



# ENERGY ASSURANCE DAILY

Thursday Evening, January 14, 2010

## Electricity

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### **FPL Suspends Activities on Multiple Energy Projects, Citing Negative Rate Decision in Florida January 13**

Florida Power and Light (FPL) suspended activities on projects representing about \$10 billion of investments over the next five years, “citing a negative decision on its rate proposal by the Florida Public Service Commission (PSC) today as further evidence of a deteriorating regulatory and business environment,” the company said in a release. Specifically, FPL said it would suspend activities on:

- The development of two new nuclear reactors at its existing Turkey Point power plant, “beyond what is required to receive a license from the Nuclear Regulatory Commission.” The NRC recently accepted the company's application to construct two 1,100 MW units at the site.
- The modernization of its oil-fired power plants in Cape Canaveral and Riviera Beach. The company had planned to replace those facilities with gas-fired units.
- The proposed Florida EnergySecure natural gas pipeline. The 300-mile, underground pipeline would have delivered natural gas to multiple FPL-owned gas-fired power plants, beginning in 2014. The Florida Public Service Commission (PSC), however, rejected FPL's proposal in October of 2009.
- Other “discretionary infrastructure projects targeting improvements in efficiency and reliability within FPL’s power generation, transmission and distribution units.”

<http://www.nrc.gov/reading-rm/doc-collections/news/2009/09-149.html>

<http://www.fpl.com/environment/lines/energysec.shtml>

<http://www.fpl.com/news/2009/10609.shtml>

<http://www.psc.state.fl.us/home/news/index.aspx?id=588>

<http://southflorida.bizjournals.com/southflorida/stories/2009/10/05/daily31.htm>

<http://www.fpl.com/news/2010/011310.shtml>

### **Update: T. Boone Pickens Drops Plans for 1,000 MW Wind Farm in Texas by January 14**

T. Boone Pickens’ Mesa Power LP canceled plans to construct the Pampa Wind Farm in north Texas, citing transmission concerns, credit issues and reduced natural gas prices, a news source said. Pickens said he would order just 333 turbines from GE—down from 667—and install the units in Canada and Minnesota, instead of Texas, a news source said. Should Texas invest in new, usable transmission lines, Pickens said he would revive the plans.

<http://www.chron.com/disp/story.mpl/business/6519601.html>

[http://online.wsj.com/article/SB10001424052748704675104575001290675508802.html?mod=WSJ\\_WSJ\\_US\\_News\\_5](http://online.wsj.com/article/SB10001424052748704675104575001290675508802.html?mod=WSJ_WSJ_US_News_5)

### **Update: Sunflower Electric Power Corp. Files Plans for 895 MW Coal-fired Power Plant in Kansas January 13**

The state rejected Sunflower's earlier proposal to construct two, 700 MW units, but the company and Kansas Governor Mark Parkinson arranged a deal in 2009 that cleared a path for the new plans, a news source said.

<http://abcnews.go.com/Business/wireStory?id=9553774>

### **CPV Renewable Energy Plans 500 MW Cimarron Wind Power Project in Kansas**

The company plans to construct the facility in phases, according to a news source. It expects to begin production in 2011.

<http://www.rechargenews.com/energy/wind/article203544.ece>

PRN, 11:00 January 14, 2010

## **Western Wind Energy Plans 215 MW Steel Park Wind and Solar Power Project in Arizona**

The company received approval from the Federal Aviation Administration (FAA) for 15 turbine locations at 399 feet/turbine, it said in a January 13 release.

[http://www.westernwindenergy.com/s/News\\_Releases.asp?ReportID=380593& Type=News-Releases& Title=Federal-Aviation-Authority-Approval-on-Steel-Park](http://www.westernwindenergy.com/s/News_Releases.asp?ReportID=380593& Type=News-Releases& Title=Federal-Aviation-Authority-Approval-on-Steel-Park)

## **SCE's Postpones Restart of 1,070 MW San Onofre Nuke Unit 2 in California by About Three Weeks, Citing Leaks and Other Problems**

Southern California Edison (SCE) shut the unit for part replacements in late September. It had expected to restart the unit soon, but postponed those plans until late January or early February, citing weld problems and pinhole leaks, a news source said.

[http://www.nctimes.com/news/local/sdcounty/article\\_8f007935-43eb-5643-87f7-dfefef9ab3ef.html](http://www.nctimes.com/news/local/sdcounty/article_8f007935-43eb-5643-87f7-dfefef9ab3ef.html)

## **Luminant to Shut 593 MW Big Brown Coal-fired Unit 2 in Texas January 13-14**

The company expected to shut the unit to fix a condenser tube leak, it said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=134402>

## **Update: PPL's 1,111 MW Susquehanna Nuke Unit 2 in Pennsylvania Ramped Up to 94 Percent by January 14**

The Nuclear Regulatory Commission reported that on the morning of January 13 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/>

## **Update: Duke Energy's 1,100 MW McGuire Nuke Unit 1 in North Carolina Ramped Up to 99 Percent by January 14**

The unit slowed to 50 percent power due to a leaking air conditioning system, a news source said. Operators began restoring the unit after about two and a half hours. The Nuclear Regulatory Commission reported that on the morning of January 13 the unit was operating at 53 percent.

<http://www.myfox8.com/news/sns-ap-nc--mcguirenuclear-power.0.5712264.story>

Information also derived from the NRC Power Reactor Status Reports:

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

## **Update: Duke Energy's 1,100 MW McGuire Nuke Unit 2 in North Carolina Ramped Up to 99 Percent by January 14**

The unit slowed to 50 percent power due to a leaking air conditioning system, a news source said. Operators began restoring the unit after about two and a half hours. The Nuclear Regulatory Commission reported that on the morning of January 13 the unit was operating at 46 percent.

<http://www.myfox8.com/news/sns-ap-nc--mcguirenuclear-power.0.5712264.story>

Information also derived from the NRC Power Reactor Status Reports:

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

## **Update: Entergy's 951 MW Indian Point Nuke Unit 2 in New York Ramped Up to 83 Percent by January 14**

The unit shut "due to a main generator electrical trip" on January 11, the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of January 13 the unit was operating at 2 percent.

<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/2010/>

## **FPL Restarts 693 MW Turkey Point Nuke Unit 4 in Florida by January 14**

Operators shut the unit due to "high steam generator level" on January 11, the company said in an earlier filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of January 13 the unit was not operating

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

Reuters, 07:33 January 14, 2010

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: Duke Energy's 510 MW Moss Landing Gas-fired Unit 1 in California Returns to Service by January 13**

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 260 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201001131515.html>

### **Update: Duke Energy's 510 MW Moss Landing Gas-fired Unit 2 in California Returns to Service by January 13**

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 102 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201001131515.html>

## ***Petroleum***

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### **FCCU Remains Reduced after Early-January Shutdown at Sunoco's 178,000 b/d Marcus Hook, Pennsylvania Refinery—USW Source**

A gasoline-making fluid catalytic cracking unit (FCCU) shut for a day or two beginning on January 2, and the unit remained at reduced rates by January 13, according to the president of a local United Steelworkers Union (USW). Operators were "still looking at some kind of mechanical operational type thing," he said. A company spokesman did not confirm the incident.

[http://yarnsandfibers.com/news/index\\_fullstory.php?id=21000&p\\_type=Ethylene#](http://yarnsandfibers.com/news/index_fullstory.php?id=21000&p_type=Ethylene#)

### **Update: Husky Energy Returns Fire-Reduced 160,000 b/d Lima, Ohio Refinery to More than 75 Percent Capacity by January 14**

The facility was operating at just over 120,000 b/d, as of January 14, a spokesman said. The refinery has been running at reduced rates since a fire in November, according to a news source.

Reuters, 12:18 January 14, 2010

### **BP, Husky Energy to Install 42,000 b/d Reformer at 155,000 Toledo, Ohio Refinery**

BP and Husky Energy plan to replace two older catalytic reformers and a hydrogen plant with a single 42,000 b/d reformer, according to a news release. The companies expect to break ground in 2010 and complete the project in 2012. The build will boost the site's gasoline production.

[http://toledobp.com/pdf/Reformer\\_3\\_news\\_rels\\_v2.pdf](http://toledobp.com/pdf/Reformer_3_news_rels_v2.pdf)

## ***Natural Gas***

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### **Update: Denali Plans April Open Season for 4 Bcf/d Alaska-to-Lower 48 Natural Gas Pipeline**

Despite the announcement, the company warned that shippers might hesitate to commit due to increased natural gas supplies in the Lower 48 states, the legal position of Point Thomson leases, "and the lack of a long term fiscal regime for North Slope gas production." The line would deliver more than 4 Bcf/d of natural gas from the North Slope of Alaska to consumers in Alaska, Canada and the Lower 48 states.

<http://www.denalipipeline.com/images/pdf/Open%20SeasonAnnoucement.pdf>

## ***Other News***

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### **Update: POET, Magellan Say 1,800-mile, South Dakota-to-New Jersey Ethanol Pipeline Could Enter Service as Soon as 2014**

The companies plan to conduct a feasibility study, according to a news release.

<http://www.poet.com/news/showRelease.asp?id=185>

## Energy Secretary Chu Announces Nearly \$80 Million Investment for Advanced Biofuels Research and Fueling Infrastructure January 13

The Department of Energy (DOE) selected two biofuels consortia to research algae-based and other advanced biofuels, DOE said in a release.

<http://www.energy.gov/news2009/8519.htm>

## Energy Prices

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U.S. Oil and Gas Prices			
January 14, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	79.55	82.67	36.23
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	5.61	6.47	5.70

Source: Reuters

## Energy Notes

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### Winds Knock Out Power to about 13,000 Portland General Electric Customers in Oregon January 13—Company Restores Service in Just Over an Hour

<http://www.statesmanjournal.com/article/20100114/NEWS/1140354/1001/news>

### Class Action Lawsuit Says “System Failure of FP&L’s Equipment” to Blame for Thousands of Power Outages during Recent Cold Weather in Florida

<http://southflorida.bizjournals.com/southflorida/stories/2010/01/11/daily27.html>

### Dominion Virginia Power Encourages Energy-Saving Measures as Cold Weather Leads to Spikes in Energy Demand January 14

<http://dom.mediaroom.com/index.php?s=43&item=830>

### Dominion Sees no Public Threat after Small Dike Leak at 1,959 MW North Anna Nuclear Power Plant in Virginia January 11

<http://fredericksburg.com/News/FLS/2010/012010/01132010/520491>

### NRC Says Babcock & Wilcox Failed to Declare Emergency Quickly after July 2009 Discharge of Small Quantity of Highly-Enriched Uranium—Incident Occurred at Company’s Lynchburg, Virginia Facility

<http://abcnews.go.com/Business/wireStory?id=9551413>

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-002.ii.html>

### U.S. Electricity Output Dropped 3.7 Percent in 2009, Year-on-Year, or Largest Annual Decline since 1938—EIA

[http://online.wsj.com/article/SB10001424052748704675104575001322373417024.html?ru=yahoo&mod=yahoo\\_hs](http://online.wsj.com/article/SB10001424052748704675104575001322373417024.html?ru=yahoo&mod=yahoo_hs)

### Update: Amid Concerns over Radioactivity, Utah Governor Orders State to Test Depleted Uranium Delivered from EnergySolutions’ Waste Site in South Carolina

[http://www.sltrib.com/news/ci\\_14175732](http://www.sltrib.com/news/ci_14175732)

**Tank Overflows on Mechanical Issue at TVA's 870 MW Bull Run Coal-fired Power Plant in Tennessee, Spilling Water into Adjacent Creek—Company Reports Separate Pipe Failure, Water Release at Same Site January 12**

<http://www.tva.gov/sites/bullrun.htm>

<http://www.tennessean.com/article/20100112/NEWS01/100112058/TVA+coal-burning+plant+glitch+causes+release++one+of+two+incidents>

**Update: Judge Says Alaska Improperly Canceled ExxonMobil's Point Thomson, North Slope Gas Leases by January 13**

<http://www.benzinga.com/node/86421>

**Sunoco Says Oil on Tank Roof to Blame for Odor near 335,000 b/d Philadelphia, Pennsylvania Refinery January 14**

<http://www.kyw1060.com/Offensive-Odor-Emanates-from-Sunoco-Refinery-in-S-/6114891>

**Compressor Trip Causes Flaring at ExxonMobil's 567,000 b/d Baytown, Texas Refinery January 12**

Bloomberg News, 20:42 January 14, 2010

**Update: Storage Tank Spilled Estimated 142,800 Gallons of Diesel Fuel on Adak Island, Alaska January 11—1,000 Gallons Entered Boat Harbor, Coast Guard Says**

<http://abcnews.go.com/Business/wireStory?id=9540123>

**Gasoline Leak Triggers Local Evacuations in Gravette, Arkansas January 12**

<http://www.kfsm.com/news/kfsm-news-nwa-gravette-gas-leak.0.1724876.story>

**Leaky Valve Causes Small Anhydrous Ammonia Leak at Oil Company Site in South Carolina January 12**

<http://www.postandcourier.com/news/2010/jan/13/small-leak-occurs-colleton-plant/>

**West Virginia County Passes Resolution Seeking Help to Stop Copper Theft by January 14**

<http://www.wvpubcast.org/newsarticle.aspx?id=12779>

**PPL Fixes Unspecified Security Issue at Susquehanna Nuclear Power Plant in Pennsylvania by January 8—NRC**

[http://www.timesleader.com/news/Nuke\\_plant\\_security\\_improves\\_01-09-2010.html](http://www.timesleader.com/news/Nuke_plant_security_improves_01-09-2010.html)

**Shaikan Block in Iraq Contains Estimated 1.9-to-7.4 Billion Barrels of Oil in Place—Independent Evaluator**

[http://www.rigzone.com/news/article.asp?a\\_id=85714](http://www.rigzone.com/news/article.asp?a_id=85714)

**East Timor to Block Woodside Petroleum's Plans to Develop 240 Million Barrels of Oil, 5.4 Tcf of Natural Gas at Greater Sunrise Field Offshore Australia**

<http://www.businessweek.com/ap/financialnews/D9D6MDB00.htm>

**Oil Tanker Hits Ice, Runs Aground Offshore China January 13**

[http://news.xinhuanet.com/english/2010-01/14/content\\_12810731.htm](http://news.xinhuanet.com/english/2010-01/14/content_12810731.htm)

**Russia's Transneft May Stop Oil Deliveries to Mozyr, Belarus Refinery as Agreement Set to Lapse Next Week**

Bloomberg News, 08:49 January 14, 2010

**Turbine Shuts Briefly at Goldsmith Gas Plant in Texas January 13**

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=134435>

## 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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