



# ENERGY ASSURANCE DAILY

Friday Evening, December 17, 2010

## *Electricity*

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### **Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Reduced to 65 Percent by December 17**

The Nuclear Regulatory Commission reported that on the morning of December 16 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/2010/>

### **Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Ramped Up to 65 Percent by December 17**

Exelon reduced the unit on December 14 to replace a defective transformer, a company spokesman said previously. The Nuclear Regulatory Commission reported that on the morning of December 16 the unit was operating at 25 percent.

<http://www.bloomberg.com/news/2010-12-15/u-s-nuclear-output-little-changed-as-dominion-boosts-millstone.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: Exelon's 850 MW Dresden Nuclear Unit 3 in Illinois at Full Power by December 17**

The Nuclear Regulatory Commission reported that on the morning of December 16 the unit was operating at 85 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **Duke Energy's 510 MW Moss Landing Gas-Fired Unit 1 in California Reduced by December 16**

According to the California Independent System Operator, the unit reported an unplanned curtailment of 260 MW by December 16.

<http://www.caiso.com/unitstatus/data/unitstatus201012161515.html>

### **Xcel Reduces 360 MW Harrington Coal-Fired Unit 1 in Texas December 16**

Xcel Energy briefly reduced the unit to 170 MW after "a high opacity alarm" and a "West ID fan trip," the company said in a filing with state regulators. The event lasted just 30 minutes, according to the filing.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=148532>

### **Update: NRC Renews Operating License for FPL's 592 MW Duane Arnold Nuclear Power Plant in Iowa for an Additional 20 Years**

The new operating license will expire on February 21, 2034, the Nuclear Regulatory Commission (NRC) said on December 16. FPL submitted its request for the license renewal in October 2008.

[http://adamswebsearch2.nrc.gov/idmws/DocContent.dll?library=PU\\_ADAMS^pbntad01&LogonID=42177f065b3463325e1cf2dd7604baf8&id=103500170](http://adamswebsearch2.nrc.gov/idmws/DocContent.dll?library=PU_ADAMS^pbntad01&LogonID=42177f065b3463325e1cf2dd7604baf8&id=103500170)

[http://www.fpl.com/environment/nuclear/about\\_duane\\_arnold.shtml](http://www.fpl.com/environment/nuclear/about_duane_arnold.shtml)

### **Update: Mississippi Power Breaks Ground on Proposed 582 MW IGCC Coal-Fired Power Plant in Kemper County, Mississippi December 16**

The company expects to open the facility in 2014, according to its website.

[http://www.thegovmonitor.com/world\\_news/united\\_states/mississippi-breaks-ground-on-2-4-billion-clean-coal-plant-44207.html](http://www.thegovmonitor.com/world_news/united_states/mississippi-breaks-ground-on-2-4-billion-clean-coal-plant-44207.html)

<http://www.mississippipower.com/kemper/Facts.asp>

### **Update: Judge Overturns Air Permit for Power4Georgians Proposed 850 MW Coal-Fired Plant Washington in Georgia**

An Administrative Law Judge disallowed an air permit for the proposed plant, saying state environmental regulators had, in issuing the permit, not established limits how much pollution the plant could emit. The judge directed the state regulators to reassess the permit.

<http://www.businesswire.com/news/home/20101216006948/en/Power4Georgians-Statement-December-16-2010-Administrative-Law>

<http://www.wrcbtv.com/Global/story.asp?S=13688134>

<http://www.power4georgians.com/wcpp.aspx>

### **Update: Black Hills to Retire 42 MW W.N. Clark Coal-Fired Power Plant in Colorado, Replace Capacity with 92 MW Gas-Fired Turbine**

The Colorado Public Utilities Commission (PUC) approved Black Hills Corp's plan to retire its 42 MW W.N. Clark coal-fired power plant in Cañon City, Colorado on or before December 31, 2013, and granted the company a "presumption of need" to replace the lost capacity with a new 92 MW gas-fired turbine at the Pueblo Airport Generation Station site in Pueblo, Colorado, Black Hills said on December 16. The company proposed the shutdown in a bid to comply with a new state environmental law.

<http://www.blackhillscorp.com/news10/BKH20101216A.pdf>

## ***Petroleum***

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### **Update: After December 14 Spill, Buckeye Restarts 120,000 b/d, 12-Inch Crude Oil Pipeline in Illinois by December 17**

Buckeye Partners LP restarted its 120,000 b/d, 12-inch crude oil pipeline in Illinois by December 17, according to a source familiar with its operations. The line runs about three miles; it delivers crude from Shell's Lockport Tank Farm to Citgo's 167,000 b/d Lemont, Illinois refinery. Operators halted the line after it spilled an estimated 500 barrels of oil near Romeoville, Illinois on December 14, according to a previous source.

<http://www.businessweek.com/news/2010-12-15/buckeye-makes-temporary-repairs-on-illinois-oil-line.html>

<http://www.bloomberg.com/news/2010-12-14/buckeye-shuts-12-inch-crude-oil-pipeline-in-illinois-update1-.html>

Reuters, 12:44 December 17, 2010

### **Equipment Problem Triggers Flaring at Valero's 195,000 b/d Memphis, Tennessee Refinery December 14**

An equipment problem led to the release of sulfur dioxide at Valero's 195,000 b/d Memphis, Tennessee refinery on December 14, but workers repaired the affected equipment and the incident did not affect production, according to a company spokesman and a filing with the National Response Center.

<http://www.bloomberg.com/news/2010-12-15/valero-had-equipment-failure-at-refinery-in-memphis-tennessee.html>

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=962255](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=962255)

### **Equipment Snag Leads to Release at Sunoco's 178,000 b/d Marcus Hook, Pennsylvania Refinery by December 17**

An equipment snag led to the release of nitrous oxide at Sunoco's 178,000 b/d Marcus Hook, Pennsylvania refinery by December 17, but workers made repairs and secured the release, according to a regulatory filing. It was not clear if there was any impact on production.

Reuters, 00:34 December 17, 2010

## **Suncor Energy Aims to Produce More Than 1 Million Boe/d of Oil-and-Gas by 2020, Compared to 550,000 to 600,000 Boe/d in 2011**

Suncor Energy plans to increase its oil sands production by approximately ten percent per year over the next decade, the company said on December 17, as it seeks to increase its overall oil-and-gas production to more than 1 million boe/d. The company expects to produce between 550,000 and 60,000 boe/d in 2011; the majority of that output should come from the company's oil sands projects. Suncor expects to direct the majority of its growth spending in 2011 toward expanding its Firebag in-situ oil sands facilities. It plans to open Firebag Stage 3 late in the second quarter of 2011, and ramp it up toward its capacity of 62,500 b/d of bitumen over approximately two years. It plans to complete Firebag Stage 4 – also expected to produce 62,500 b/d of bitumen – in early 2013.

<http://www.suncor.com/en/newsroom/2418.aspx?id=1370773>

## **Total, Suncor to Jointly Pursue Multiple Oil Sands Projects in Alberta, Canada**

Total and Suncor plan to jointly construct a once-abandoned, 200,000 b/d oil sands upgrader – known as Voyageur – and produce 164,000 b/d of bitumen in the first phase of the Fort Hills oil sands project in Alberta, Canada, the companies said on December 17. Suncor halted construction on the Voyageur project in 2008. Now, the partners expect to develop it in parallel with Fort Hills, and bring both on stream in early 2016. The companies also plan to begin producing 100,000 b/d in 2017-2018 at the Joslyn North Mine oil sands project, also in Alberta, Canada.

<http://www.total.com/en/press/press-releases/consultation-200524.html&idActu=2499>

## **Natural Gas**

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### **Update: CPUC Orders PG&E to Cut Pressure along Two Natural Gas Pipelines in California, Citing Safety Concerns**

The California Public Utilities Commission (CPUC) ordered Pacific Gas & Electric (PG&E) to cut pressure by 20 percent along two East Bay natural gas pipelines, citing safety concerns after a fatal September explosion along a separate company-owned pipeline in San Bruno, California. The order directed PG&E to reduce pressure in any pipelines that shared certain characteristics with the exploded pipeline. Only two pipelines, according to PG&E, matched the criteria. PG&E said it would be able to “reliably serve our customers,” but did say that an “unexpected weather event” could lead it to curb deliveries to some nonresidential users.

[http://www.cpuc.ca.gov/NR/rdonlyres/D1C81EAC-A73B-4416-8962-85DA7A48AD3B/0/Letter\\_to\\_Christopher\\_Johns\\_from\\_Paul\\_Clanon.PDF](http://www.cpuc.ca.gov/NR/rdonlyres/D1C81EAC-A73B-4416-8962-85DA7A48AD3B/0/Letter_to_Christopher_Johns_from_Paul_Clanon.PDF)  
[http://www.mercurynews.com/business/ci\\_16879064](http://www.mercurynews.com/business/ci_16879064)

### **Niska Gas Storage Partners Receive CPUC Approval to Expand Capacity to 50 Bcf at Existing 29 Bcf Wild Goose Gas Storage Facility in California**

Niska Gas Storage Partners LLC received regulatory approval from the California Public Utilities Commission (CPUC) to expand working gas capacity to 50 Bcf at its Wild Goose Gas Storage Facility in Northern California, the company said on December 16. It expects to add 6 Bcf of working gas capacity by March 31, 2011.

<http://phx.corporate-ir.net/phoenix.zhtml?c=235313&p=irol-newsArticle&ID=1508830>

### **Unit Corporation Completes 50 MMcf/d Lone Tree Gas Processing Plant in Texas by December 16**

Unit Corporation's wholly-owned Superior Pipeline Company LLC installed and started up its 50 MMcf/d Lone Tree Gas Processing Plant in Hemphill County, Texas, the parent company said on December 16.

<http://www.unitcorp.com/news/2010/pdfs/121610presrel.pdf>

## Update: National Energy Board Approves Mackenzie Gas Project in Northwest Territories and Alberta, Canada December 16

The National Energy Board (NEB) approved Imperial Oil, ConocoPhillips, Shell, ExxonMobil, and the Aboriginal Pipeline Group's plan to produce natural gas at three fields in the Northwest Territories, and then deliver that gas to customers in Alberta and the United States. The companies would develop three fields – Taglu, Parsons Lake, and Niglintgak – pipe the gas to a processing facility, and then transport natural gas and natural gas liquids to customers in Canada and the United States. The project, as a consequence, would include the three fields, a gathering pipeline system, the gas processing plant, a natural gas liquids pipeline in the Northwest Territories, and a 1.2 Bcf/d, 743-mile natural gas pipeline. The natural gas pipeline would run from the Beaufort Sea to northwestern Alberta. There, it would interconnect with an existing pipeline system. Despite the approval, the companies have not decided if they will move forward with the plans. Imperial Oil says the parties will not make a decision until late 2013, at the earliest.

<http://www.mackenziegasproject.com/theProject/projectDescription/index.html>

<http://www.neb-one.gc.ca/clf-nsi/rthnb/nwsrls/2010/nwsrls20-eng.html>

[http://calgary.ctv.ca/servlet/an/local/CTVNews/20101216/CGY\\_mackenzie\\_pipeline\\_101216/20101216/?hub=CalgaryHome](http://calgary.ctv.ca/servlet/an/local/CTVNews/20101216/CGY_mackenzie_pipeline_101216/20101216/?hub=CalgaryHome)

## Other News

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### Update: Tax Deal to Extend Ethanol, Other Energy Tax Credits through 2011

President Obama was expected to sign a tax deal on December 17 that would extend numerous energy-related tax credits through 2011. Specifically, the bill would extend through 2011:

- 45 cent/gallon tax credit for ethanol blenders (known as the Volumetric Ethanol Excise Tax Credit) and the related 54 cent/gallon tariff on imported ethanol;
- 10 cent/gallon tax credit for small-scale ethanol producers (those who produce a maximum of 60 MMGal/Yr.);
- \$1.00/gallon tax credit for producers of biodiesel;
- 50 cent/gallon alternative fuels credit;
- Tax credits for producers of energy-efficient residential homes, and energy-efficient large appliances; and
- 30 percent investment tax credit for alternative vehicle refueling property

[http://www.cbsnews.com/8301-503544\\_162-20025888-503544.html](http://www.cbsnews.com/8301-503544_162-20025888-503544.html)

<http://domesticfuel.com/2010/12/16/house-passes-tax-bill-with-biofuel-incentives/>

<http://www.miamiherald.com/2010/12/16/1977058/liquid-coal-tax-break-riles-environmental.html>

[http://www.nytimes.com/2010/12/17/us/politics/17cong.html?\\_r=1&hp](http://www.nytimes.com/2010/12/17/us/politics/17cong.html?_r=1&hp)

## Energy Prices

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U.S. Oil and Gas Prices December 17, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	87.93	87.81	71.86
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.19	4.37	5.57

Source: Reuters

## Energy Notes

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**Nearly 16,000 PNM Customers Lose Electricity for Unknown Reasons in Albuquerque, New Mexico December 17 – Company Restores Power within Hours**

<http://www.koat.com/news/26170917/detail.html>

**Ice Storm Cuts Electricity to More than 10,000 KUB Customers in Tennessee December 16 – Company Restores Power to All, as of Latest Reports**

[http://www.wbir.com/news/local/10news\\_at\\_five/article/147961/173/KUB-crews-work-all-day-to-restore-power?odyssey=mod|newswell|text|FRONTPAGE|t](http://www.wbir.com/news/local/10news_at_five/article/147961/173/KUB-crews-work-all-day-to-restore-power?odyssey=mod|newswell|text|FRONTPAGE|t)  
[http://www.kgis.org/website/KUB\\_Outage/viewer.htm](http://www.kgis.org/website/KUB_Outage/viewer.htm)

**Update: Sunflower Electric Power Receives State Authorization to Build 895 MW Coal-Fired Power Plant in Kansas December 16**

<http://www.kansascity.com/2010/12/16/2526243/kansas-allows-utility-to-build.html>

**Sun Edison to Open 10 MW Photovoltaic Solar Power Plant in Prescott, Arizona in Fall of 2011**

[http://www.sunedison.com/press\\_releases.php?id=120](http://www.sunedison.com/press_releases.php?id=120)

**Update: CPUC Okays PG&E's Plan to Construct 586 MW Oakley Gas-Fired Power Plant in Oakley, California December 16**

[http://www.mercurynews.com/breaking-news/ci\\_16877199?nclick\\_check=1](http://www.mercurynews.com/breaking-news/ci_16877199?nclick_check=1)

**Update: PSC Staff Recommends State Deny Allegheny and AEP's Proposal to Construct 765 kV, West Virginia-to-Maryland PATH Transmission Line, Saying Cheaper Proposals Should be Evaluated First**

<http://finance.yahoo.com/news/WVa-PSC-staff-calls-for-apf-3214205599.html?x=0&.v=1>

**DOE Finalizes Partial Loan Guarantee in Support of Caithness Energy, LLC and GE Energy Financial Services' Proposed 845 MW Caithness Shepherds Flat Wind Project in Oregon by December 16**

<http://www.energy.gov/news/9915.htm>

**Ridgeline Energy Orders 79.2 MW of Wind Turbines for Proposed Rockland Wind Energy Project near American Falls, Idaho – Commissioning Expected in Late 2011**

<http://www.vestas.com/en/media/news/news-display.aspx?action=3&NewsID=2501>

**In Bid to Ease Process of Developing Transmission Projects, FERC Authorizes MISO's Proposal to Allocate Costs of Projects among States, Based on Electric Generation Capacity**

<http://www.ferc.gov/media/news-releases/2010/2010-4/12-16-10-E-1.asp>  
<http://online.wsj.com/article/BT-CO-20101216-713382.html>

**Valero Sees No Impact on Production after SRU Malfunction, Flaring at 310,000 b/d Port Arthur, Texas Refinery December 16-17**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148540>

Reuters, 09:09 December 17, 2010

**Tanker Truck Crashes into Abandoned Railroad Bed, Spilling approximately 3,000 Gallons of Gasoline in Hamilton County, Illinois December 14**

<http://www.courierpress.com/news/2010/dec/15/tanker-crash-spills-3000-gallons-gas-illinois-high/>

**Leak along Centerpoint Energy Natural Gas Pipeline Leads to Evacuations in Minneapolis, Minnesota December 15 – Leak Isolated in Less Than Two Hours**

[http://www.kare11.com/news/news\\_article.aspx?storyid=893538&catid=391](http://www.kare11.com/news/news_article.aspx?storyid=893538&catid=391)

**Update: State Finance Authority Strikes Deal to Purchase Synthetic Natural Gas for 30 Years from Indiana Gasification's Proposed Coal-to-Gas Plant in Indiana – Facility Could Enter Service as Soon as 2015**

<http://www.bloomberg.com/news/2010-12-16/state-reaches-deal-on-coal-gasification-plant.html>

## 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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