



# ENERGY ASSURANCE DAILY

Thursday Evening, February 17, 2011

## ***Electricity***

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### **Update: Dynegy Restarts Two Units at El Segundo Gas-Fired Power Plant in California by February 16**

According to the California Independent System Operator, the 335 MW Unit 3 and the 335 MW Unit 4 reported returns from unplanned outages.

<http://www.caiso.com/unitstatus/data/unitstatus201102161515.html>

### **AES's 179 MW Redondo Gas-Fired Unit 5 in California Shut by February 16**

According to the California Independent System Operator, the unit reported an unplanned outage on February 16.

<http://www.caiso.com/unitstatus/data/unitstatus201102161515.html>

### **Indiana-Michigan Power's 1,000 MW D.C. Cook Nuclear Unit 1 in Michigan Reduced to 65 Percent by February 17**

The Nuclear Regulatory Commission reported that on the morning of February 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/2011/>

### **Progress Energy's 900 MW Harris Nuclear Unit 1 in North Carolina Reduced to 63 Percent by February 17**

The Nuclear Regulatory Commission reported that on the morning of February 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/2011/>

### **DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Ramped Up to 96 Percent by February 17**

DTE shut the unit for repairs by January 29, according to the Nuclear Regulatory Commission (NRC) and a local news source. The NRC reported that on the morning of February 16 the unit was operating at 57 percent.

<http://www.monroenews.com/apps/pbcs.dll/article?AID=/20110211/NEWS01/702119977>

Information also derived from the NRC Power Reactor Status Reports:

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

### **SCE's 1,080 MW San Onofre Nuclear Unit 3 in California Ramped Up to 15 Percent by February 17**

The company shut the unit four months ago to replace two generators and conduct maintenance and refueling, a plant official said. The Nuclear Regulatory Commission reported that on the morning of February 16 the unit was not operating.

<http://www.ocregister.com/news/san-288521-unit-steam.html>

Information also derived from the NRC Power Reactor Status Reports:

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

### **Luminant's 593 MW Big Brown Coal-Fired Unit 2 in Texas Shuts February 16**

The unit shut "due to back pressure caused by a loss of vacuum in the condenser," the company said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150812>

## **Update: Dominion Seeks Authorization to Mothball 745 MW Coal/Oil-Fired Salem Harbor Power Station in Massachusetts by June 2014**

Dominion Resources asked ISO New England for authorization to permanently shut the facility by June 2014, the company said on February 16. The 60-year-old plant includes three coal-fired units – the 82 MW Unit 1, the 80 MW Unit 2, and the 150 MW Unit 3 – and a 433 MW oil-fired Unit 4, according to the company's website.

<http://finance.yahoo.com/news/Dominion-asks-to-close-Mass-apf-1796729519.html?x=0&.v=1>

<http://www.dom.com/about/stations/fossil/salem-harbor-power-station.jsp>

## ***Petroleum***

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### **Update: Secretary Chu Cites Cavern “Integrity Issues” in Plan to Sell \$500 Million of Crude Oil from U.S. Strategic Petroleum Reserve**

The Obama administration proposed to sell \$500 million worth of crude oil from the Strategic Petroleum Reserve (SPR) because one of the reserve's caverns – Bayou Choctaw Cavern 20 in Louisiana – “has some integrity issues,” Energy Secretary Steven Chu said on February 16. The government has already moved crude from the cavern to other locations, but officials are “concerned with overfilling these storage locations,” according to Chu. The cavern was designed to hold 7.5 million barrels of crude, but now – due to the risk of a breach – can safely store just 3.2 million barrels, government geologists say. To compensate for the lost capacity, the government has been preparing to buy an existing 10-million barrel storage cavern in Louisiana.

<http://www.houmatoday.com/article/20110216/WIRE/110219557/1211/news01?Title=U-S-wants-to-sell-oil-stored-in-faltering-La-cavern->

### **Update: BP's Failure to Consult On-Site Engineer about Pressure Tests Might Have Contributed to Deepwater Horizon Disaster: Spill Commission**

BP failed to consult an on-site company engineer about the unpredicted results of a pressure test ahead of the fatal April explosion on the Deepwater Horizon rig in the U.S. Gulf of Mexico, and the crew's misunderstanding of those results contributed to the blast, the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling said on February 17. “If anyone had consulted him or any other shore-based engineer, the blowout might never have happened,” according to the commission.

<http://www.oilspillcommission.gov/sites/default/files/documents/ChiefCounselsReportReleased.pdf>

<http://www.reuters.com/article/2011/02/17/us-oil-spill-causes-idUSTRE71G5NN20110217?feedType=RSS&feedName=topNews>

### **Update: Hovensa to Start up Unit in Place of Fire-Downed DDU at 500,000 b/d St. Croix, U.S. Virgin Islands Refinery**

Hovensa's 500,000 b/d St. Croix, U.S. Virgin Islands refinery was operating at reduced rates on February 17, the company said, six days after a fire damaged and forced shut the facility's Distillate Desulfurization Unit (DDU). The company was starting up a unit that it said would operate in place of the DDU.

Reuters, 06:00 February 17, 2011

### **FCC Shuts, Restarts at BP's 405,000 b/d Whiting, Indiana Refinery February 15-16**

The gasoline-producing fluid catalytic cracking unit (FCC) shut for unplanned reasons on February 15, but the company restarted the unit on February 16, according to sources familiar with the facility's operations.

Reuters, 11:11 February 17, 2011

### **ConocoPhillips to Shut Unit at 247,000 b/d Sweeny, Texas Refinery February 17-19**

ConocoPhillips expects to shut Unit 27.1 to inspect and possibly fix a stand pipe, the company said in a filing with state regulators. It was not clear if the shutdown would have any impact on production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150272>

### **After Weather-Induced Power Failure, Tesoro Restarting Units at 58,000 b/d Salt Lake City, Utah Refinery February 16**

High winds led to a power outage that forced offline processing units on February 16, a Tesoro spokesman said. Power was restored within hours and the company began restarting the units.

DJN, 13:30 February 17, 2011

## **Update: ExxonMobil, Other Oil Majors Complete Initial Well Containment Response System for Deepwater Gulf of Mexico by February 17**

The Marine Well Containment Company completed an initial well containment response system that would provide response capabilities in the event of an underwater control incident in the deepwater Gulf of Mexico, it said on February 17. The system includes a subsea capping stack, subsea dispersant injection equipment, manifolds, and, through mutual aid among members, capture vessels to provide surface processing and storage. It can operate in water depths up to 8,000 feet and has storage and processing capacity for up to 60,000 b/d of liquids. The company, an ExxonMobil-led effort with Chevron, ConocoPhillips, and Shell, expects to complete the expanded system in 2012.

[http://marinewellcontainment.com/pdfs/USA-MWCC\\_Interim\\_System\\_PR\\_MA\\_021711.pdf](http://marinewellcontainment.com/pdfs/USA-MWCC_Interim_System_PR_MA_021711.pdf)

## **Cyclone Dianne Leads Woodside to Shut 100,000 b/d Enfield Oil Project Offshore Australia by February 17**

The field is connected to a floating production storage and offloading vessel (FPSO) that can produce about 100,000 b/d of oil, according to the company's website.

<http://online.wsj.com/article/BT-CO-20110216-718676.html>

<http://www.woodside.com.au/Our+Business/Australia/Enfield+Western+Australia.htm>

## **Natural Gas**

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### **Penn Virginia Resources Launches First Section of 850 MMcf/d, 30-Inch Lycoming Natural Gas Pipeline System in Pennsylvania by February 16**

The pipeline connects producers in the Marcellus Shale to the Transco interstate pipeline system.

<http://phx.corporate-ir.net/phoenix.zhtml?c=130989&p=irol-newsArticle&ID=1529841&highlight=>

## **Other News**

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### **JH Kelly Holdings to Reopen 108 MMGal/Yr. Corn-Based Ethanol Plant in Clatskanie, Oregon – Previous Owner Shut Facility in 2008**

Cascade Grain Products constructed the plant and operated it for approximately six months in 2008. The company declared bankruptcy in 2009 and JH Kelly later purchased the plant. JH Kelly expects to be ready to restart the plant by late spring or early summer 2011, according to an official working with the company.

<http://www.ethanolproducer.com/articles/7516/oregon-ethanol-plant-prepares-to-restart-idled-2-years>

### **Scoular Company to Restart Newly-Purchased 55 MMGal/Yr. Ethanol Plant in Pratt, Kansas**

Scoular aims to renovate the plant and resume operations in the late third or early fourth quarter of 2011, it said on February 16. The company purchased the plant from Gateway Plant LLC.

<http://www.scoular.com/news/ScoularPurchasesEthanolPlant.asp>

## **Energy Prices**

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| <b>U.S. Oil and Gas Prices</b><br>February 17, 2011                  |              |                 |                 |
|--|--------------|-----------------|-----------------|
|  | <b>Today</b> | <b>Week Ago</b> | <b>Year Ago</b> |
| <b>CRUDE OIL</b><br><b>West Texas Intermediate U.S.</b><br>\$/Barrel | 84.95        | 85.70           | 77.21           |
| <b>NATURAL GAS</b><br><b>Henry Hub</b><br>\$/Million Btu             | 3.90         | 4.22            | 5.47            |

Source: Reuters

## **Energy Notes**

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**Winds and Snow Knock Out Power to about 21,000 Rocky Mountain Power Customers in Utah and Idaho February 16 – Company Restores Electricity to All but 100 Customers, by 1:00 PM**

<http://www.deseretnews.com/article/705366836/Wild-northern-Utah-winds-usher-in-storm.html>

<http://www.sltrib.com/sltrib/home/51262678-76/lake-salt-thursday-morning.html.csp>

<http://www.sltrib.com/sltrib/home/51262678-76/lake-salt-thursday-power.html.csp>

**RES Americas, Flat Water Wind Farm, LLC Complete 60 MW Flat Farm Wind Farm in Nebraska by February 17**

<http://www.prnewswire.com/news-releases/gestamp-renewables-and-res-americas-announce-completion-of-flat-water-wind-farm-116390314.html>

**GE Hitachi Nuclear Energy Warns of "Substantial Safety Hazard" with Control Rods that Companies Installed at More than 24 U.S. Nuclear Power Plants – Company Recommends Operators Replace Equipment More Often than Previously Recommended**

<http://www.wctrib.com/event/apArticle/id/D9LE5TS00/>

**Mylar Balloons Knock Electrical Wires onto Gas Meter, Causing Explosion, Fire, and Gas Leak in California February 15**

[http://www.dailybulletin.com/ci\\_17406202](http://www.dailybulletin.com/ci_17406202)

**Rupture along 6-Inch Natural Gas Pipeline Leads to Road Closure in Maryland February 16 – BGE, Subcontractor Utilquest Work to Return Natural Gas Service to Approximately 200 Customers**

<http://www.fredericknewspost.com/sections/news/display.htm?StoryID=116863>

**Tritium Levels on the Decline in Wells at Entergy's 688 MW Pilgrim Nuclear Power Plant in Massachusetts January 2011 – Company Still Working to Identify Cause**

<http://www.patriotledger.com/news/x1463449776/Tritium-levels-plunge-at-the-Pilgrim-nuclear-power-plant-in-Plymouth>

[http://www.entergy.com/content/investor\\_relations/pdfs/2009\\_Investor\\_Guide.pdf](http://www.entergy.com/content/investor_relations/pdfs/2009_Investor_Guide.pdf)

**Entergy Investigating Possible New Tritium Leak at 653 MW Vermont Yankee Nuclear Power Plant in Vermont – Tritium Levels Remain Well Below Federal Drinking Water Limits**

[http://www.reformer.com/localnews/ci\\_17397982](http://www.reformer.com/localnews/ci_17397982)

**Tanker Overtums, Spills at Least 4,000 Gallons of Crude Oil in Oscoda County, Michigan February 16**

<http://www.9and10news.com/Category/Story/?id=281984&cID=1>

**Flint Hills Reports Leak during Planned Unit Shutdown at Flint Hills Resources' 305,000 b/d Corpus Christi, Texas Refinery February 16**

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=150848>

**Failure Forces Shut Compressor System, Leads Operators to Curtail Gas Flow at Aker Gas Plant in Texas February 16**

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=150843>

**ADM Plans to Store 2.5 Million Tons of CO2 over Two-and-a-Half-Year Stretch at Ethanol Plant in Decatur, Illinois – Company to Open Project in mid-2013**

[http://www.herald-review.com/news/local/article\\_f6e5ca4f-20f2-594c-b214-a72e73210d1d.html](http://www.herald-review.com/news/local/article_f6e5ca4f-20f2-594c-b214-a72e73210d1d.html)

**Citing Hiring Issues, Reorganization Plans, Other Concerns, GAO Adds Department of Interior to “High-Risk” List of Federal Programs**

<http://www.gao.gov/docsearch/featured/highrisk.html>

<http://www.nytimes.com/gwire/2011/02/16/16greenwire-poor-management-of-oil-and-gas-puts-interior-o-54195.html>

**China to Establish Annual Quotas for Production/Exports of Rare Earths**

<http://www.washingtonpost.com/wp-dyn/content/article/2011/02/16/AR2011021601644.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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