



ENERGY ASSURANCE DAILY

Friday Evening, January 21, 2011

Electricity

Duke Energy Shuts Both Units at 2,200 MW McGuire Nuclear Power Plant in North Carolina January 20-21

Technical specifications required the company to begin shutting the units on January 20, two days after "the 1B and 2B trains of Nuclear Service Water Systems were declared inoperable," the company said in a filing with the Nuclear Regulatory Commission (NRC). Specifically, Duke Energy had to shut the units "due to the lack of reasonable assurance" that the trains could operate in a seismic event. Duke said the trains had become inoperable due to "fouling... caused by fish being sucked into the RN train suction strainers." Operators were working to resolve the problem. The NRC reported that on the morning of January 20 the units were operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110121en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Reduced to 70 Percent by January 21

The Nuclear Regulatory Commission reported that on the morning of January 20 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

AES's 226 MW Huntington Beach Gas-Fired Unit 2 in California Reduced by January 20

According to the California Independent System Operator, the unit reported an unplanned curtailment of 161 MW on January 20.

<http://www.caiso.com/unitstatus/data/unitstatus201101201515.html>

Update: AEP to Open 580 MW Gas-Fired Power Plant near Dresden, Ohio in First Quarter 2012

American Electric Power (AEP) plans to accelerate the construction process at its proposed 580 MW gas-fired power plant near Dresden, Ohio and open the plant during the first quarter of 2012, the company said on January 20. AEP purchased the partly-constructed plant in 2007 from a subsidiary of Dominion.

<http://www.aep.com/newsroom/newsreleases/?id=1664>

Update: Westinghouse Electric's Nuclear Reactor Could Survive Airliner Crash: Advisory Committee on Reactor Safeguards

The panel's ruling means the Nuclear Regulatory Commission (NRC) could authorize Westinghouse's AP1000 nuclear reactor in 2011.

<http://www.miamiherald.com/2011/01/20/2025836/nrc-panel-new-reactor-can-withstand.html>

FERC-Issued Study Identifies Tools to Help Ensure Grid Reliability

The Lawrence Berkeley National Laboratory completed a study – released yesterday by the Federal Energy Regulatory Commission (FERC) – that sought to develop an objective methodology to evaluate the reliability impacts of varying resource mixes, including increased amounts of renewable resources. The study accomplished the objective, according to FERC, by developing and testing tools that could be used to assess and plan for the operational requirements of the grid. Specifically, the researchers examined the frequency response of the bulk power system. Frequency response measures how the system performs in responding to a sudden loss of generation that could cause reliability problems such as blackouts.

<http://www.ferc.gov/media/news-releases/2011/2011-1/01-20-11-A-3.asp>

Petroleum

Update: Fire Slows Tesoro's 58,000 b/d Mandan, North Dakota Refinery by Approximately 10 Percent

The fire occurred on January 19; it damaged a heater unit involved in the gasoline-production process.

<http://abcnews.go.com/Business/wireStory?id=12732424>

<http://www.reuters.com/article/idUSN1920492220110119>

<http://www.bloomberg.com/news/2011-01-19/tesoro-fights-fire-at-mandan-north-dakota-refinery-update1-.html>

Update: Three States Issue Hours-of-Service Waivers January 19-21

New Hampshire and New Mexico issued hours-of-service waivers for trucks delivering propane and home heating fuels on January 13, and Maine issued its own waiver on January 21, according to the National Propane Gas Association's website. Nine states – Connecticut, Maine, New Hampshire, New Jersey, New Mexico, New York, North Carolina, South Carolina, and Virginia – had active waivers, as of latest reports. Waivers expired in Delaware and Georgia on January 14 and January 20, respectively. Waivers also expired in Connecticut and New Jersey on January 22 and January 17, respectively; those states, however, issued new waivers.

<http://www.npga.org/i4a/pages/index.cfm?pageid=832>

Leak Leads ONGC to Briefly Halt Production at 336,000 b/d Mumbai High Oilfield Offshore India January 21

A pipeline leak led India's state-owned Oil & Natural Gas Corp. (ONGC) to halt production at its 336,000 b/d Mumbai High oilfield offshore India on January 21, but workers stopped the leak and ONGC restarted production within hours, the company said in a release. ONGC said previously that the leak – which occurred along a 212,000 b/d pipeline – could force shut production for three hours. The spill covered about one mile of water, according to ONGC. The disruption may have caused ONGC to lose 25,000 barrels of crude, it said.

<http://www.bloomberg.com/news/2011-01-21/oil-natural-gas-shuts-wells-at-india-s-biggest-oil-field-after-leakage.html>

Update: Shell Expects Platforms to Remain Offline for Weeks at Brent Oil-and-Gas Field in U.K. North Sea

Shell expects work to last "several weeks" at its Brent oil-and-gas field in the U.K. North Sea, the company said by January 21, about six days after an equipment collapse led the company to evacuate workers and shut four platforms. The field produces approximately 20,000 b/d of crude oil and 160 MMcf/d of natural gas, according to Shell. The shutdown had caused Shell to lose more than 100,000 barrels of oil production and nearly 800 MMcf of natural gas production, as of latest reports.

<http://www.upstreamonline.com/live/article242344.ece>

<http://www.bloomberg.com/news/2011-01-18/shell-shuts-brent-north-sea-platorms-after-incident-can-t-forecast-return.html>

Update: China's Sinopec Investing in Enbridge's Planned 525,000 b/d Alberta-to-British Columbia Northern Gateway Oil Pipeline

Pending regulatory approval, Enbridge aims to complete the project in 2016.

http://online.wsj.com/article/SB10001424052748704747904576094513925922294.html?mod=googlenews_wsj

Natural Gas

ONEOK Partners Plans 100 MMcf/d Natural Gas Processing Facility in North Dakota

ONEOK Partners, L.P. plans to construct a 100 MMcf/d natural gas processing facility in western Williams County, North Dakota, it said on January 20. The company expects to open the facility, or Stateline II plant, in the first half of 2013. In addition to the plant, ONEOK Partners plans to invest about \$80 million to \$110 million for expansions and upgrades to its existing gathering and compression infrastructure. It also plans to invest about \$45 million between now and the end of 2014 for new well connections associated with the Stateline II facility.

<http://ir.oneok.com/ReleaseDetail.cfm?ReleaseID=544868&ReleaseType=OKS%20Pipeline%20Projects>

Update: Apache Working to Contain Natural Gas Leak at Non-Producing Platform Offshore Louisiana January 20

Apache re-boarded its non-producing East Cameron Block 278 Platform B in the U.S. Gulf of Mexico by January 20, and the company was working to contain the natural gas leak that forced it to evacuate the site and shut associated pipelines and facilities earlier in the week, the company and the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) said in separate releases. Apache discovered the leak on January 16. It re-boarded the platform after air monitoring equipment found no traces of gas emissions on the facility. The company was, prior to the leak, using the affected platform to process natural gas and condensate from separate offshore locations. It was working to permanently plug some non-producing wells at the time of the incident. BOEMRE authorized Apache to resume plugging and abandonment operations at the platform, according to the company.

<http://www.bloomberg.com/news/2011-01-20/apache-gets-u-s-approval-for-plugging-work-in-gulf-update1-.html>
<http://investor.apachecorp.com/releasedetail.cfm?ReleaseID=544779>
http://www.rigzone.com/news/article.asp?a_id=103338
<http://www.washingtonpost.com/wp-dyn/content/article/2011/01/18/AR2011011805447.html>
http://www.offshore-mag.com/index/article-display/1337434273/articles/offshore/drilling-completion/us-gulf-of-mexico/2011/january/rov-surveys_apache.html

Other News

Update: EPA Grants E15 Fuel Waiver for Model Years 2001-2006 Cars and Light Trucks January 21

The U.S. Environmental Protection Agency (EPA) today waived a limitation on selling gasoline that contains more than 10 percent ethanol for model year 2001 through 2006 passenger vehicles, including cars, SUVs, and light pickup trucks. The waiver applies to fuel that contains up to 15 percent ethanol - known as E15. The EPA also said it would not grant a waiver in 2011 for E15 use in any motorcycles, heavy-duty vehicles, or non-road engines; the agency said current testing did not support such a waiver. On October 13, 2010, EPA approved a waiver allowing the use of E15 for model year 2007 and newer cars and light trucks.

<http://yosemite.epa.gov/opa/admpress.nsf/0/8206AB91F87CEC088525781F0059E65C>

USDA Announces \$405 Million in Loan Guarantees for U.S. Biofuels Projects January 20

The U.S. Department of Agriculture (USDA) offered conditional loan guarantees to three advanced biofuel projects in the United States, it said on January 20. Specifically, the USDA:

- Sent Coskata, Inc. a letter of intent for a \$250 million loan guarantee for the company's proposed 55 MMGal/Yr. biomass-based cellulosic ethanol plant in western Alabama;
- Selected Enerkem Corporation to receive an \$80 million loan guarantee to construct and operate a 10 MMGal/Yr. MSW-based cellulosic ethanol plant in Pontotoc, Mississippi; and
- Selected INEOS New Planet BioEnergy, LLC to receive a \$75 million loan guarantee to construct and operate an 8 MMGal/Yr. waste-based cellulosic ethanol plant in Vero Beach, Florida. That facility would also produce 6 MW of electricity.

<http://www.usda.gov/wps/portal/usda/usdahome?contentidonly=true&contentid=2011/01/0020.xml>

Coal-Carrying Train Cars Derail in Missouri January 18

Six coal-carrying train cars derailed in Sikeston, Missouri on January 18, an official with the Sikeston Department of Public Safety said. The incident forced shut a local road and a stretch of train track. The train was traveling southbound toward a local power plant.

<http://www.semissourian.com/story/1696333.html>

Aux Sable Liquid Products, U.S. CPSC Recalls Propane Gas Sold in Multiple Eastern U.S. States

Aux Sable Liquid Products and the U.S. Consumer Product Safety Commission (CPSC) announced yesterday a voluntary recall of about 700 rail cars of propane gas, saying some of the propane did not have sufficient levels of the odorant that would help alert customers to gas leaks. Aux Sable sold the product to retailers in multiple Eastern U.S. states – Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Tennessee, Vermont, and Virginia – between February 25, 2010 and September 30, 2010.

<http://www.cpsc.gov/cpsc/pub/prerel/prhtml11/11102.html>

Energy Prices

U.S. Oil and Gas Prices January 21, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	88.39	91.26	75.84
NATURAL GAS Henry Hub \$/Million Btu	4.57	4.48	5.52

Source: Reuters

Energy Notes

Equipment Problem to Blame as about 14,000 Hydro One Customers Lose Power for Several Hours in Ontario, Canada January 21

<http://www.orangeville.com/news/local/article/932254--update-faulty-pot-head-blamed-for-outage>

Update: State Drops Bid to Construct Biomass-Fired Power Plant at University of Wisconsin-Madison – State to Replace Existing Coal-Fired Boilers with Gas-Fired Plant

<http://www.jsonline.com/business/114340244.html>

PG&E Says Earthquakes Pose Less Risk to Diablo Canyon Nuclear Power Plant in California than Initially Thought – Company Cuts Original Risk Estimate by About Half

<http://www.sfgate.com/cgi-bin/article.cgi?f=%2Fn%2Fa%2F2011%2F01%2F01%2F20%2Fstate%2Fn091051S50.DTL>

Helix Energy Solutions Group Executes Agreements for its Helix Fast Response System to be Named as Spill Response Resource for U.S. Gulf of Mexico by January 20

<http://phx.corporate-ir.net/phoenix.zhtml?c=94139&p=irol-newsArticle&ID=1518412&highlight=>

ExxonMobil Sees No Impact on Production after Process Unit Leak, Hydrogen Sulfide Release at 155,800 b/d Torrance, California Refinery January 20

<http://www.bloomberg.com/news/2011-01-21/exxon-torrance-refinery-has-process-unit-leak-nrc-filing-shows.html>

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/f384593cd619ee9a8825781f00199f86?OpenDocument>

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=965299

Statoil Aims to Begin Production in Third Quarter of 2012 at Proposed Visund South Oil-and-Gas Field Offshore Norway – Site Contains Estimated 67 Million Barrels of Oil Equivalents

http://www.rigzone.com/news/article.asp?a_id=103345

Icing Cuts Pressure, Forces Central Hudson to Cut Natural Gas Service to Approximately 1,000 Customers in New York for at Least Two Days January 20

<http://online.wsj.com/article/AP052610190403446c8bfa9f2402b25745.html>

Snag Leads to Compressor Shutdowns at Andrews Booster Station in Texas January 20 – Equipment Restarted within Hours

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149612>

Operators Halt Operations at Sonora Gas Plant, Citing Venting from Relief Valve January 20 – Valve Re-Seated within 12 Hours

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149662>

AGI Compressor to Shut, Restart at Waha Gas Plant in Texas January 21

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149676>

Enterprise to Isolate Segment, Perform Repairs along 16-Inch Natural Gas Pipeline in Texas January 21

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149668>

ZEEP to Develop Newly-Acquired Coke Gasification Project in Texas – Economic Concerns Led Eastman Chemical to Abandon Project, Which Would Produce Hydrogen and Other Industrial Gases, in Late 2009

<http://www.beaumontenterprise.com/news/article/Sidelined-gasification-plant-is-back-on-the-rails-968397.php>

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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