



# ENERGY ASSURANCE DAILY

Friday Evening, February 29, 2008

## ***Electricity***

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### **Human Error Found as Cause of February 26 Power Outages in Florida –FPL**

Florida Power and Light said on February 28 that a field engineer disabled two levels of relay protection in order to assess a switch malfunction at the Flagami substation. The outages totaled 900,000 customers including 545,000 FPL, 150,000 Progress Energy, and 59,000 Tampa Electric customers. The event began after a substation disconnect failed causing 26 transmission lines to shut, and tripping 4,000 MW of generating capacity. The Florida Reliability Coordinating Council announced that it would lead a team to investigate the widespread outage event.  
<http://www.platts.com/Electric%20Power/News/6791371.xml?p=Electric%20Power/News&sub=Electric%20Power>  
<http://money.cnn.com/news/newsfeeds/articles/newstex/AFX-0013-23406132.htm>

### **Power Failure Causes Water Pumping Stations to Lose Power in Fort Worth, Texas**

A squirrel caused two transformers to trip at a substation knocking out power to thousands of Oncor customers as well as two water pump stations. The disruption of the water system led local officials to advise residents to boil water in case the water had become contaminated.

[http://www.star-telegram.com/metro\\_news/story/503675.html](http://www.star-telegram.com/metro_news/story/503675.html)

### **FERC and NRC Commissioners to Discuss Grid Reliability April 8**

Commissioners and staff from Federal Energy Regulatory Commission and the Nuclear Regulatory Commission are to meet in Washington, D.C. on April 8 to discuss reliability in the bulk power system. The two agencies will discuss the status of new reactors, reliability standards, cyber security, and greater FERC/NRC collaboration.  
[http://elibrary.ferc.gov/idmws/file\\_list.asp?accession\\_num=20080229-3012](http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20080229-3012)

### **Entergy's 1,207 MW Grand Gulf Nuke Unit 1 in Mississippi Ramped Up to 93 Percent by February 29**

The Nuclear Regulatory Commission reported that on the morning of February 28 the unit was operating at 35 percent. The unit was shut February 23 in order to fix a feedwater heater.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>  
Reuters, 7:14 February 29, 2008

### **Exelon's 1,111 MW La Salle Nuke Unit 1 in Illinois Ramped Up to 16 Percent by February 29**

The Nuclear Regulatory Commission reported that on the morning of February 28 the unit was operating at 1 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

### **Calpine's 751 MW Pastoria Gas-fired Unit in California Returns to Service February 28**

According to the California Independent System Operator, the unit returned to service following an unplanned curtailment of 261 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200802281515.html>

### **Luminant Expects 545 MW Sandow Coal-fired Unit 4 in Texas to Restart Soon**

A company spokesperson expected the unit to return to service over the next couple of days. The unit was shut after a boiler tripped. The unit was already operating at a reduced load in order to repair a boiler tube leak, when the outage occurred.

Reuters, 12:05 February 29, 2008

## **Update: BP Alternative Energy to Break Ground at 150 MW Sherbino Wind Farm in Texas February 28**

Phase One of the project is to have an operating capacity of 150 MW and is expected to go on line in the second half of 2008. The project has an overall potential capacity of 750 MW.

<http://biz.yahoo.com/prnews/080228/nyth077.html?v=101>

[http://www.bp.com/liveassets/bp\\_internet/globalbp/STAGING/global\\_assets/downloads/H/horizon\\_magazine\\_issue\\_1\\_february\\_2008\\_text\\_only.pdf](http://www.bp.com/liveassets/bp_internet/globalbp/STAGING/global_assets/downloads/H/horizon_magazine_issue_1_february_2008_text_only.pdf)

## **BP and Dominion Expect to Build 750 MW Fowler Ridge Wind Farm in Indiana**

The joint venture plans to construct the wind farm in two phases. The first phase will construct 400 MW of power generation and is anticipated to be operating by the end of the year. Construction is to begin on phase two as soon as 2009.

<http://biz.yahoo.com/prnews/080228/nyth077.html?v=101>

## **OPG's 490 MW Nanticoke 8 Coal-fired Unit in Ontario Shut February 29**

A company spokesperson said the unit was shut for short work.

Reuters, 12:06 February 29, 2008

Reuters, 8:14 February 29, 2008

## **Calpine's 250 MW Calgary Gas-fired Unit in Alberta Shut February 27**

Reuters, 19:33 February 28, 2008

## ***Petroleum***

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### **400,000 b/d Pipeline Shut in Ecuador, Oil Prices Over \$103 a Barrel**

A landslide caused the 400,000 b/d SOTE pipeline to be shut leading Petroecuador to declare force majeure. The event caused oil prices to surge to new highs over \$103 per barrel. Petroecuador expected repairs to take two to three days and have identified an alternative pipeline to ship crude. The Ecuadorean mining and oil minister said that oil exports would not be affected by the event.

[http://www.rigzone.com/news/article.asp?a\\_id=57606](http://www.rigzone.com/news/article.asp?a_id=57606)

[http://www.reuters.com/article/reutersComService\\_3\\_MOLT/idUSN2862778620080229](http://www.reuters.com/article/reutersComService_3_MOLT/idUSN2862778620080229)

<http://uk.reuters.com/article/oilRpt/idUKN2915702120080229>

### **FCC Shut at Valero's 144,000 b/d Benicia, California Refinery February 28**

The 72,000 b/d unit was reportedly shut for unplanned repairs. The unit was expected to return to service within a week.

Reuters, 15:50 February 28, 2008

EIA data for capacity of the refinery

### **Pasadena Refining's 106,500 b/d Pasadena, Texas Refinery Restart to Take "Several Days"**

The company expected the refinery to take several days to restart after suffering a complete power failure on February 27.

Bloomberg News, 10:56 February 29, 2008

### **BP to Restart 230,000 b/d Crude Unit Next Week at 437,000 b/d Texas City, Texas Refinery**

According to the company's chief executive of refining and marketing, the unit is to begin restarting next week in line with company estimates to attain 400,000 b/d by the first quarter of 2008. The refinery has been incrementally restarting units since an explosion in March 2005 and a complete shut down due to Hurricane Rita in September 2005.

[http://www.downstreamtoday.com/News/Articles/200802/BP\\_Pre pares\\_To\\_Begin\\_CDU\\_Restart\\_at\\_Texa\\_9018.aspx](http://www.downstreamtoday.com/News/Articles/200802/BP_Pre pares_To_Begin_CDU_Restart_at_Texa_9018.aspx)

### **EOG Resources Expects Shale to Oil Production Operation in Texas to Begin by 2009**

The company expects to begin production of the 225-460 million barrels of oil equivalent reserves of Barnett Shale.

<http://www.platts.com/Oil/News/6790976.xml?p=Oil/News&sub=Oil>

## **Update: Valero Approves 95,000 b/d Expansion of 325,000 b/d Port Arthur, Texas Refinery**

Valero's board of directors approved various expansions and upgrades at the facility including construction of a 50,000 b/d hydrocracking unit and a 45,000 b/d coker. The \$2.4 billion expansion is expected to bring total output of the facility up to 420,000 b/d. The upgrades will allow the refinery to refine heavier and more sour feedstocks. The expansions are expected to be completed by the second quarter of 2011.

[http://www.downstreamtoday.com/News/Articles/200802/Valero\\_Moving\\_Ahead\\_with\\_B\\_Expansion\\_9023.aspx](http://www.downstreamtoday.com/News/Articles/200802/Valero_Moving_Ahead_with_B_Expansion_9023.aspx)

## **Canada Concerned that 2007 U.S. Energy Bill Could Bar Oil Sands Derived Fuel**

The Canadian government shared concerns with the U.S. government regarding an expansive interpretation of the Energy Independence and Security Act of 2007 passed last December. Canadian officials are worried about section 526 of the energy bill which bars U.S. government contracts for alternative fuels whose greenhouse gas emissions exceed conventional fuels. The Canadian government urged that the U.S. not use an "expansive interpretation" of section 526, so as not to exclude oil derived from Canada's oil sands.

[http://www.rigzone.com/news/article.asp?a\\_id=57591](http://www.rigzone.com/news/article.asp?a_id=57591)

## **180,000 b/d Usan Field in Nigeria Expected to Come On Stream in 2012**

Total announced that its operations in Nigeria had received approval to develop the 500 million barrel offshore oil field. The field is expected to be in production by early 2012.

[http://www.rigzone.com/news/article.asp?a\\_id=57520](http://www.rigzone.com/news/article.asp?a_id=57520)

## **Natural Gas**

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### **EOG Discovers Potential 6 Tcf of Natural Gas Reserves in British Columbia**

The company could have discovered a reserve as large as 6 Tcf, which would be among the largest natural gas finds in Canada. Recent flow rates that have amounted to between 3.5-5 MMcf/d are expected to double.

Reuters, 18:36 February 28, 2008

## **Other News**

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### **Attempted Copper Theft Knocks Out Power to 7,000 Austin Energy Customers in Texas**

A man allegedly attempting to steal copper wire from a substation was struck with 80,000 volts of electricity causing 7,000 customers to lose power for about two hours. The perpetrator suffered serious injuries, but remained alive.

[http://www.woai.com/news/local/story.aspx?content\\_id=fb1eab60-cd4b-4379-8f9d-9474d96a5e4b&rss=68](http://www.woai.com/news/local/story.aspx?content_id=fb1eab60-cd4b-4379-8f9d-9474d96a5e4b&rss=68)

### **Levelland Hockley County Ethanol's 40 Million Gallon per Year Ethanol Plant in Texas to Begin Production by March 13**

Bloomberg News, February 28, 2008

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b>			
February 29, 2008			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	102.08	98.83	61.68
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	9.11	8.90	7.23
\$/Million Btu			

Source: Reuters

## Energy Notes

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### Gas Explosion Injures Six in Waukegan, Illinois February 28

Reuters, 15:07 February 28, 2008

### Two Kidnapped Oil Workers Escape Captors in Nigeria February 28

[http://www.rigzone.com/news/article.asp?a\\_id=57602](http://www.rigzone.com/news/article.asp?a_id=57602)

### Update: California Public Utilities Commission Approves Second Phase Expansion of Lodi Gas Storage's Kirby Hills Unit

<http://intelligencepress.com/>

### Small Fire at 200,000 b/d Shuaiba, Kuwait Refinery February 29, No Production Affected

Reuters, 11:16 February 29, 2008

### Update: Mexico Reopens Salina Cruz Pacific Crude Export Port after Being Shutdown for Two Days Due to Inclement Weather

Reuters, 11:28 February 29, 2008

### Turkey Withdraws Troops from Iraq, Record High Oil Prices Ease

<http://www.guardian.co.uk/feedarticle?id=7347855>

### Extensive Damage at Orion Ethanol's 150,000 Gallon per Day Ethanol Plant in Kansas When Lines Froze Following December Power Outage

<http://www.hutchnews.com/Todaystop/ethanol2008-02-28T22-21-57>

## 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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*Energy Assurance Daily* provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)