to Chevron.

<http://news.bbc.co.uk/1/hi/world/africa/7733802.stm>

PetroCanada Proposes Link from its Fort Hills Oil Sands Production Site to its 135,000 b/d Edmonton, Alberta Refinery

Following announcements of an indefinite delay to its costly Fort Hills oil sands development project, Petro Canada is considering channeling the oil sands production from its Fort Hills site to its Edmonton refinery. The oil sands mine is slated to produce 160,000 b/d of bitumen.

<http://www.tradingmarkets.com/.site/news/Stock%20News/2029717/>

Chevron's Oil Pipeline to Escravos Export Terminal in Nigeria Attacked November 14, Militant Activity Forces Chevron to Shut Onshore Oil Production

A crude oil pipeline that feeds into the Chevron-operated Escravos export terminal in Delta state was attacked late November 14. No specific militant group has claimed responsibility according to a Chevron representative.

Production had been shut down as a result of the pipeline breach so the company may assess damages and begin repairs. One unidentified security source said 100,000 b/d of output had been cut because of the attack, yet Chevron representatives did not specify the amount of production halted.

<http://uk.reuters.com/article/worldNews/idUKTRE4AE2DQ20081115>

Somali Pirates Hijack Saudi-Owned Oil Tanker off Kenyan Coast, U.S. Navy Confirms

A Saudi Aramco-owned crude super tanker named The Sirius Star was attacked on November 15 by Somali pirates, making it the largest ship pirates have seized and the farthest out to sea they have successfully struck. A spokesperson for the U.S. Navy has confirmed the attack and said the tanker was carrying crude at the time of the hijacking but did not know how much.

http://news.yahoo.com/s/ap/20081117/ap_on_re_af/ml_piracy

<http://www.cnn.com/2008/WORLD/africa/11/17/kenya.tanker.pirates/index.html>

Natural Gas

Seminole Booster Station in Texas Reported Shut November 16

According to the filing with state regulators, an electronic switch that controls the moisture blow-down to the station's air supply lines had failed and resulted in the line freezing. This malfunction forced the booster station to shut and emissions to be flared.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=116694>

Tilden Gas Plant in Texas Reported Shut November 15

According to the filing with state regulators, low temperatures within an acid gas piece of equipment triggered a phase change resulting in a second-stage high level shutdown.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=116695>

Power Outage Shuts Waha Gas Plant in Texas November 15

According to the filing with state regulators, power was restored and the plant began receiving gas. The acid gas compressor was also placed back into service.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=116682>

Florida Gas Transmission Files with FERC to Expand its Pipeline Network in Florida by 483-Miles

Florida Gas Transmission Company filed an application with the Federal Energy Regulatory Commission (FERC) at the end of October to add 483-miles of pipeline and 820 MMcf/d of additional capacity to its network of over 5,000 miles of natural gas deliverability. Construction on the proposed extension is to start in early 2010, with the company projecting a start-up date of spring 2011.

http://www.istockanalyst.com/article/viewiStockNews+articleid_2803004.html

Atmos Pipeline and Storage Files with FERC to Build a 25 Bcf Storage Facility in Louisiana

<http://intelligencepress.com/>

Other News

EPA: Renewable Fuel Standard Increased for 2009

On November 17, the U.S. Environmental Protection Agency increased the amount of renewable motor fuels, mostly ethanol, which will have to be sold in the U.S. market for 2009. The 2009 renewable fuel standard (RFS) will be 10.21 percent to ensure that at least 11.1 billion gallons of renewable fuels be blended into transportation gasoline. This increase is up from 7.76 percent, or 9 billion gallons, in renewable fuel in 2008. The Energy Independence and Security Act of 2007 (EISA) established the annual overall renewable fuel volume targets, reaching a level of 36 billion gallons in 2022. In general, most vehicle and engine manufacturers recommend or accept the use of ethanol in fuel blends at volumes of up to 10% for gasoline-powered vehicles and engine – which is lower than the average that is required for 2009.

<http://yosemite.epa.gov/opa/admpress.nsf/0/0F3E526FF7814A7E852575040063B300>

<http://www.epa.gov/otaq/renewablefuels/420f07062.htm#6>

Reuters, 13:09 November 17, 2008

Energy Prices

U.S. Oil and Gas Prices November 17, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	56.11	61.23	95.05
NATURAL GAS Henry Hub \$/Million Btu	6.33	6.18	7.29

Source: Reuters

Energy Notes

SRU Valve Malfunction Leads to Flaring at Valero's 142,000 b/d Corpus Christi, Texas Refinery November 16

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116693>

OPEC Cuts 2009 World Oil Demand Growth Estimate from 760,000 b/d to 490,000 b/d on Negative Impacts from Slow World Economy

<http://www.platts.com/Oil/News/8178351.xml?p=Oil/News&sub=Oil>

Plains All American Planned 4 Million Barrel Oil Terminal in Los Angeles Harbor to go Before Port of L.A. Harbor Commission for Final Environmental Impact Statement November 20

http://www.cunninghamreport.com/news_item.php?id=603

State of Alaska Denies ExxonMobil's Ice Road Request to Connect North Slope Natural Gas Fields – Says North Slope Field Ownership is in Dispute

<http://www.kristv.com/Global/story.asp?S=9356729&nav=Bsmh>

Iroquois Announces Completion of 200 MMcf/d Expansion Phase 1 Loop in Connecticut

http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=ind_focus.story&STORY=/www/story/11-17-2008/0004926949&EDATE=

Bad Weather Shut Mexico's Three Main Oil Exporting Ports November 16, Cayo Arcas Reopened November 17, Both Coatzacoalcos and Dos Bocas Remain Shut

Reuters, 11:04 November 17, 2008

Fire on Shell's Amukpe Oil Pipeline in Nigeria Kills Six Nigerian Workers

Reuters, 11:35 November 17, 2008

Brazil Nation Oil Company Petrobras Announces Oil Production Grew 8.3 Percent in October 2008 to 1.87 Million Barrels

http://www.rigzone.com/news/article.asp?a_id=69533

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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