



ENERGY ASSURANCE DAILY

Wednesday Evening, March 16, 2011

Electricity

Update: FPL's 693 MW Turkey Point Nuclear Unit 3 in Florida at Full Power by March 16

FPL shut the unit by March 7 after "secondary sodium concentrations" exceeded "chemistry limits," the company said previously in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of March 15 the unit was operating at 60 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110307en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Entergy's 730 MW Palisades Nuclear Unit in Michigan Reduced to 52 Percent by March 16

The Nuclear Regulatory Commission reported that on the morning of March 15 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/>

Georgia Power Seeks to Decertify 569 MW of Coal-Fired Power Capacity in Georgia

Georgia Power plans to decertify two coal-fired power units – the 250 MW Unit 1 and the 319 MW Unit 2 at Plant Branch in Putnam County, Georgia – the company said on March 16, citing costs related to existing and expected environmental regulations. The company expects to request approval from the state's Public Service Commission (PSC) to decertify the units. It aims to decertify Unit 1 on December 13, 2013 and Unit 2 on October 1, 2013. The commission is expected to vote on the decertification request in spring 2012.

<http://southerncompany.mediaroom.com/index.php?s=43&item=2274>

<http://www.georgiapower.com/about/pdf/Plant%20Branch%20Brochure.pdf>

Xcel Energy Plans to Retire 253 MW of Coal-Fired Capacity and Replace it with about 700 MW of Gas-Fired Capacity at Black Dog Power Plant in Minnesota

Xcel Energy plans to retire Units 3 and 4 at its Black Dog power plant in Burnsville, Minnesota and replace the units with about 700 MW of natural gas-fired generation, the company said on March 15. The project would include a higher-capacity natural gas line, a new substation, and a connection to the on-site 345 kV transmission lines.

Pending approval, the company could begin site preparation, break ground in 2013, and open the new gas-powered facility in 2016.

<http://www.xcelenergy.com/Minnesota/Company/Newsroom/Pages/2011-03-15-BlackDogplant.aspx>

Update: EPA Proposes First National Standard for Mercury, Arsenic, Other Toxic Air Pollution from Power Plants March 16

The U.S. Environmental Protection Agency (EPA) today proposed the first-ever national standards for mercury, arsenic, and certain other toxic air pollution from power plants. The new standards would require many power plants to install pollution control technologies. The proposed rule would provide up to four years for facilities to meet the standards and, once fully implemented, would prevent 91 percent of mercury in coal from being released into the air. EPA's announcement came 11 years after the agency said it would set such limits for power plants, and about three years after a court decision struck down the previous administration's mercury rule. In October 2009, EPA entered into a consent decree that required a proposal to be signed by March 16, 2011, and a final rule to be completed by November 2011.

<http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceac8525735900400c27/55615df6595fbfa3852578550050942f!OpenDocument>

PSE&G to Upgrade Transmission Lines and Substations in New Jersey

Public Service Electric and Gas Company (PSE&G) plans to upgrade transmission lines and substations in the northern and central regions of New Jersey, the company said on March 15. PSE&G expects to upgrade existing transmission lines and stations along a right-of-way in Essex and Middlesex Counties, and install 230 kV transmission lines in place of 35 miles of existing 138 kV lines. The company plans to seek state approval for the project – dubbed the North Central Reliability Project – in May of 2011. Pending that approval, the company could begin work in early 2012 and open the project in June 2014.

<http://www.pseg.com/info/media/newsreleases/2011/2011-03-15.jsp>

Potential Problems Delay Progress Energy's Plans to Restart 838 MW Crystal River Nuclear Power Plant in Florida – Plant Has Been Offline Since September 2009

Progress Energy Florida postponed its plans to restart the unit in April 2011, the company said on March 15, citing potential issues with the site's damaged containment building. The company shut the facility for refueling and maintenance in September 2009. Shortly thereafter, it discovered damage – separation of a portion of the concrete at the periphery of the containment building – that led it to extend the shutdown. The company had planned to restart the plant in April 2011, but it postponed those plans by March 15 after on-site monitoring equipment indicated that the repair work had led to additional delamination (or separation).

<http://www.progress-energy.com/aboutus/news/article.asp?id=25742>

Petroleum

Update: Fighting Continues as Central Government Controls all but One Oil Terminal in Libya March 16

Forces loyal to Libyan leader Muammar Gadhafi controlled all but one of Libya's oil export terminals on March 15, the head of the nation's oil workers' union said, as fighting continued throughout the North African nation. Libya typically produces about 1.6 million b/d of oil; of that, an estimated 1.1 million b/d was offline, as of latest reports. Separately in Libya, an armed group – likely connected to rebels – seized a Libyan-owned oil product tanker by March 16.

<http://www.bloomberg.com/news/2011-03-16/libya-says-oil-product-tanker-hijacked-in-mediterranean-1-.html>

Reuters, 12:28 March 16, 2011

Valero Shuts 92,000 b/d Heavy Oil Cracker at 315,000 b/d Corpus Christi, Texas Refinery by March 16

Valero shut the unit to perform repairs, a company spokesman said. The outage was not expected to last long, according to the spokesman.

<http://www.bloomberg.com/news/2011-03-16/gulf-gasoline-strengthens-with-valero-heavy-oil-cracker-shut.html>

Update: After March 11 Snag, Valero Resumes Planned Rates at 170,000 b/d Benicia, California Refinery by March 14

A hydrocracking unit shut for unscheduled reasons on March 11. Valero restarted the unit over the weekend and the facility was running at planned rates on March 14, a company spokesman said.

<http://online.wsj.com/article/BT-CO-20110314-709519.html>

Valero Plans 25,000 b/d Expansion at Existing 170,000 b/d McKee, Texas Refinery

Valero Energy Corporation plans to expand the crude unit capacity at its 170,000 b/d McKee, Texas refinery by 25,000 b/d, it said on March 16. The company expects to carry out the expansion over the next three years.

http://www.valero.com/NewsRoom/Pages/PR_20110316_0.aspx

<http://www.valero.com/OurBusiness/OurLocations/Refineries/Pages/McKee.aspx>

LOOP Seeks State Authorization to Install 3.6 Million Barrels of New Above-Ground Crude Oil Storage Capacity at Louisiana Port

The Louisiana Offshore Oil Port (LOOP) has 7.6 million barrels of existing above-ground oil storage capacity, but it aims to boost that total by 3.6 million barrels, a LOOP spokeswoman said on March 16. The above-ground capacity would enable the facility to “store more diverse types of crude,” according to the spokeswoman.

Reuters, 12:50 March 16, 2011

Update: PdVSA Sees no Impact on Production after March 15 Fire at 635,000 b/d Amuay, Venezuela Refinery

PdVSA did halt some secondary processes to keep the flames from spreading, but the fire did not impact production, a company official said.

<http://latino.foxnews.com/latino/money/2011/03/16/venezuela-says-oil-refinery-undamaged/>

Update: PdVSA Restarting Four Processing Units at 335,000 b/d Isla Refinery in Curacao March 16

Boiler problems forced shut the units last week, according to a facility manager.

Reuters, 11:45 March 16, 2011

Update: Attack Forces Shut 120,000 b/d Pipeline and Two Oilfields in Yemen March 14

Armed tribesmen attacked and damaged a 120,000 b/d oil pipeline in Yemen on March 14, forcing shut the line and two oilfields, according to a local news source. The affected pipeline deliveries oil to a port along the Red Sea.

<http://www.bloomberg.com/news/2011-03-15/yemen-attack-halts-120-000-barrel-a-day-oil-pipeline-marib-says.html>

Natural Gas

Update: PG&E Files Records with CPUC on Natural Gas Pipelines in California March 15

Pacific Gas and Electric Company (PG&E submitted to the California Public Utilities Commission (CPUC) records for pressure tests or historical operating pressure on more than 90 percent of its 1,805 miles of natural gas transmission pipelines in high-consequence areas of California, the company said on March 15. CPUC ordered PG&E to submit the records in the wake of the fatal September explosion along PG&E's natural gas pipeline in San Bruno, California. PG&E's records mistakenly identified the pipeline in San Bruno as un-welded; that mistake could have led the company to assume the line was stronger than it actually was.

http://www.pge.com/about/newsroom/newsreleases/20110315/pge_submits_records_to_california_public_utilities_commission_that_document_pressure_tests_or_historical_operating_pressure_for_over_90_of_natural_gas_pipelines_in_high_consequence_areas.shtml

http://www.downstreamtoday.com/news/article.aspx?a_id=26019

Other News

Japanese Earthquake/Tsunamis

Possible Rupture Triggers Apparent Radioactive Release at Tokyo Electric Power's Fukushima Daiichi Nuclear Power Plant in Japan March 16

A possible break in the containment vessel at the facility's reactor No. 3 triggered an apparent radioactive steam release and forced officials to postpone plans to dump water from helicopters onto a storage pond at the site, news and official sources reported. At least one Japanese official said it was unlikely that reactor No. 3's containment vessel "suffered severe damage," and it remained unclear how severe the radioactive release had been, as of latest reports. The chairman of the U.S. Nuclear Regulatory Commission (NRC), however, said his agency believed that all of the water had dried up in the spent fuel pool at the facility's reactor No. 4 and, as a consequence, that the pond's fuel rods were fully exposed. "We believe that radiation levels are extremely high, which could possibly impact the ability to take corrective measures," he said. The possible rupture at reactor No. 3 and storage pond issues at reactor No. 4 marked just the latest setbacks at the earthquake-and-tsunami-damaged facility; since last week, multiple explosions and numerous other issues have hampered workers' efforts to avert full-scale meltdowns.

http://www.nytimes.com/2011/03/17/world/asia/17nuclear.html?_r=1&hp

<http://www.nytimes.com/2011/03/17/world/asia/17nuclear.html?hp>

<http://www.cnn.com/2011/WORLD/asiapcf/03/16/japan.nuclear.heroes/index.html?hpt=TI>

<http://www.bbc.co.uk/news/world-asia-pacific-12763273>

Update: After Earthquakes, Companies Restarting at Least Two Refineries in Japan March 16-17

ExxonMobil planned to restart its 335,000 b/d Kawasaki refining facility as soon as March 17 and ExxonMobil and Mitsui Oil restarted their jointly-owned 175,000 b/d Chiba refinery by March 16, the companies said. The earthquake and tsunami forced offline nearly 1.4 million b/d of Japanese refining capacity. The disaster, however, did not appear to have significantly disrupted operations at the majority of the nation's ports, a leading shipping industry group said today. Most of the country's terminals were operating normally as of latest reports, according to the group.

<http://www.marketwatch.com/story/exxon-to-restart-kawasaki-chiba-refineries-soon-2011-03-16>

<http://www.reuters.com/article/2011/03/16/us-refinery-operations-kyokuto-idUSTRE72F3XS20110316>

<http://af.reuters.com/article/energyOilNews/idAFL3E7EG0FQ20110316>

Oil Prices Dip to Near-Five-Month Low amid Concerns over Potential Decline in Japanese Demand March 15

Crude oil for April delivery slid \$4.01 on the New York Mercantile Exchange (NYMEX) to settle at \$97.18/barrel, marking the lowest settlement price since February 28, Bloomberg News said. The price decline appeared to run counter to the International Energy Agency's (IEA) statement that Japanese oil demand could actually increase by approximately 200,000 b/d, should the nation use oil-fired electricity to compensate for the loss of nuclear power.

<http://www.bloomberg.com/news/2011-03-15/crude-oil-drops-as-loss-of-demand-in-japan-outweighs-middle-east-tension.html>

<http://www.bloomberg.com/news/2011-03-15/japan-may-need-200-000-extra-barrels-of-oil-daily-iea-says.html>

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|--------------|-----------------|-----------------|
| March 16, 2011 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 98.12 | 104.66 | 81.61 |
| NATURAL GAS Henry Hub \$/Million Btu | 3.86 | 3.83 | 4.29 |

Source: Reuters

Energy Notes

Entergy Reports 17,687 Customers without Power in Arkansas March 16 – Only Scattered Outages Remain, as of Latest Reports

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

Man Arrested for Allegedly Stealing Copper Wire from Multiple Utility Poles in Volusia County, Florida March 14

<http://www.orlandosentinel.com/news/local/crime/os-copper-theft-arrest-20110315.0.5432702.story>

Tube Rupture Leads to Temporary Evacuation from Covanta Energy's 16.3 MW Trash-to-Energy Power Plant in Bristol, Connecticut March 14

<http://www.rep-am.com/articles/2011/03/15/news/local/545128.txt>

Juhl Wind Completes 19.8 MW Adams Wind Power Project in Meeker County, Minnesota by March 16

<http://www.prnewswire.com/news-releases/juhl-wind-inc-announces-completion-of-construction-for-the-198-mw-adams-wind-project-118071214.html>

Honeywell to Install 29 MW in Mixed-Fuel Power Capacity at FDA Headquarters in Maryland

<http://www.prnewswire.com/news-releases/honeywell-awarded-213-million-contract-to-expand-energy-infrastructure-at-fda-headquarters-118071004.html>

SkyPower, Canadian Solar Plan 10.5 MW Solar Power Park in Thunder Bay, Ontario – Companies to Complete Construction by Third Quarter 2011

<http://phx.corporate-ir.net/phoenix.zhtml?c=196781&p=irol-newsArticle&ID=1539698&highlight=>

Explosion Kills Technician at Progress Energy’s 113 MW Sutton Coal-Fired Unit 1 near Wilmington, North Carolina March 15 – Unit Was Offline at Time of Incident

<http://www.progress-energy.com/aboutus/news/article.asp?id=25722>

Update: U.S. Department of State to Request Public Comment on Supplemental Draft Environmental Impact Statement for TransCanada's Proposed Canada-to-Gulf Coast Keystone XL Oil Pipeline – 45-Day Comment Period Expected to Begin in Mid-April

<http://www.state.gov/r/pa/prs/ps/2011/03/158402.htm>

<http://latimesblogs.latimes.com/greenspace/2011/03/tar-sands-oil-keystone-xl-state-dept.html>

Oilfield Tanker Overturns, Spills Unspecified Quantity of Liquid West of New Town, North Dakota March 14

<http://www.minotdailynews.com/page/content.detail/id/552851/Semi-tanker-overturns-west-of-New-Town.html?nav=5010>

Tractor Trailer Crashes, Spills Large Quantity of Fuel along Interstate Exit Ramp in Dayton, Ohio March 14

http://m.daytondailynews.com/dayton/db_101693/contentdetail.htm?contentguid=2GICoqut&detailindex=1&pn=0&ps=4

Gas Station Fire Disrupts Traffic in Washington, D.C. March 15 – Blaze Extinguished within Minutes

<http://wusa9.com/news/article/141569/77/Fire-At-DC-Gas-Station-Injures-One-Snarls-Traffic>

Los Angeles Regional Water Quality Control Board Directs Shell to Clean up Neighborhood that Sits above Oil Storage Facility in California

<http://www.businessweek.com/ap/financialnews/D9M01O4G0.htm>

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

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/ead.aspx>

Please direct comments and questions to: ead@oe.netl.doe.gov