



ENERGY ASSURANCE DAILY

Friday Evening, February 04, 2011

Electricity

Rolling Blackouts Continue in El Paso, Texas as Local Utility Purchases Electricity to Satisfy Customer Demand February 3-4

El Paso Electric conducted rolling blackouts on February 4 – the third straight day of rotating outages – as extreme weather continued to impede the company's efforts to restart its local power generators, multiple local sources reported. The company was producing just 63 MW of electricity on February 2, or about seven percent of the 925 MW that it needed to satisfy its customer demand. To make up for the shortfall, it was purchasing 630 MW of electricity from the Palo Verde nuclear power facility in Arizona and another 70-80 MW from the Four Corners area. The rolling blackouts were, during peak demand hours, curtailing electricity consumption by about 100 MW. Between 190,000 and 200,000 El Paso customers lost power on February 3.

<http://www.kvia.com/news/26743508/detail.html>

http://www.elpasotimes.com/news/ci_17288641?source=most_viewed

Update: Amid High Demand and Power Supply Issues, ERCOT Directs AEP Texas, Others to Conduct Rolling Outages in Texas February 3 – Rolling Outages End, but More than 50,000 AEP Customers Remain Without Power February 4

The Electric Reliability Council of Texas (ERCOT) directed American Electric Power (AEP) Texas, Brownsville PUB, and Magic Valley Electric Co-Op to begin rolling outages in the Rio Grande Valley of Texas late on February 3, citing the loss of electricity generation, according to multiple news and company sources. Elsewhere in the state, fewer than 20,000 customers (excluding El Paso Electric – see separate story) remained without power on February 4. More than 1 million customers were impacted by ice storms and rolling outages on February 1-3, according to previous sources. ERCOT issued the order at 10 PM on February 3; the order ended at 1 AM on February 4.

Despite that, poor weather conditions were complicating AEP Texas' efforts to restore power to affected customers. Nearly 60,000 AEP customers were without power during the late morning hours, and some 53,685 customers remained in the dark, as of latest reports. AEP was urging its customers to conserve electricity. About 100 Brownsville PUB customers were without power, as of this morning.

[https://www.aeptexas.com/outages/details.aspx?stormName=Rio Grande Valley Outages](https://www.aeptexas.com/outages/details.aspx?stormName=Rio+Grande+Valley+Outages)

<http://www.valleycentral.com/news/story.aspx?id=576581>

<http://af.reuters.com/article/energyOilNews/idAFN0413701120110204>

<http://www.valleycentral.com/news/story.aspx?id=576581>

<http://oem.cob.us/utilities/bpubannouncesrollingblackoutsforbrownsville>

<http://oem.cob.us/utilities/winterstormstatusupdate242011930am>

<http://gis.centerpointenergy.com/OutageTracker/Default.aspx>

<https://my.austinenenergy.com/outages/>

<http://www.cpsenergy.com/CPSEnergyOutageMap.html>

<https://maps.oncor.com/summary.asp>

<http://viewoutage.entergy.com/tx.aspx>

Ice, Winter Storms Knock Out Power to More than 44,000 Customers in Louisiana February 4

Winter storms and ice cut power to an estimated 44,723 customers in Louisiana on February 4, multiple news and company sources reported. Most of those customers remained without power, as of latest reports. The following table lists peak and current outage figures, based on latest available data.

Louisiana Customer Power Outages February 4, 2011			
Electric Utility	State	Peak	Latest Reported
Cleco	LA	21,800	21,657
Entergy	LA	14,423	14,423
Slemco	LA	7,500	4,014
Beauregard Electric	LA	1,000	242
TOTAL*		44,723	40,336

*Total outages only represent electric utilities listed in this table.

Sources:

Cleco: <http://www.cleco.com/omsmap/> ,

<http://www.thetowntalk.com/article/20110204/NEWS01/110204003/WEATHER-UPDATE-as-of-9-30-a-m-Power-outages-in-Rapides-Central-Louisiana>

Entergy: <http://viewoutage.entergy.com/la.aspx> ,

<http://www.theadvertiser.com/article/20110204/NEWS01/110204014/Entergy+working+to+restore+power>

Slemco: <http://www.katc.com/news/power-outages-reported-in-acadiana/> ,

<http://www.theadvertiser.com/article/20110204/NEWS01/110204013/4+000+Acadiana+Slemco+customers+without+power>

Beauregard Electric: <http://outage.beci.org/MilsoftOutageWeb/>,

<http://www.kplctv.com/Global/story.asp?S=13969479>

After Brief Shutdown, NRG to Restart 813 MW Limestone Coal-Fired Unit 1 in Texas February 3-4

NRG expected to shut the unit on February 3-4 to repair a loose control valve locking pin, it said in a filing with state regulators. The company planned to restart the unit on February 4, according to a separate filing.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=150246>

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=150247>

TMPA Reports Issues during Restart of 454 MW Gibbons Creek Coal-Fired Power Plant in Texas February 3

An explosion in a pulverizer led to a boiler trip as the Texas Municipal Power Agency (TMPA) worked to start up its 454 MW Gibbons Creek coal-fired power plant in Texas, the company said in a filing with state regulators. "The subsequent purge and re-start contributed to 3 exceedances of the 20% opacity standard," according to the filing.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=150254>

Update: Dominion Restarts 710 MW Chesapeake Coal/Oil-Fired Power Plant in Virginia by January 29

A small fire forced shut the facility on January 26.

Reuters, 10:53 February 4, 2011

Pattern Energy Plans 315 MW Ocotillo Wind Energy Facility in California

The facility is expected to enter service by the end of 2012. Its electricity would be delivered across the Sunrise Powerlink transmission line, which is also expected to open in 2012.

http://public.sempra.com/newsreleases/viewpr.cfm?PR_ID=2573&Co_Short_Nm=SDGE

Petroleum

BP Returns SRU to Service at 405,000 b/d Whiting, Indiana Refinery by February 4

The sulfur recovery unit (SRU) shut due to a leak on February 1.

Reuters, 10:36 February 4, 2011

Update: Amid Power Supply Issues, Valero to Continue Running 171,000 b/d McKee, Texas Refinery at Reduced Rates February 4

Valero expects to continue running the facility at reduced rates until “external electrical power issues are resolved,” a company spokesman said on February 4.

Reuters, 09:52 February 4, 2011

After Freeze-Induced Shutdowns, Pasadena Refining Restarting Unidentified Units at 100,000 b/d Houston, Texas Refinery February 4

Cold temperatures led to a loss of steam and forced Petrobras to shut unidentified units on February 2, the company said. It was restarting those units on February 4.

Reuters, 11:17 February 4, 2011

Two Line Leaks Lead to Emissions at ExxonMobil's 567,000 b/d Baytown, Texas Refinery by February 4

The company was working to fix the second line, according to a regulatory filing. It was not clear if the leaks had any impact on production.

<http://www.reuters.com/article/2011/02/04/refinery-operations-exxon-baytown-idUSWNAB933820110204>

Fire, Compressor Shutdown at ConocoPhillips' 362,000 b/d Wood River, Illinois Refinery February 3

It was not clear if the incidents had any impact on production.

<http://tier2.iema.state.il.us/FOIAHazmatSearch/HazmatDetails.aspx?RptNum=H-2011-0093>

Reuters, 05:47 February 4, 2011

Equipment Failure to Impact Production at ExxonMobil's 344,500 b/d Beaumont, Texas Refinery February 3

It was not clear how much of an impact the company expected, or when it planned to resume normal production.

Reuters, 15:50 February 3, 2011

Valero Reports Combustor Shutdown at 315,000 b/d Corpus Christi, Texas Refinery February 3

A Thermal Oxidizer Combustor went offline “during barge loading” at Valero’s 315,000 b/d Corpus Christi, Texas refinery on February 3, the company said in a filing with state regulators. Valero stopped loading until it could restart the affected unit. The combustor is located at the facility’s docks.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150250>

Malfunctions Lead Citgo to Adjust Rates at 163,000 b/d Corpus Christi, Texas Refinery February 3

Citgo adjusted rates at the East Plant of its 163,000 b/d Corpus Christi, Texas refinery after an apparent Unibon malfunction caused a “carryover of hydrocarbons” that “overwhelmed the amine system” and led to a sulfur recovery unit (SRU) upset, the company said in a filing with state regulators. It was not clear if the incident impacted production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150252>

<http://online.wsj.com/article/BT-CO-20110203-720406.html>

BP Postpones Portions of Modernization Project at 405,000 b/d Whiting, Indiana Refinery

BP had expected to finish the modernization project by the end of 2012, but the company said on February 1 that it did not plan to complete portions of the work until mid-2013. The project would expand the facility’s gasoline production capacity and enhance its ability to process heavier crudes. BP expects to open a revamped distillation unit in the second quarter of 2012, but does not plan to launch a new gas oil hydrotreater or a new coker until mid-2013.

http://www.nwitimes.com/business/local/article_c98c0121-0056-5c14-a8ac-4a5d97917da0.html

Update: Conservation Urged as Companies Work to Restore Natural Gas Service across U.S. Southwest February 3-4 – Thousands Remain without Service, as of Latest Reports

New Mexico Gas and Southwest Gas were working to restore natural gas service to customers in New Mexico and Arizona on February 4, multiple news and company sources reported. In addition, San Diego Gas & Electric called for temporary curtailments that were poised to impact as many as 88 commercial/industrial customers in San Diego County, California. Multiple sources blamed the problems on extreme weather: demand spiked just as cold weather forced offline a significant chunk of natural gas production (see story below) and led to power disruptions in Texas. El Paso Natural Gas, which delivers natural gas into New Mexico, Arizona, and California, declared an emergency critical operating condition on February 2, citing shortfalls in the supply of natural gas. El Paso said power disruptions had affected "production areas connected to [its] system," and that "operators and production plants are still having issues bringing facilities on line." As many as 24,000 New Mexico Gas customers lost natural gas service on February 3, but the company said on February 4 that the situation had stabilized and that it did not expect more disruptions. It was not clear how many of its customers were still without gas, as of latest reports, but the issues in New Mexico prompted the state's governor, Susana Martinez, to declare a state of emergency on February 3. At least 18,500 Southwest Gas customers lost service in Arizona on February 3, and the company was working to restore gas to some 14,000 homes, as of February 4. San Diego Gas & Electric, meanwhile, asked customers to conserve natural gas and electricity on February 3; the company said cold weather conditions in Texas and the southern Rocky Mountain natural gas producing regions had forced major natural gas pipelines, including El Paso and Transwestern pipeline, to declare emergency critical operating conditions. Separately on February 4, Kinder Morgan said cold weather had triggered the shutdown of a compressor station along its natural gas pipeline in southern Texas. The company said the shutdown had impacted approximately 50,000 MMBtu/d of service. El Paso:

<http://passportebb.elpaso.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=EPNG&status=Notice&name=Critical%20Notices&sParam1=1&sParam3=10400&sParam4=D&details=Y> ,

<http://www.reuters.com/article/2011/02/04/storm-elpaso-inventories-idUSN0419715220110204>

New Mexico Gas: https://www.nmgco.com/Emergency_Updates.aspx ,

<http://www.kob.com/article/stories/S1956231.shtml?cat=500> , http://www.daily-times.com/ci_17289369 ,

<http://finance.yahoo.com/news/Thousands-in-NM-without-apf-3608090486.html?x=0&.v=2>

Southwest Gas: <http://www.swgas.com/news/alerts.php> , <http://www.fox11az.com/news/local/First-the-cold-now-no-gas-115192474.html> , <http://www.kvoa.com/news/14-000-still-without-gas-water-service-restored-to-most/>

SDG&E: http://public.sempa.com/newsreleases/viewpr.cfm?PR_ID=2574&Co_Short_Nm=SDGE ,

<http://www.signonsandiego.com/news/2011/feb/03/time-to-save-sdge-tells-big-gas-users/>

Kinder Morgan: Reuters, 10:40 February 4, 2011

Cold Weather to Blame as Natural Gas Production Slides across Rockies and Western United States: Bentek Energy

U.S. marketed natural gas production slid by 5.1 Bcf over the four days to February 3, from between 62.6 and 62.7 Bcf/d on January 31 to 57.6 Bcf/d on February 3, Bentek Energy reported. The western United States and the Rockies regions accounted for about 1.2 Bcf/d of the decline.

http://www.rigzone.com/news/article.asp?a_id=103828

Cold Weather Leads to Record Natural Gas Demand across Con Edison's Service Territory in New York January 2011

Con Edison delivered 25.14 million dekatherms of natural gas to its customers in January 2011, breaking the company's old record of 23.86 million dekatherms set in January 2009.

<http://www.coned.com/newsroom/news/pr20110203.asp>

Rupture along 16-Inch Missouri Gas Energy-Operated Natural Gas Pipeline in Kansas City, Missouri Prompts Local Evacuations February 2

The rupture did not cause an explosion or fire. The company hoped to complete repairs by the end of the day on February 2.

<http://www.kansascity.com/2011/02/02/2628993/gas-line-rupture-tears-big-hole.html>

Update: KiOR to Produce 250 Million Gallons of Cellulosic Biofuel at Facilities in Mississippi, Georgia, and Texas

KiOR, Inc. plans to convert wood biomass into approximately 250 million gallons of cellulosic biofuel, combined, at four biorefineries: two in Mississippi, one in Georgia, and another in Texas. KiOR received a term sheet from the U.S. Department of Energy (DOE) for a loan guarantee supporting the more than \$1 billion project, the company announced on February 3.

<http://www.kior.com/content/article.php?Atricle=2&s=2&s2=35&p=35&t=News-and-Events>

After Expiration of Federal Subsidy, U.S. Biodiesel Production Slid by 20 Percent in 2010 – Companies Operated Facilities at 20-25 Percent Capacity

The expiration of a federal tax subsidy led multiple U.S. biodiesel producers to shut facilities or reduce output in 2010, but a usage mandate and a newly-passed tax credit have prompted companies to begin ramping up operations, according to Reuters and an industry official. U.S. biodiesel production slid by 20 percent in 2010 compared to the previous year, and by 50 percent compared to 2008, Reuters said. Companies that continued to produce in 2010 typically operated their facilities at approximately 20-25 percent of capacity, according to an official with the Renewable Energy Group.

<http://www.reuters.com/article/2011/02/04/us-usa-bi0diesel-idUSTRE7130H920110204>

Energy Prices

U.S. Oil and Gas Prices			
February 4, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	87.71	87.96	73.05
NATURAL GAS Henry Hub \$/Million Btu	4.69	4.41	5.51

Source: Reuters

Energy Notes

Update: After February 1-3 Storms, 8,106 AEP Ohio Customers and 7,071 Dayton Power & Light Customers in Ohio Remain without Power February 4

<https://www.aepohio.com/outages/>

<http://www.dpandl.com/customer-service/outage-center/outage-map/>

Update: Judge Says State Regulators Incorrectly Rejected Wolverine Power's Bid to Construct 600 MW Coal-Fired Power Plant in Rogers City, Michigan

<http://ipr.interlochen.org/ipr-news-features/episode/11956>

Equipment Failure Knocks Out Power Briefly to More than 15,000 Guelph Hydro Customers in Ontario, Canada February 3

http://www.hydroworld.com/index/display/news_display.1353086584.html

Underground Transformer Fire Prompts Local Evacuations in Princeton, New Jersey February 2

<http://www.trentonian.com/articles/2011/02/02/news/doc4d49ccda3dc57784935005.txt?viewmode=fullstory>

Update: Shell Cancels Plans to Drill First Exploratory Well in Beaufort Sea, Offshore Alaska during 2011, 10-year Lease for Area Expires 2015

<http://www.businessweek.com/ap/financialnews/D9L5GBF80.htm>

Winds, Waves Lead Pemex to Shut Coatzacoalcas, Dos Bocas, and Cayo Arcas Oil Export Terminals in Gulf of Mexico February 2-3

<http://www.bloomberg.com/news/2011-02-03/pemex-closes-third-oil-export-port-in-gulf-of-mexico-update1-.html>

Piston Rod Failure Leads to Flaring at Big Lake Gas Plant in Texas February 3-4

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=150253>

Compressors Shut, Restart at DUCRP Compression Station 2 in Texas February 3

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=150256>

Cold Weather, Minimal Plant Volumes Cause Acid Gas Compressor to Shut at Waha Gas Plant in Texas February 3

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=150251>

Update: Sempra's SoCal Gas, SDG&E to Review Records, Pressure Tolerances for Natural Gas Pipelines in California – Federal Highway Transportation Safety Board Recommended Reviews after its Investigation of Fatal September Explosion along PG&E Pipeline in San Bruno, California

http://www.downstreamtoday.com/news/article.aspx?a_id=25547

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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