



ENERGY ASSURANCE DAILY

Friday Evening, December 18, 2009

Electricity

Storms Knock Out Power to More than 40,000 Customers in Florida December 17-18

Storms cut electricity to about 38,000 Lake Worth Utilities customers and approximately 2,700 Florida Power & Light Co. customers on December 17-18, a news source said. The companies restored service to all customers, as of latest reports.

http://www.palmbeachpost.com/weather-news/residents-lose-power-in-lake-worth-tornado-watch-130221.html?cxntcid=breaking_news

Equipment Snag Cuts Power to More than 28,700 Rocky Mountain Power Customers in Idaho December 17-18

The outage occurred due to a broken insulator and problems along a transmission line, a news source said. The company restored service to all customers in about four hours.

<http://www.localnews8.com/Global/story.asp?S=11700330>

Progress Energy's 872 MW Brunswick Nuke Unit 1 in North Carolina Reduced to 66 Percent by December 18

The company slowed the unit due to an external transmission line issue, a spokesman said. The Nuclear Regulatory Commission reported that on the morning of December 17 the unit was operating at full power.

<http://www.reuters.com/article/idUSN1823045720091218?type=marketsNews>

Information also derived from the NRC Power Reactor Status Reports:

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

Update: SCE&G's 966 MW Summer Nuke Unit in South Carolina Ramped Up to 73 Percent by December 18

Operators shut the unit due to "a failure of the steam dump system," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of December 17 the unit was not operating.

<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: AEP Restarts 1,152 MW D.C. Cook Nuke Unit 1 in Michigan by December 18—Turbine Vibrations Damaged Unit, Forced Shutdown in September 2008

American Electric Power (AEP) returned its 1,152 MW D.C. Cook nuke unit 1 in Michigan to 3 percent power by December 18, some 15 months after the unit shut due to turbine vibrations and associated damage, sources reported. The unit shut "when turbine vibrations, caused by broken low-pressure turbine blades, damaged the turbine generator, support structures and associated systems" in September 2008, AEP said in a release. The company expects to test and monitor the unit "on and off line over the next several days" and reconnect the unit "with low-pressure turbine rotors that do not include the last row of blades." It plans to operate the unit at about 70 MW below capacity until the fall of 2011, when it aims to install new equipment and resume full output.

<http://www.aep.com/newsroom/newsreleases/?id=1581>

<http://www.reuters.com/article/idUSN1821619820091218?type=marketsNews>

Information also derived from the NRC Power Reactor Status Reports:

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

LS Power Plans 345-kV, 160-mile, Illinois-to-Indiana LaSalle Transmission Project

The line would connect three existing 345-kV substations in Illinois and Indiana, LS Power said in a release. The company might construct additional substations along the route. The project is intended to spur renewable energy growth.

<http://www.lspower.com/News/newsArticle121709.htm>

Edison Plans about 5,000 MW of New Wind Power throughout United States

Edison Mission Group plans to construct about 5,000 MW of new wind power—including 390 MW in Illinois and Texas—across 16 U.S. states, according to a news source. The company's subsidiary, Southern California Edison (SCE), expects to install approximately 250 MW of solar panels throughout its service territory.

<http://www.reuters.com/article/idUSTRE5BG4JY20091217>

Update: Xcel Postpones Start-Date for 750 MW Comanche Coal-fired Unit 3 in Texas

Xcel expects to open the unit in February 2010, instead of by the end of this year, due to tubing issues in the boiler, a news source said.

<http://denver.bizjournals.com/denver/stories/2009/12/14/daily80.html?ana=yfcpc>

County Commissioners Reject RES America's Planned 100-150 MW Silver Mountain Wind Farm in Colorado by December 17

Huerfano County commissioners unanimously rejected Renewable Energy Systems Americas Inc.'s (RES America) plans, citing the project's potential scenic impact, and other factors, a news source said.

<http://www.chieftain.com/articles/2009/12/17/business/local/doc4b29b61200a3b146814422.txt>

ERCOT Sees Adequate Electric Supply in Texas through 2013, but Says Reserve Margins Could Drop Below 12.5 Percent in 2014

Companies have installed approximately 3,100 MW of new power capacity since May 2009 in Texas, and the added cushion will allow the state to reach reserve margins higher than 12.5 percent—the target minimum—through 2013, the Electric Reliability Council of Texas (ERCOT) said on December 18. The margin could drop below 12.5 percent in 2014, however, ERCOT warns, due mostly to delays in Cobisa Corp.'s proposed 1,792 MW gas-fired Greenville Power Plant. Cobisa does not expect to complete the facility by 2013, as previously-planned, it told ERCOT.

http://www.ercot.com/news/press_releases/2009/nr-12-18-09

DJN, 13:28 December 18, 2009

Reuters, 12:41 December 18, 2009

GDF Suez Opens 99 MW Caribou Wind Park in New Brunswick, Canada by December 17

<http://www.prnewswire.com/news-releases/gdf-suez-completes-new-brunswicks-largest-wind-facility-provides-new-brunswick-power-electricity-to-serve-2-percent-of-province-79536477.html>

Saskatchewan Government Rejects Nuclear Power Proposal, Citing Cost Concerns

The government of Saskatchewan, Canada, rejected proposals to build a 1,000 MW or 3,000 MW nuclear power plant in the province, citing “uncertainty around long-term costs to consumers,” it said in a release. Both Bruce Power and a government advisory panel had recommended the nuclear option. The province is forecast to demand 1,200-to-1,750 MW of new electricity by 2020, according to a news source.

<http://www.reuters.com/article/idUSN1716604720091217>

<http://www.gov.sk.ca/news?newsId=4c9d1ce3-a344-4b4e-a0f5-a1e02670cbea>

Iranian Soldiers Take Control of Iraqi Oil Well December 18

Reports from multiple sources indicate that a small number of Iranian soldiers (11 cited most often) crossed the Iraqi border into disputed territory on Friday afternoon taking control of an oil well in the Fakka oil field. Details are unclear as to whether the Iranian force remains in the field. Earlier today, some sources were unsure if the incident involved tanks or had happened two weeks earlier. Iran has denied the incursion.

<http://www.bloomberg.com/apps/news?pid=20601082&sid=aGLN5XoCnMRU>

Reuters, 13:13 December 18, 2009

<http://online.wsj.com/article/BT-CO-20091218-709108.html>

<http://www.timesonline.co.uk/tol/news/world/iraq/article6961867.ece>

<http://www.reuters.com/article/idUSTRE5BH46920091218>

<http://www.google.com/hostednews/ap/article/ALeqM5i5TtajgUpSm7KY5jf-1CJGHBB-tAD9CLSPG02>

Unit Shutdown Halves Production at LyondellBasell's 270,000 b/d Houston, Texas Refinery December 17

LyondellBasell expects to operate its 270,000 b/d Houston, Texas refinery at 50 percent capacity after an overflow line leak forced it to shut a crude distillation unit (CDU) by December 17, a company spokesman said. The company is developing a repair plan, he said. It is not clear when the facility might resume normal service. Separately at Houston, LyondellBasell made adjustments to stop a crude unit leak by December 18, it said in a filing with state regulators.

<http://www.reuters.com/article/idUSN1719160920091217?type=marketsNews>

<http://english.capital.gr/news.asp?id=875557>

Bloomberg News, 14:01 December 18, 2009

Valero to Shut SRU at 315,000 b/d Corpus Christi, Texas Refinery December 18

Valero planned to shut the sulfur recovery unit (SRU) #2 Tail Gas Unit for maintenance at its 315,000 b/d Corpus Christi, Texas refinery on December 18, the company said in a filing with state regulators. The filing did not say when the unit might return to service.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=133371>

<http://english.capital.gr/news.asp?id=875557>

Update: ConocoPhillips Resumes Normal Operations at 146,000 b/d Borger, Texas Refinery

A power outage forced offline the facility on December 9, a news source said.

Reuters, 12:35 December 18, 2009

LPG Train Cars Derail in Washington December 14

Six tanker cars carrying liquefied petroleum gas (LPG) derailed near Anacortes, Washington on December 14, but the cars did not spill any product and the affected rail line was slated to re-open on December 16.

<http://www.kapsradio.com/kaps-radio-660am-news-headlines/derailed-tanker-cars/>

Natural Gas

Anadarko Shuts 700 MMcf/d Independence Hub Natural Gas Project in Gulf of Mexico by December 17

The company shut the site for maintenance, but expected to resume normal service on Monday, December 21, a spokesman said by December 17.

http://www.rigzone.com/news/article.asp?a_id=84344

Explosions Force Offline Fairbanks Natural Gas Facility in Point MacKenzie, Alaska December 17

Fairbanks Natural Gas shut its natural gas plant in Point MacKenzie, Alaska after explosions and a subsequent fire destroyed an adjacent maintenance building on December 17, a news source said. There were no injuries, and firefighters planned to let the fire die on its own.

<http://www.google.com/hostednews/ap/article/ALeqM5i0mdpI5GuHH2t--IpqwaZy3zn8YgD9CL9SNO1>

Update: Enbridge Postpones Partly-Owned, 1.3 Bcf/d Rocky Mountain-to-U.S. Midwest “Rockies Alliance Pipeline,” Citing Drilling Cutbacks

Enbridge has put the project “on the backburner,” citing reducing natural gas drilling in the Rocky Mountain region (due to lower natural gas prices). The line—jointly proposed by Enbridge’s partly-owned Alliance Pipeline Inc. and Questar Overthrust Pipeline Company—is slated to deliver natural gas from Wyoming to the Chicago area. Enbridge expects to eventually construct the line, despite the delay.

http://www.globeinvestor.com/servlet/story/ROC.20091217.2009-12-17T224605Z_01_TRE5BG5LR_RTROPTT_0_CBUSINESS-US-ENBRIDGE/GIStory/
<http://www.alliance-pipeline.com/inside.jsp?cid1=371>

Pipeline Leak Forces Shut Shell’s 1.1 Bcf/d Soku Gas Plant in Nigeria December 15

Shell Petroleum Development Company (SPDC) shut its 1.1 Bcf/d natural gas, 36,000 b/d condensate “Soku” gas plant in Nigeria due to a leak along an associated pipeline, the company said.

<http://www.timeslive.co.za/news/africa/article237346.ece>

Other News

Update: Pacific Ethanol Receives Bankruptcy Court Approval to Restart 60 MMGal/Yr. Burley, Idaho Ethanol Plant—Company Eyes January 1 Start-Date

Pacific Ethanol expects to open the facility on January 1, 2010, and resume full production within one month to six weeks, a company official said. The company’s subsidiaries declared bankruptcy and shut the facility in May 2009.

<http://ethanol-news.newslib.com/story/6938-34270/>

USDG Opens 630,000 Gallon/Day Ethanol Handling and Distribution Terminal in California by December 15

The “West Colton Rail Terminal” can receive single rail cars up to full unit trains, and has the capacity to off-load 630,000 gallons/day of ethanol, U.S. Development Group LLC (USDG) said in a release. The company plans to construct a pipeline linking the site with an ethanol storage and gasoline facility. It also expects to complete a 100-car unit train receipt and offloading terminal in late 2010.

http://www.us-dev.com/news_121509.htm

USDG Plans Ethanol Rail Terminal in Travis County, California

The facility would be equipped to handle as many as 100, 30,000/gallon ethanol rail cars, a news source said.

<http://ethanol-news.newslib.com/story/6938-34248/>

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|--------------|-----------------|-----------------|
| December 18, 2009 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 73.98 | 69.91 | 38.89 |
| NATURAL GAS Henry Hub \$/Million Btu | 5.65 | 5.02 | 5.79 |

Source: Reuters

FERC May Force Alaska Electric Light & Power to Drain Part of Bart Lake which Powers a Hydro Facility in Alaska, as Company Works to Stop Leaks in the Dam — Hydro Plant Accounts for Approximately 20 Percent of Juneau, Alaska's Electricity Supply

http://www.juneauempire.com/stories/121709/loc_536629293.shtml

Update: SCE Receives CPUC Approval for Segments of Planned 4,500 MW Tehachapi Renewable Transmission Project in California December 17

<http://finance.yahoo.com/news/Southern-California-Edisons-bw-2502753531.html?x=0&.v=1>

Geronimo Wind Energy's Paynesville Wind LLC Plans 95 MW Wind Farm in Minnesota—Company Aims to Break Ground in 2011 and Open Project Six Months Later

<http://www.sctimes.com/article/20091218/NEWS01/112170058/1009/Wind-farm-pitched-for-Paynesville-area>

Laidlaw Berlin BioPower Plans 70 MW Biomass-fired Power Plant in New Hampshire

<http://www.benzinga.com/press-releases/b65674/laidlaw-files-for-permit-with-state-of-new-hampshire-for-70-megawatt-biomass-f>

NYISO Seeks New Control Center—Says Facility is Necessary to Ensure Reliability across New York Grid

<http://wnyt.com/article/stories/S1318490.shtml?cat=0>

DOE Begins Depleted Uranium Shipments from Savannah River, South Carolina to EnergySolutions Site in Utah by December 16

<http://www.deseretnews.com/article/705352044/Uranium-to-arrive-in-Utah-this-month-for-disposal-at-EnergySolutions-facility.html>

SDG&E Plans Microgrid Demonstration Project in California—Site would be Equipped to Operate Separate from Grid, When Necessary

<http://www.prnewswire.com/news-releases/san-diego-gas--electric-selects-lockheed-martin-to-support-beach-cities-microgrid-project-79609647.html>

Gasoline Tank Blast Injuries Two Workers in North Carolina December 15

<http://www.fayobserver.com/Articles/2009/12/17/961180>

California Gasoline Output Hits 11-Month Low, 6.39 Million Barrels, During Week Ended December 11—California Energy Commission

Bloomberg News, 09:28 December 17, 2009

Mexico Shuts Dos Bocas and Cayo Arcas Oil Ports in Gulf of Mexico on Harsh Weather—Reopens Coatzacoalcos by December 18

Reuters, 11:24 December 18, 2009

Update: After Fire Slows Output at Suncor Oil Sands Upgrader in Alberta, Canada, Traders Expect Drop in Canada-to-U.S. Midwest Oil Exports—Slowdown Could Reduce High Oil Stockpiles, Put Upward Pressure on Prices

Reuters, 17:09 December 17, 2009

Enbridge Sees Oil Pipeline Oversupply as TransCanada Plans 500,000 b/d Alberta-to-United States Keystone XL Line

<http://www.theglobeandmail.com/report-on-business/enbridge-warns-of-pipeline-overcapacity/article1404868/>

OPEC Oil Deliveries, Not Including Angola and Ecuador, Slated to Drop by 120,000 b/d in Four Weeks Ending January 2—Oil Movements

<http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=200912171145dowjonesdjonline000502&title=opec-sailings-seen120000-b/d-in-4-weeks-to-jan-2tracker>

Update: Transneft Plans December 27-29 Start-Date for Approximately 600,000 b/d First Phase of East Siberia-Pacific Ocean Oil Pipeline in Russia

<http://www.prime-tass.com/news/show.asp?topicid=0&id=470167>

China's CNPC Aims to Boost Oil-and-Gas Production to about 8 Million boe/d, from about 4 Million boe/d, within a Decade

<http://in.reuters.com/article/oilRpt/idINTOE5BH02520091218>

FERC Approves Kinder Morgan and Energy Transfer Partners' Planned 2.0 Bcf/d, 42-inch, 185-mile Fayetteville Express Natural Gas Pipeline in Arkansas December 17

<http://www.fepipeline.com/>

<http://arkansasnews.com/2009/12/17/ferc-oks-fayetteville-express-pipeline-permit/>

Update: FERC Reaffirms Support for Planned Sparrows Point LNG Facility in Maryland December 17

<http://intelligencepress.com/>

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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