



U.S. DEPARTMENT OF ENERGY  
Office of Electricity Delivery and Energy Reliability  
Infrastructure Security and Energy Restoration

# ENERGY ASSURANCE DAILY

Tuesday Evening, December 07, 2010

## ***Electricity***

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### **Wolf Creek's 1,165 MW Wolf Creek Nuclear Unit 1 in Kansas Shut by December 7**

Wolf Creek began shutting the plant on December 6 because a snag prevented it from restarting an emergency diesel generator (EDG) within the required time frame, it said in a filing with the Nuclear Regulatory Commission (NRC). The company shut the generator for scheduled work on November 29; it was required by rule to restart the generator "within 7 days AND 10 days from discovery of failure to meet LCO," according to the filing. On December 6, however, Wolf Creek discovered an issue that required "a clearance order and maintenance repair." It planned to complete the work within hours. The unit remained offline this morning, according to the NRC. The NRC reported that on the morning of December 6 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101207en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

### **Update: Indiana-Michigan Power's 1,060 MW D.C. Cook Nuclear Unit 2 in Michigan Ramped Up to 49 Percent by December 7**

Indiana-Michigan Power shut the unit in early-October for refueling; during the outage, the company discovered and repaired damaged baffle plates, according to a local news source. The Nuclear Regulatory Commission reported that on the morning of December 6 the unit was operating at 28 percent.

<http://www.wsjm.com/Cook-Plant-Unit-Two-Back-Online/8720611>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

### **Calpine's 751 MW Pastoria Gas-Fired Unit in California Reduced by December 6**

According to the California Independent System Operator, the unit reported an unplanned curtailment of 291 MW by December 6.

<http://www.caiso.com/unitstatus/data/unitstatus201012061515.html>

### **Update: Repairs to Keep Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey at Reduced Rates**

Exelon expects to temporarily run its 619 MW Oyster Creek nuclear power plant at reduced rates, a plant spokesman said by December 5, as workers repair a transformer. The plant was operating at 55 percent this morning, according to the Nuclear Regulatory Commission (NRC). Exelon declared an Unusual Event on December 1 due to a "Reactor Coolant System leakage greater than 10 gpm," it said in a previous filing with the NRC. The company stopped and isolated the leak and terminated the event in less than one hour. The plant was ramping up from a refueling outage at the time of the incident, according to an earlier local news source.

[http://www.pressofatlanticcity.com/news/press/ocean/article\\_7f8c0436-0005-11e0-9758-001cc4c002e0.html](http://www.pressofatlanticcity.com/news/press/ocean/article_7f8c0436-0005-11e0-9758-001cc4c002e0.html)

[http://www.nj.com/news/index.ssf/2010/12/oyster\\_creek\\_nuclear\\_plant\\_ret.html](http://www.nj.com/news/index.ssf/2010/12/oyster_creek_nuclear_plant_ret.html)

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101202en.html>

<http://www.bloomberg.com/news/2010-12-02/exelon-has-pump-failure-during-oyster-creek-nuclear-plant-start.html?cmpid=yahoo>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

## **Environmental Regulations and Cheap Natural Gas to Reduce Coal's Grip on U.S. Electric Supply: Black & Veatch**

Coal-fired power plants will account for a smaller share of U.S. electricity output in 2035 – 25 percent, compared to 49 percent at present – as new environmental regulations and increased supplies of natural gas loosen coal's grip on the domestic market, according to a study by Black & Veatch. Natural gas, meanwhile, will make up 40 percent of the supply, compared to 21 percent at present, and renewable sources will contribute 11 percent, compared to four percent today. More specifically, Black & Veatch expects new regulations to force offline 16 percent of existing coal-fired capacity.

<http://blogs.reuters.com/environment/2010/12/06/report-a-dramatic-drop-in-coal-fired-power-by-2035-in-the-u-s/>

## **Update: LADWP Cuts Back on Los Angeles Mayor's Plan to Derive 40 Percent of Electricity from Renewable Sources by 2020**

Cost concerns have led the Los Angeles Department of Water and Power (LADWP) to cut back on its bid to derive 40 percent of its electricity from renewable sources by 2020, according to a draft company plan. The company has set a new target of 33 percent. It is on pace to reach 20 percent in 2010.

<http://articles.latimes.com/2010/dec/06/local/la-me-dwp-dysfunction-20101206>

## ***Petroleum***

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### **Leak Forces Shut Botas International's Azerbaijan-to-Turkey BTC Crude Oil Pipeline December 7 – Line was Slated to Deliver More than 800,000 b/d in December 2010**

A leak forced shut the Botas International-operated, Baku-Tbilisi-Ceyhan (BTC) crude oil pipeline on December 7 and BP, a partial owner of the line, said an "illegal tap" in Turkey was thought to be the cause. The line was scheduled to deliver 816,129 b/d of oil in December 2010, based on preliminary loading plans.

<http://online.wsj.com/article/BT-CO-20101207-710924.html>

<http://www.bloomberg.com/news/2010-12-07/bp-says-btc-pipeline-halted-by-possible-illegal-tap-update1-.html>

### **Update: Valero Returning FCC to Planned Rates at 180,000 b/d Memphis, Tennessee Refinery by December 7**

Valero shut the gasoline-producing fluid catalytic cracking unit (FCC) on November 29 to repair a wet gas compressor, Reuters said. The unit was nearing planned rates by December 7, according to the company. Reuters, 09:52 December 7, 2010

### **Update: Citgo Sees no Production Impact after Equipment Issues over Weekend at 167,000 b/d Lemont, Illinois Refinery**

Citgo was running its 167,000 b/d Lemont, Illinois refinery at normal rates on December 7, a company spokesperson said, after equipment issues over the weekend. The problems did not impact production, according to the spokesperson.

Reuters, 12:24 December 7, 2010

### **Update: Irving Oil Restarts Residual FCC at 300,000 b/d Saint John, New Brunswick Refinery by December 6**

Irving shut the residual fluid catalytic cracker (FCC) for maintenance by December 1, a company spokeswoman said previously. The unit resumed full operations by December 6, she said.

<http://www.bloomberg.com/news/2010-12-06/n-y-gasoline-premium-weakens-as-refinery-maintenance-ends.html>

<http://af.reuters.com/article/energyOilNews/idAFN0114556520101201>

### **Update: Pipeline Shutdown Forces Companies to Receive Crude Oil by Truck at Two Utah Refineries**

The shutdown of a Chevron-owned pipeline in Utah led Holly Corp to begin trucking 8,000 b/d of crude oil into its 31,000 b/d Woods Cross, Utah refinery by December 7, a company spokesman said by December 7. The disruption had not impacted the refinery's production, according to the spokesman. Chevron, similarly, was receiving crude by tanker truck at its 49,000 b/d Salt Lake City refinery, a company spokesman said. A leak forced shut the 10-inch pipeline last week.

<http://www.businessweek.com/news/2010-12-07/holly-trucking-in-crude-to-woods-cross-utah-refinery.html>

### **Update: Sunoco Sees No Customer Impact after Weekend Leak along 10-Inch Crude Oil Pipeline in Texas**

Sunoco discovered a pinhole leak along the 10-inch, Kilgore-to-Houston, Texas, crude oil pipeline on December 4, but the line was down for planned work at the time of the incident and there was no customer impact, a company spokesman said.

<http://www.bloomberg.com/news/2010-12-06/sunoco-reports-leak-in-10-inch-pipeline-near-houston-update1-.html>

### **Update: BP to Complete Retrofit by End of 2012 at 405,000 b/d Whiting, Indiana Refinery**

BP expects to finish a retrofit by the end of 2012 at its 405,000 b/d Whiting, Indiana refinery, a company official said by December 6. The project will, when complete, increase the facility's ability to process heavier crudes. BP was more than halfway through the work at the end of November, the official said. The company plans to construct a new coker, a crude distillation unit, a gas oil hydro treater, and sulfur recovery facilities, and undertake multiple environmental improvements, according to a project website. The retrofit is expected to boost the facility's gasoline production by about 40,000 b/d.

<http://whiting.bp.com/go/site/1550/>

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=24924](http://www.downstreamtoday.com/news/article.aspx?a_id=24924)

### **Velocity Midstream Partners Breaks Ground on Initial Phase of Oil-and-Condensate Gathering Pipeline System in Texas by December 7**

Velocity Midstream Partners broke ground on the initial 53 miles of its planned oil-and-condensate gathering system in Texas, it said on December 7. The line would serve Rosetta Resources Inc. and other producers in the Eagle Ford Shale. Velocity expects to open the first phase – including a loading terminal near Catarina, Texas – in January 2011. It is working on a plan to construct a second phase. The Phase II line would run from Catarina to the Gardendale Hub.

<http://www.prnewswire.com/news-releases/velocity-midstream-partners-south-texas-construction-update-111435109.html>

### **Update: After Electrical Malfunctions, PdVSA Returns 645,000 b/d Amuay to Normal Operations, 310,000 b/d Cardon Refinery to 70 Percent Operations by December 7**

Storms caused electrical malfunctions that completely shut PdVSA's 310,000 b/d Cardon refinery and forced closed four units at the company's 645,000 b/d Amuay refinery in Venezuela on November 29, Reuters said previously. PdVSA had resumed normal operations at Amuay and 70 percent operations at Cardon by December 7, according to a company source. The company also said it was operating its 146,000 b/d El Palito, Venezuela normally on December 6, after storms slowed the facility last week.

Reuters, 16:32 December 6, 2010

Reuters, 11:43 December 7, 2010

[http://english.eluniversal.com/2010/12/02/en\\_eco\\_art\\_pdvsa-resumes-operat\\_02A4807019.shtml](http://english.eluniversal.com/2010/12/02/en_eco_art_pdvsa-resumes-operat_02A4807019.shtml)

### **Kurds to Export 150,000 b/d of Crude Oil by 2011: Iraqi Oil Minister**

The autonomous Kurdish region in Iraq has agreed to export 150,000 b/d of crude oil by 2011, and expects to resume deliveries early in the year, Iraq's Oil Minister said on December 6. The Kurds stopped exporting oil in 2009 over a payment dispute with the central Iraqi government.

<http://www.businessweek.com/ap/financialnews/D9JUC5IG0.htm>

### **Syria and Iraq Plan 1.7 Million b/d, 140-Mile Crude Oil Pipeline from Iraq to Syria's Mediterranean Sea**

The nations have finished technical talks on the project, according to AlWatan daily.

<http://www.bloomberg.com/news/2010-12-06/syria-iraq-hold-talks-on-planned-oil-pipeline-alwatan-reports.html>

### Outage at Compressor Station Cuts Capacity by Approximately 225 Dth along Spectra Energy's 6.7 Bcf/d Texas Eastern Natural Gas Pipeline in Pennsylvania

An outage at the Entriken compressor station in Pennsylvania cut capacity by approximately 225 Dth downstream of the affected station, Spectra Energy said in an informational posting on December 7. The disruption had not, "resulted in any interruption of services," as of the filing, but the company said it would "take this reduction into account as necessary in scheduling future gas flow." It said it expected that, as soon as tomorrow, "high system utilization" would "require the restriction of lower priority services through this location." The Texas Eastern Transmission pipeline delivers natural gas from the U.S. Gulf Coast to the U.S. Northeast, according to Spectra's website. It stretches 9,200 miles and can transport up to 6.7 Bcf/d.

<http://infopost.spectraenergy.com/infopost/NoticeDetail.asp?strKey1=24910&type=CRI&pipe=TE>

[http://www.spectraenergy.com/what\\_we\\_do/businesses/us/assets/texas\\_eastern/](http://www.spectraenergy.com/what_we_do/businesses/us/assets/texas_eastern/)

Reuters, 12:33 December 7, 2010

### Citing Compressor Outage, Colorado Interstate Gas Declares Force Majeure along Natural Gas Pipeline through Oklahoma December 6

Colorado Interstate Gas declared a force majeure along its natural gas pipeline through Oklahoma, citing a compressor outage at its Mocane Compressor Station in Oklahoma, it said in a notice on December 6. Effective this evening and through December 10, the company planned to reduce the capacity at the affected station from 66.4 MMcf/d to 22.0 MMcf/d.

<http://ebb.cigco.com/ebbCIG/Notices/NoticeView.asp?sPipelineCode=CIG&sSubCategory=Critical&sNoticeId=8225>

## Other News

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### Spectrum Business Ventures to Open 25 MMGal/Yr. Methane Gas-Based Ethanol Plant in Mead, Nebraska

AltEn, an affiliate of Spectrum Business Ventures, plans to begin production in 2011 at an ethanol plant in Mead, Nebraska. The plant – part of a closed-loop system that would also include a beef cattle feedlot and anaerobic digesters – would convert methane gas, recaptured from cow manure, into 25 MMGal/Yr. of ethanol.

<http://www.prnewswire.com/news-releases/spectrum-business-ventures-inc-closes-senior-investment-in-restructured-ethanol-facility-111405724.html>

### Battery-Powered Cars to be Competitive with Fuel-Burning Vehicles in Approximately Five Years: Secretary Chu

In order to make battery-powered vehicles competitive with fuel-burning cars, electric vehicle companies must reduce costs by about three times, create units that last 15 years, and equip cars to store five to seven times more energy than they presently can, U.S. Energy Secretary Steven Chu said on December 6. Chu expects battery-powered vehicles to compete with fuel-based vehicles in about five years or sooner.

<http://www.reuters.com/article/idUSN0673229820101207?feedType=RSS&virtualBrandChannel=10102>

## Energy Prices

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U.S. Oil and Gas Prices December 7, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	88.51	85.18	74.80
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.47	4.12	4.53

Source: Reuters

**State PUC Votes for Xcel's Plan to Shutter Six Coal-Fired Power Plants in Colorado, Replace Units with Gas-Fired Facility, and Install Pollution Controls at Pawnee Coal-Fired Power Plant December 6 – PUC Still Must Vote on Fate of Cherokee 4 Coal-Fired Unit**  
[http://www.denverpost.com/business/ci\\_16793367](http://www.denverpost.com/business/ci_16793367)

**NextEra Energy Plans 20 MW Sombra Solar Energy Center, 20 MW Moore Solar Energy Center in Ontario, Canada – Facilities Expected to Enter Service by End of 2011**  
<http://investor.firstsolar.com/phoenix.zhtml?c=201491&p=irol-newsArticle&ID=1504756&highlight=>

**Update: BLM Issues Positive Environmental Impact Statement for NV Energy's Proposed 500 kV Transmission Line in Nevada – Line Would Connect Company's Southern and Northern Systems, Begin Service in January 2013**  
<http://finance.yahoo.com/news/BLM-says-proposed-Nevada-apf-665894570.html?x=0&.v=1>

**Detroit Renewable Power to Restart Newly-Purchased 68 MW Waste-Based Power Plant in Detroit, Michigan – Previous Owners Shut Plant in October 2010**  
<http://www.detroitrenewablepower.com/about/>  
<http://www.detroitrenewablepower.com/news/?id=2>

**Unknown Causes Lead to Flaring at Chevron's 265,500 b/d El Segundo, California Refinery December 7**  
<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/f9d4d8d4f639e6c6882577f200322b78?OpenDocument>  
Reuters, 04:29, December 7, 2010

**Tesoro Expects to Meet Supply Commitments after December 6 Process Unit Snag at 120,000 b/d Anacortes, Washington Refinery**  
Reuters, 23:21, December 6, 2010

**Continental Resources Says Williston Basin in North Dakota Contains as Much as 24 Billion Barrels of Recoverable Crude Oil, or More than Triple Federal and State Estimates**  
[http://www.rigzone.com/news/article.asp?a\\_id=101939](http://www.rigzone.com/news/article.asp?a_id=101939)

**OPEC Crude Oil Production Unexpectedly Dips to 29.1 Million b/d in November 2010 or 70,000 b/d Less Than in October 2010: Platts**  
<http://www.prnewswire.com/news-releases/platts-survey-opec-pumps-291-million-barrels-of-oil-per-day-in-november-111384944.html>

**Non-OPEC Crude Oil Production to Average 51.5 Million b/d in 2010, or 1 Million b/d Greater Than in 2009, EIA Says – Increase Marks Largest Year-Over-Year Jump Since 2002**  
Reuters, 12:23 December 7, 2010

**Engine Trouble Disables Freighter as it Travels from British Columbia, Canada to United Arab Emirates December 3 – Ship Was Carrying More than 10,000 Barrels of Crude Oil, But No Spill Occurred, as of Latest Reports**  
<http://edition.cnn.com/2010/US/12/07/alaska.stranded.freighter/>

**Tube Leak to Force Shut Train 1 at Gulf Coast Fractionators' Natural Gas Fractionation Facility in Mont Belvieu, Texas December 6-9**  
<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=148128>

### **Compressor Shuts, Restarts at Waha Gas Plant in Texas December 6**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148180>

### **SRU Shutdown Triggers Flaring at Sneed Booster Station in Texas December 6 – Unit Restarted in Less Than Two Hours**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148186>

### **SBE, Inc. Breaks Ground on Capacitor Production Plant in Barre, Vermont December 6 – Facility to Manufacture Electric Vehicle Direct Current Bus Capacitors for Next Generation Advanced Vehicles**

<http://www.energy.gov/news/9853.htm>

## **Links**

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### ***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](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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