



# ENERGY ASSURANCE DAILY

Tuesday Evening, December 15, 2009

## ***Electricity***

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### **Hydro-Québec Reports 200,000 Customers without Power Briefly in Quebec, Canada December 15**

An unspecified incident at a Hydro-Québec facility cut power to 200,000 of the company's customers on December 15, a spokesperson said. The company restored power to 95 percent in less than three hours.

<http://www.montrealgazette.com/news/Quebecers+without+power+heat/2342684/story.html>

### **Update: APS's 1,243 MW Palo Verde Nuke Unit 2 in Arizona Ramped Up to 55 Percent by December 15**

Operators shut the unit over the weekend to replace a bushing that was causing temperatures to rise on a main transformer, a news source said. The Nuclear Regulatory Commission reported that on the morning of December 14 the unit was operating at 11 percent.

Reuters, 07:13 December 15, 2009

Information also derived from the NRC Power Reactor Status Reports:

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

### **Southern's 856 MW Hatch Nuke Unit 1 in Georgia at Full Power by December 15**

The Nuclear Regulatory Commission reported that on the morning of December 14 the unit was operating at 88 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **Update: Calpine's 593 MW Metcalf Gas-fired Unit in California Returns to Service by December 14**

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200912141515.html>

### **Update: Luminant to Restart 591 MW Sandow Coal-fired Unit 4 in Texas December 4**

The company expected to restart the unit after "repairs to the SA4 air preheater," it said in a filing with state regulators. The unit went offline by December 13, according to a news source.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=133160>

Reuters, 07:24 December 15, 2009

### **Multiple Companies' 316 MW Vincent Qfs Wind Farm in California Shut by December 14**

According to the California Independent System Operator, the unit reported an unplanned outage on December 14.

<http://www.caiso.com/unitstatus/data/unitstatus200912141515.html>

## **SCE Declares Unusual Event at 1,127 MW San Onofre Nuke Unit 3 in California**

**December 12**

Southern California Edison (SCE) declared an unusual event due to two emergency diesel generator failures at its 1,127 MW San Onofre nuke unit 3 in California on December 12, it said in a filing with the Nuclear Regulatory Commission (NRC). The company began shutting the unit, as required, but then resolved the issue and ramped the unit back up to near full power. The unusual event lasted about five hours. The company had restored the unit to 99 percent power by early December 14, the NRC reported.

<http://www.reuters.com/article/idUSN1416878720091214?type=marketsNews>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2009/20091214en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

## **Fire, No Damage, at Southern's 1,776 MW Farley Nuclear Power Plant in Alabama**

**December 12**

Southern declared an unusual event after a fire in the CCW heat exchanger room at its two-unit, 1,776 MW Farley nuclear power plant in Alabama lasted longer than 15 minutes, the company said in a filing with the Nuclear Regulatory Commission (NRC). Operators slowed rates by an unspecified amount, according to the filing. The fire was extinguished, and the incident caused no injuries or damage. The company ended the unusual event in less than two hours. Both Farley units—the 888 MW Unit 1 and the 888 MW Unit 2—were at full power on the morning of December 12, and again on the morning of December 13, according to the NRC.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2009/20091214en.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: NRG Energy Opens 150 MW Langford Wind Power Project in Texas by**

**December 15**

[http://phx.corporate-](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MjQxNTF8Q2hpbGRJRD0tMXxUeXBIPTM=&t=1)

[ir.net/External.File?item=UGFyZW50SUQ9MjQxNTF8Q2hpbGRJRD0tMXxUeXBIPTM=&t=1](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MjQxNTF8Q2hpbGRJRD0tMXxUeXBIPTM=&t=1)

## **AEP to Restart 558 MW Welsh Coal-fired Unit 1 in Texas December 15-16**

American Electric Power (AEP) shut the unit to "repair the breaker on 1B Primary Air Fan" by December 15, it said in a filing with state regulators. The company expected to restart the unit from December 15-16, according to a separate filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=133234>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=133237>

## **San Miguel Electric Coop Restarting 410 MW San Miguel Coal-fired Unit 1 in Texas**

**December 15**

The unit shut due to a boiler tube leak, the company said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=133244>

## **SCE to Install Smart Meters for Nearly 5 Million Customers in California**

Southern California Edison (SCE) plans to install smart electric meters for nearly five million California customers through 2012, according to a release. The company expects the meters to cut electric demand by approximately 1,000 MW.

<http://www.edison.com/pressroom/pr.asp?id=7303>

## ***Petroleum***

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### **Update: BP Restarting FCC at 467,720 b/d Texas City, Texas Refinery December 14-16**

BP planned to restart a fluid catalytic cracking unit (FCC) at its 467,720 b/d Texas City, Texas refinery from December 14-16, it said in a filing with state regulators. The unit shut over the weekend, according to a previous filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=133208>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=133165>

<http://online.wsj.com/article/BT-CO-20091214-715263.html>

### **Update: Husky to Keep 160,000 b/d Lima, Ohio Refinery at Reduced Rates until January**

Husky expects to run its 160,000 b/d Lima, Ohio refinery at 120,000 b/d until it restarts a fire-damaged isocracker in January, 2010, a spokesman said on December 14. The isocracker has been offline since November, according to a news source.

Reuters, 14:59 December 14, 2009

### **ConocoPhillips Shuts Section of Seminole Oil Products Pipeline through Montana by December 15**

ConocoPhillips shut at least a portion of its Seminole oil products pipeline after the line leaked nearly 2,000 barrels of product earlier in the week, a state official said on December 15. A news source described the line as "a main pipeline in the area."

<http://www.reuters.com/article/idUSN1520597620091215?type=marketsNews>

### **Rail Cars Derail North of Shell's 145,000 b/d Anacortes, Washington Refinery by December 15**

Five rail cars derailed north of Shell's 145,000 b/d Anacortes, Washington refinery by December 15, but there were no product leaks and the affected cars appeared to be structurally sound, according to Shell.

Bloomberg News, 09:00 December 15, 2009

### **Shell Performing Unscheduled Work at 155,000 b/d Scotford Oil Sands Upgrader in Alberta Canada December 15-17**

Shell expects to flare gasses at higher-than-normal rates due to unscheduled maintenance at its 155,000 b/d Scotford oil sands upgrader in Alberta, Canada, the company said in a notice. The site also includes a 98,000 b/d refinery.

<http://uk.reuters.com/article/idUKN1522155720091215>

Bloomberg News, 08:46 December 15, 2009

### **Update: Iraq Eyes More than 2 Million b/d in New Crude Production after Oil License Round December 11-12**

Iraq awarded licenses to develop seven domestic oilfields—two on December 11 and five on December 12—and said it could raise its crude production from 2.5 million b/d, at present, to 4.765 million b/d, sources reported. The December 12 awards:

- Lukoil and Statoil plan to produce 1.8 million b/d at the West Qurna 2 oilfield in the south.
- Petronas and Japex plan to produce 230,000 b/d at the Garraf oilfield in the south.
- Gazprom, KoGas, Petronas and TPAO plan to produce 170,000 b/d at the Badra oilfield in the east.
- Sonangol plans to produce 120,000 b/d at the Qaiyarah oilfield and 110,000 b/d at the Najmah oilfield in the north.

<http://www.statoil.com/en/NewsAndMedia/News/2009/Pages/12DecIraq.aspx>

<http://news.malaysia.msn.com/regional/article.aspx?cp-documentid=3746137>

[http://234next.com/csp/cms/sites/Next/Money/5495960-](http://234next.com/csp/cms/sites/Next/Money/5495960-147/Sonangol_wins_deal_for_Iraq%E2%80%99s_oilfield.csp)

[147/Sonangol\\_wins\\_deal\\_for\\_Iraq%E2%80%99s\\_oilfield.csp](http://234next.com/csp/cms/sites/Next/Money/5495960-147/Sonangol_wins_deal_for_Iraq%E2%80%99s_oilfield.csp)

<http://www.iranoilgas.com/news/details2/?type=news&p=current&newsID=5042&restrict=no>

<http://www.zawya.com/Story.cfm/sidANA20091211T094247ZPKM47/Angolan%20bid%20for%20north%20Iraq%20oil%20field%20declined>

[http://www.etaiwanews.com/etn/news\\_content.php?id=1131249&lang=eng\\_news&cate\\_img=35.jpg&cate\\_rss=news\\_Business](http://www.etaiwanews.com/etn/news_content.php?id=1131249&lang=eng_news&cate_img=35.jpg&cate_rss=news_Business)

[http://www.rigzone.com/news/article.asp?a\\_id=84093](http://www.rigzone.com/news/article.asp?a_id=84093)

### **Oil Companies Evacuate Workers, Shut Oil-and-Gas Production ahead of Tropical Cyclone Offshore Australia December 14-15**

Karoon Gas Australia Ltd. Halted drilling operations at an offshore rig, and Thailand's PTT Exploration & Production Pcl evacuated workers and shut down its Jabiru and Challis fields offshore Australia, a news source said.

Bloomberg News, 11:31 December 14, 2009

### **Update: ConocoPhillips, Peabody Energy Receive Draft State Environmental Permit for Planned 164-to-191 MMcf/d Coal-to-Natural Gas Facility in Kentucky**

The “Kentucky NewGas” facility would produce 60-to-70 Bcf of natural gas per year, according to a press release.  
[http://www.conocophillips.com/EN/newsroom/news\\_releases/2009news/Pages/12-15-2009.aspx](http://www.conocophillips.com/EN/newsroom/news_releases/2009news/Pages/12-15-2009.aspx)

## Other News

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### **Valero to Purchase and Restart Two 110 MMGal/Yr. Ethanol Plants in U.S. Midwest—Former Properties of Bankrupt VeraSun**

Valero plans to purchase and resume production within three to six months at two, formerly VeraSun-owned, 110 MMGal/Yr. ethanol production facilities in the U.S. Midwest: one in Linden, Indiana and another in Bloomingburg, Ohio, according to a release. Valero also plans to purchase Renew Energy’s 110 MMGal/Yr. ethanol plant near Jefferson, Wisconsin. That facility is in production, but at reduced rates; Valero expects to ramp the site up to full capacity.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=19957](http://www.downstreamtoday.com/news/article.aspx?a_id=19957)

### **Rentech Plans 250 MMGal/Yr. Coal and Coke-to-Jet Fuel Production Facility in Mississippi**

Rentech, Inc. signed a Memorandum of Understanding with thirteen airline companies to supply jet fuel from its proposed “Natchez Project” in Adams County, Mississippi, the company said in a release. The facility would convert coal and petroleum coke—and possibly renewable materials—into 400 MMGal/Yr. of synthetic fuels and chemicals, and 120 MW of electricity. The total would include about 250 MMGal/Yr. of jet fuel. Rentech would also sell captured carbon dioxide (CO<sub>2</sub>) to Denbury Resources, for use in enhanced oil recovery.

<http://greeninc.blogs.nytimes.com/2009/12/15/company-aims-to-make-jet-fuel-from-coal/>

<http://phx.corporate-ir.net/phoenix.zhtml?c=66629&p=irol-newsArticle&ID=1365986&highlight=>

[http://www.airlines.org/news/releases/2009/news\\_12-15-09.htm](http://www.airlines.org/news/releases/2009/news_12-15-09.htm)

### **AltAir Fuels Plans 100 MMGal/Yr. Jet Fuel and Diesel Production Facility in Anacortes, Washington**

AltAir Fuels signed a Memorandum of Understanding with fourteen airline companies to supply jet fuel from its proposed 100 MMGal/Yr. jet fuel and diesel production facility in Anacortes, Washington, it said in a release. The facility—to be located at the existing site of Tesoro’s Anacortes, Washington refinery—would convert camelina oil into jet fuel and diesel. The company expects to begin production in 2012.

[http://www.airlines.org/news/releases/2009/news\\_12-15-09.htm](http://www.airlines.org/news/releases/2009/news_12-15-09.htm)

[http://www.businesswire.com/portal/site/home/permalink/?ndmViewId=news\\_view&newsId=20091215005518&newsLang=en](http://www.businesswire.com/portal/site/home/permalink/?ndmViewId=news_view&newsId=20091215005518&newsLang=en)

### **NovaDx Ventures Corp. Eyes Early 2010 Start-Date for Surface Mining Operations at Rosa Coal Mine in Alabama**

NovaDx Ventures Corp.’s MCoal Corporation received approval from the Alabama Surface Mining Commission to begin surface mining operations at the Rosa coal mine in Alabama, the company said on December 15.

<http://in.sys-con.com/node/1221250>

### **U.S. to Rely Less on Oil Imports as Biofuel Consumption Grows—EIA**

U.S. liquid fuel consumption will rise from 19 million b/d in 2008 to 22 million b/d in 2035, but biofuels will account for the entirety of that growth as the use of petroleum-based liquids remains mostly flat, the Energy Information Administration (EIA) forecasts in its “Annual Energy Outlook 2010.” The United States, as a consequence, will rely less on imported oil.

<http://www.eia.doe.gov/neic/press/press334.html>

## Energy Prices

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U.S. Oil and Gas Prices December 15, 2009			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	70.62	72.90	43.95
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	5.53	4.78	5.56

Source: Reuters

## Energy Notes

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**CL&P Reports 10,000 Customers without Power in Connecticut December 15—Company Restores Service to All But 3,081 by Mid-Afternoon**

<http://www.nbcconnecticut.com/news/local-beat/Power-Out-for-10000--79319652.html>

<http://www.cl-p.com/outage/default.aspx>

**Firefighters Respond to Fire Hazard at PSNM's 1,848 MW Coal-fired San Juan Power Plant in New Mexico December 14—No Fire Ignites**

[http://www.daily-times.com/ci\\_13998446](http://www.daily-times.com/ci_13998446)

**Idaho Power Customers Demand Record 2,527 MW of Electricity on Cold Weather in Idaho December 10**

<http://www.idahostatesman.com/business/story/1009065.html>

**Alberta, Canada Electric Demand Hits Record 10,236 MW on Cold Conditions, Less Daylight by December 14**

<http://www.newswire.ca/en/releases/archive/December2009/14/c3199.html>

**U.S. to Have Three Electric-Automobile Factories, 30 Battery-and-Car Factories and 10,000 Electric-Car Charging Stations by 2015—White House**

<http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=200912150015dowjonesdjonline000002&title=us-administration-hopes-to-push-job-creation-via-new-energy-projects>

**Plug-in Automobiles Will Not Significantly Affect U.S. Oil Demand or CO2 Emissions by 2030—National Research Council**

<http://greeninc.blogs.nytimes.com/2009/12/14/report-meaningful-numbers-of-plug-in-hybrids-still-decades-away/>

**First Solar Aims to Break Ground in Spring 2011 on Two 20 MW Solar Power Projects in Ontario, Canada**

<http://www.theobserver.ca/ArticleDisplay.aspx?e=2221885>

**Update: State Senate Postpones Decision on Proposal to Force Exelon to Construct Cooling Water Towers at 641 MW Oyster Creek Nuclear Power Plant in New Jersey**

<http://finance.yahoo.com/news/No-decision-on-Oyster-Creek-apf-103461941.html?x=0&.v=3>

**Thieves Take Copper Wire from Edmond Electric Substation in Oklahoma by December 14**

[http://www.edmondsun.com/local/local\\_story\\_346005743.html](http://www.edmondsun.com/local/local_story_346005743.html)

**DTE Reports Successful Security Test at 1,217 MW Fermi Nuke Unit 2 in Michigan December 9**

<http://www.monroenews.com/apps/pbcs.dll/article?AID=/20091212/NEWS01/712129961>

**Equipment Failure, Hydrogen Leak at Chevron's 260,000 b/d El Segundo, California Refinery December 14**

Bloomberg News, 11:04 December 15, 2009

<http://www.iii.co.uk/news/?type=afxnews&articleid=7671060&action=article>

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/cc5036e0589d562d8825768c0072fa27?OpenDocument>

**Rain Storm Triggers Oily Water Runoff from Murphy Oil's 120,000 b/d Meraux, Louisiana Refinery over Weekend**

<http://www.wdsu.com/news/21965423/detail.html>

**Allied Energy and Eni Launch Production at 25,000 b/d Oyo Oilfield Offshore Nigeria by December 15**

[http://www.rigzone.com/news/article.asp?a\\_id=84132](http://www.rigzone.com/news/article.asp?a_id=84132)

**Oil Refiners to Keep Rates Low as Global Product Stocks Outpace Demand Over Next Several Months—OPEC**

[http://www.nasdaq.com/aspx/stock-market-news-](http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=200912150706dowjonesdjonline000207&title=opecoil-product-glut-to-cap-global-refinery-runs)

[story.aspx?storyid=200912150706dowjonesdjonline000207&title=opecoil-product-glut-to-cap-global-refinery-runs](http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=200912150706dowjonesdjonline000207&title=opecoil-product-glut-to-cap-global-refinery-runs)

**Car Crashes into Gasoline Pump, Causes Explosion in California December 11**

<http://www.cbs47.tv/news/local/story/Explosion-at-a-Central-Fresno-Gas-Station/o4HcEYKlrUeesonEMf4jaQ.csp>

**Gas Leak Causes Local Evacuations, Road Shutdown in Ohio by December 14**

<http://www.fox8.com/news/sns-ap-oh--gasleak-evacuation,0,7618417.story>

**Sour Gas Causes Flaring at Andrews Booster Station in Texas December 14-15**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=133232>

**Line Blow Down at McAlister Booster Station in Texas December 14**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=133115>

**ExxonMobil Enters Unconventional Natural Gas Industry with Purchase of XTO Energy December 14**

Reuters, 15:01 December 14, 2009

**Intermountain Gas Company Seeks State Okay to Halt Natural Gas Flows to Certain Idaho Customers in Times of High Demand—Move Would Impact Customers Who Use Gas to Fuel Snow-Melting Equipment**

<http://www.istockanalyst.com/article/viewiStockNews/articleid/3708720>

**As Ethanol Industry Grows, United States May Need to Consider Impact on Water Supplies—Northern Plains Ethanol Producers Use Much More Water than Those in Midwest, GAO Says**

[http://www.pantagraph.com/business/article\\_a9661898-e669-11de-9796-001cc4c03286.html](http://www.pantagraph.com/business/article_a9661898-e669-11de-9796-001cc4c03286.html)



## Update: Fog Keeps 108 Deep-Draft Vessels from Entering or Leaving Galveston Bay in Texas December 15—Pilots Expect to Restart Movement Early December 15

Bloomberg News, 10:57 December 15, 2009

### 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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