



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and
Energy Reliability

ENERGY ASSURANCE DAILY

Friday, April 07, 2006

Electricity

PG&E to Sign Deals to Build New Plants to Provide 1,780 MW to Northern California

On April 5, PG&E announced that it signed development deals worth \$1.5 billion to provide it with 1,780 MW, enough electricity to serve 1.4 million customers. In addition, PG&E has decided to build its own 660-megawatt plant in northern Colusa County and has in the works a \$380 million deal to acquire and complete a 40 percent constructed, 530-megawatt power plant in Antioch from Mirant Corp.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BgIpsrouZSig9K%22bfeI%5Dv>

PJM Approves Electric Transmission Upgrades

PJM Interconnection, the grid operator of the Mid-Atlantic/Midwest power grid, approved \$894 million in additional electric transmission upgrades that complete its 2005 plan to meet reliability challenges anticipated through 2010. In a release, PJM said the upgrades would address the forecasted peak electric demands in areas like northern New Jersey and the District of Columbia where generating sources are diminishing. The recent additions to the plan include \$230 million for the interconnection of new power plants capable of producing 2,500 MW of electricity.

Reuters, 13:30 April 7, 2006.

Exelon Contains Tritium Leak at Braidwood Nuclear Power Station in Illinois

Exelon Corp. reported a radioactive steam release from the 2,362 MW Braidwood nuclear power station in Illinois on Thursday afternoon. The company said in a statement issued Thursday night that the leak, which contained an expected amount of tritium, did not pose any health or safety threat to workers or others. The leak occurred when a relief valve for a drain tank malfunctioned. The leak was stopped by 6 p.m.

Reuters, 11:46 April 7, 2006.

Update: Southern's 883 MW Hatch 2 Nuke in Georgia Exits Outage April 7

The unit shut on April 5 while technicians were performing a 24-month calibration on the megavar and voltmeter recorder. At about the time they removed the recorder from service, the unit tripped.

Reuters, 07:43 April 7, 2006.

Update: FirstEnergy's 831 MW Beaver Valley 2 Nuke in Pennsylvania Ramps Up to 75 Percent April 7

On Thursday, the unit was operating at 18 percent after exiting an outage. The unit shut earlier this week when the reactor automatically tripped after the main generator automatically tripped.

Reuters 07:31 April 7, 2006.

Reliant's 775 MW Gas-fired Ormond Beach Unit 2 in California Back Up April 7

The unit shut earlier this week for unplanned reasons.

Reuters, 8:08 April 7, 2006.

Petroleum

Shell to Return Workers and Restart EA Field in Nigeria

Royal Dutch Shell hopes to send staff back within a few days to its 115,000 b/d offshore EA oilfield in Nigeria which was closed by rebel attacks two months ago, a senior company official said on Friday. Militants, however, warned the multinational against any return, threatening to execute anyone found on Shell's previously attacked platforms in the Niger Delta, where 550,000 b/d of crude production, mostly pumped by Shell, remains shut. Nigeria's oil minister has expressed optimism about the return of the EA field and said that he hopes Shell's larger Forcados oilfield and export terminal would resume operations "in about a month." Shell has not made any public statements about when it expects its 380,000 b/d Forcados production to return. Reuters, 09:13 April 7, 2006.

Update: Total Seeking Talks After Venezuela Seizes Oilfield

Total said on Friday it was trying to find an out-of-court solution with Venezuela after the government took control of oil fields operated by the French oil group and Italy's oil and gas group Eni. Total officials said that legal action would be too extreme a measure because the field produces only 25,000 b/d (Total's 2005 oil production was 2.5 million b/d). Venezuela took control of Total's field after it failed to reach an agreement with the government to transfer to new joint ventures giving state oil company PDVSA a majority stake. Reuters, 12:50 April 7, 2006.

IEA Chief Says No Lack of Supply in World Despite High Prices

A renewed surge in oil prices does not mean there is a shortage of oil in world markets, the head of the International Energy Agency told Reuters on Friday. "Gasoline stocks are declining in the U.S. but they are higher than the five year average -- I really don't see for the time being a lack of supply," he said. He also reiterated the IEA's policy that it would consider coordinating a release of oil stocks from its member countries in the case of political disruption to supply, but not because of high prices. Reuters, 02:27 April 7, 2006.

Natural Gas

Update: Duke Energy to Expand Texas Eastern Transmission to New Jersey

Duke Energy Gas Transmission announced that it plans to expand the Texas Eastern Transmission System from Lebanon, Ohio to New Jersey. The expansion will include the addition of 10 miles of pipeline at two locations in Ohio, 21 miles of pipeline at three locations in Pennsylvania, and 30,000 horsepower of compression at two locations in Pennsylvania. The project is expected to be completed in late 2007.

<http://intelligencepress.com/>

<http://washington.bizjournals.com/cincinnati/stories/2006/04/03/daily39.html>

Northwest Pipeline to Increase Jackson Prairie Storage Service

Northwest Pipeline Group has announced that it received agreements from four companies for increased storage service at Jackson Prairie. The storage service at Jackson Prairie will increase to 104,000 Dth/d of firm deliverability capacity and an associated 1.2 trillion Btu of storage capacity.

<http://intelligencepress.com/>

Other News

Joint Venture Agreement to Build 20 Million Gallon Bio-Diesel Plant in Mississippi

On April 6, Nova Energy Holding, Inc. announced it entered into a joint venture agreement with Scott Petroleum Corp. to build a 20 million gallon, bio-diesel production facility in Greenville, Mississippi. The construction is scheduled to begin in June. Nova Energy is already building bio-diesel facilities in Iowa and Wisconsin with a total capacity to produce 30 million gallons of bio-diesel per year.

<http://biz.yahoo.com/jw/060406/0121941.html>

Energy Prices

U.S. Oil and Gas Prices			
April 7, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	67.02	66.25	54.12
\$/Barrel			
NATURAL GAS			
Henry Hub	6.81	6.98	7.50
\$/Million Btu			

Source: Reuters

Energy Notes

Qatari LNG Projects Targeting the US to Move Forward

http://www.energyintel.com/DocumentDetail.asp?document_id=172754

OPEC Ministers Say High Costs Threaten Oil Projects

Reuters, 07:44 April 7, 2006.

Petrobras Says Operations Unaffected by Protests in Ecuador

Reuters, 12:24 April 7, 2006.

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 and 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.

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