ENERGY ASSURANCE DAILY

Wednesday Evening, December 02, 2009

Electricity

TVA's 1,653 MW Raccoon Mountain Hydroelectric Power Plant in Tennessee to Remain Offline for about Two Weeks

Tennessee Valley Authority (TVA) expected valve seal repairs to keep its 1,653 MW Raccoon Mountain hydroelectric power plant in Tennessee offline for about two weeks, a spokeswoman said on December 2. The company had planned to restart the unit from planned work in late November. Reuters, 11:07 December 2, 2009

PPL's 1,111 MW Susquehanna Nuke Unit 2 in Pennsylvania Reduced to 80 Percent December 1

Operators reduced the unit after a "cooling tower make-up supply line failure" caused a valve vault to flood and overflow "at several thousands of gallons per minute flow," the company said in a filing with the Nuclear Regulatory Commission (NRC). The Nuclear Regulatory Commission reported that on the morning of December 1 the unit was operating at 94 percent.

http://www.reuters.com/article/marketsNews/idUSN0221685520091202

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

Information also derived from the NRC Power Reactor Status Reports:

http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/

Update: Dominion's 815 MW Surry Nuke Unit 2 in Virginia Ramped Up to 70 Percent by December 2

Operators manually tripped the unit on November 29 due to a "rod group demand counter discrepancy," the company said in a filing with the Nuclear Regulatory Commission (NRC). The unit was returning from a planned outage, at the time of the incident. The NRC reported that on the morning of December 1 the unit was operating at 30 percent.

http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2009/20091130en.html

http://www.reuters.com/article/marketsNews/idUSN3023991720091130

Information also derived from the NRC Power Reactor Status Reports:

http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/

Update: Cabrillo Power I's 330 MW Encina Gas-fired Unit 5 in California Returns to Service by December 1

According to the California Independent System Operator, the unit reported a return from an unplanned outage. http://www.caiso.com/unitstatus/data/unitstatus200912011515.html

Update: AES's 226 MW Huntington Beach Gas-fired Unit 1 in California Ramps up by December 1

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 126 MW.

http://www.caiso.com/unitstatus/data/unitstatus200912011515.html

NRC Launches Special Inspection at PG&E's 2,323 MW Diablo Canyon Nuclear Power Plant in California November 30

The Nuclear Regulatory Commission (NRC) began a special inspection "to determine how two switches were misaligned, potentially impairing operators' ability to respond in the event of a severe accident" at Pacific Gas & Electric's (PG&E) two-unit, 2,323 MW Diablo Canyon nuclear power plant in California, the NRC said in a November 30 release. The affected switches should have, by design, allowed operators to remotely open cooling water valves—and help cool the reactor—during certain severe accidents. The misalignment could have forced workers to manually open the valves, or employ a different system. The issue, however, "did not endanger public health or safety because operators would have been able to take compensatory action in the event of a severe accident," according to an NRC official.

http://www.nrc.gov/reading-rm/doc-collections/news/2009/09-035.iv.html

Exelon Power Seeks to Permanently Shutter 933 MW of Power Generation in Pennsylvania, Citing Economics and Decreased Demand

Exelon Power plans to permanently shutter its 144 MW coal-fired Cromby Unit 1, its 201 MW gas-or-oil-fired Cromby Unit 2, its 279 MW coal-fired Eddystone Unit 1, and its 309 MW Eddystone coal-fired Unit 2 in Pennsylvania, according to a company release. The units "are no longer economic to operate and are not required to meet shrinking demand for electricity in the region," Exelon says. The company expects to complete the shutdowns by May 31, 2011. PJM Interconnection, however, must first determine if the retirements would disrupt electric reliability.

 $\frac{\text{http://www.exeloncorp.com/aboutus/news/pressrelease/powergen/091202_Eddystone_Cromby_retirement_release.h}{\text{tm}}$

NYPA Seeks Proposals for 120-to-500 MW Wind Farm Offshore New York

New York Power Authority (NYPA) issued a request for proposal (RFP) to construct a 120-to-500 MW wind farm in Lake Erie and/or Lake Ontario offshore New York, it said in a December 1 release. NYPA said it would more favorably consider proposals with "a target commercial operation date in 2015," among other factors. http://www.nypa.gov/press/2009/091201.htm

Reuters, 16:12 December 1, 2009

KCP&L Issues RFPs for up to 300 MW of Wind Power in U.S. Midwest

Kansas City Power & Light (KCP&L) has issued two requests for proposals (RFPs) to add up to 300 MW of new wind power by October 2011, the company said in a release. The first RFP seeks bidders to construct a 100.5 MW expansion at the existing 100.5 MW Spearville Wind Generation Facility in Kansas. KCP&L would purchase the new output, beginning in August 2010. The second RFP seeks companies to sell 100 MW of wind power to KCP&L, beginning in August 2011, or construct or sell 200 MW of wind power, starting in October 2011. http://www.kcpl.com/WindRFP.pdf

Companies Plan 100 MW of Biomass Power Projects in Florida

Florida Biomass Energy, LLC (FB Energy) plans to construct an up-to-60 MW biomass-fired power plant in Manatee County, Florida, and Vision/FL, LLC (Vision) expects to build an up-to-40 MW biomass-fired power plant at an unspecified location in Florida, according to a Florida Public Service Commission (PSC) release. The FB Energy plant would open by January 2013. The Vision facility would begin service by January 2011. http://www.psc.state.fl.us/home/news/index.aspx?id=609

Update: Tenaska Energy Plans 765 MW Coal-fired Trailblazer Energy Center in Texas

Tenaska Energy plans to construct a 765 MW coal-fired power plant near Sweetwater, Texas, according to its website. The company expects to capture most of the site's carbon dioxide (CO2) emissions, and deliver the CO2 to the Permian Basin to help boost oil recovery. Tenaska plans to break ground in 2010, and open the project in 2015, pending a determination of financial viability.

http://www.tenaskatrailblazer.com/qa.html#tec

http://www.reporternews.com/news/2009/dec/02/no-headline---web-tenaskarelease/

Swan Hills Synfuels Plans 300 MW Coal Gasification Power Project in Alberta, Canada

Swan Hills Synfuels plans to produce synthetic gas from deep, unmineable coal seams near Swan Hills, Alberta, and use the synthetic gas to fuel a 300 MW power plant near Whitecourt, Alberta, according to a release. The company expects to employ the site's captured CO2 in enhanced oil recovery. It plans to open the project in 2015. http://www.swanhills-synfuels.com/about_us_nr.htm

Petroleum

BP Resumes Normal Operations after FCC Snag at 467,720 b/d Texas City, Texas Refinery December 1

BP resumed normal operations within 11 hours after a fluid catalytic cracking unit (FCC) snag at its 467,720 b/d Texas City, Texas refinery on December 1, it said in a filing with state regulators. Operators shut the unit to repair an associated compressor, according to a person familiar with the facility's operations.

http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=132708

Bloomberg News, 12:10 December 2, 2009

Reuters, 11:53 December 2, 2009

Update: CNPC Begins Oil Tank Installation for Planned 1.5-to-1.8 Million b/d, 249-mile Abu Dhabi Crude Oil Pipeline in the United Arab Emirates

The line will deliver oil from the Habshan oilfield in the western United Arab Emirates to the Fujairah Port along the nation's east coast, according to previous sources. CNPC expects to complete the project in August 2011. http://www.istockanalyst.com/article/viewiStockNews/articleid/2846586

http://www.rigzone.com/news/article.asp?a_id=70187

http://www.downstreamtoday.com/news/article.aspx?a id=19668

Natural Gas

Update: ExxonMobil Eyes 2014 Start-Date for Planned 10,000 b/d Point Thomson Gasand-Condensate Field in Alaska

ExxonMobil expects to break ground in 2011 and begin production in 2014 at the planned 10,000 b/d Point Thomson gas-and-condensate field near Prudhoe Bay, Alaska, according to a project official. http://www.rigzone.com/news/article.asp?a_id=83168

Other News

Coal-Carrying Train Cars Derail in Virginia December 1

Twelve of 100 coal-carrying train cars derailed near Richmond, Virginia on December 1, spilling an unspecified quantity of coal and disrupting local passenger train service, a news source said. Two other cars fell partly off the track. The 12 affected cars remained off the tracks, and severely damaged, as of later on December 1. There were no reported injuries.

http://www2.timesdispatch.com/rtd/news/local/article/DRAILGAT01 20091201-055401/308838/

Update: Alpha Natural Resources Resumes Production at 6 Million Tons/Year Emerald Coal Mine in Pennsylvania by December 1—Roof Fall Forced Shut Facility November 18

A roof fall disabled a main conveyor line, forcing shut Alpha Natural Resources' 6 million ton/year Emerald Coal mine near Waynesburg, Pennsylvania on November 18, the company said in a previous release. The company tapped on-site inventories to prevent any customer impact.

http://www.alphanr.com/poweringthefuture/locations/Pages/default.aspx

http://alnr.client.shareholder.com/releasedetail.cfm?ReleaseID=425746

http://alnr.client.shareholder.com/releasedetail.cfm?ReleaseID=427566

Energy Prices

| U.S. Oil and Gas Prices December 2, 2009 | | | |
|--|-------|----------|----------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 76.83 | 76.03 | 48.85 |
| NATURAL GAS Henry Hub \$/Million Btu | 4.30 | 3.63 | 6.68 |

Source: Reuters

Energy Notes

Ameresco Federal Solutions Breaks Ground on Planned 20 MW Biomass-fired Power Plant at Savannah River Site in South Carolina November 30 http://chronicle.augusta.com/stories/2009/12/01/met 557634.shtml

Fire near Empty Oil Storage Tanks at Texaco Oil Site in South Carolina December 1 http://www.independentmail.com/news/2009/dec/01/fire-seneca-oil-company-closes-downtown/

OSHA Cites Hovensa LLC for 56 "Alleged Serious Violations of Workplace Safety and Health Standards" at 500,000 b/d St. Croix, U.S. Virgin Islands Oil Refinery December 1 http://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=NEWS_RELEASES&p_id=16947 Bloomberg News, 18:01 December 1, 2009

Infinity Resources' Properties Offshore Nicaragua Could Hold More than 3 Billion Barrels of Oil

http://www.prnewswire.com/news-releases/independent-analysis-of-seismic-data-suggests-infinity-energy-resources-offshore-nicaraguan-concessions-potentially-contain-over-three-billion-barrels-of-oil-in-eocene-zones-78309462.html

Petrobras to Receive Government Authority to Pump Oil out of Subsalt Areas of Brazil with Estimated Recoverable Reserves of 5 Billion Barrels

http://www.rigzone.com/news/article.asp?a_id=83213

Williams Receives FERC Okay for Planned 150,000 Dth/d, 30-inch, 15.5-Mile Sundance Trail Natural Gas Pipeline Expansion in Colorado, Wyoming and Utah http://www.b2i.us/profiles/investor/ResLibraryView.asp?ResLibraryID=34838&GoTopage=1&Category=1579&Bz ID=630

Turbine Shuts Briefly at Goldsmith Gas Plant in Texas December 1 http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=132639

Pump Failure at Javelina Gas Processing Facility in Texas December 1 http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=132667

Midwest Biogas Plans 2012 Start-Date for Buena Vista Bio Energy Plant in Iowa—Facility Would Generate Bio-gas from Byproducts of Nearby Ethanol Plant and Egg Producer http://www.kgan.com/template/inews_wire/wires.regional.ia/3dd4e432-www.kgan.com.shtml http://www.ktiv.com/Global/story.asp?S=11602199

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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Please direct comments and questions to: ead@oe.netl.doe.gov