



ENERGY ASSURANCE DAILY

Wednesday Evening, April 09, 2008

Major Development

Leak Shuts Independence Natural Gas Hub in Gulf of Mexico, 900 MMcf Shut-in April 9 Repairs to Take One to Four Weeks

Enterprise Products Partners reports that production at the Independence Hub natural gas platform at Mississippi Canyon Block 920 in the deepwater Gulf of Mexico has been shut-in as a result of a leak on the Independence Trail export pipeline. The leak was suspected when bubbles were discovered on April 8 and was confirmed on April 9. The system was moving between 850 and 900 MMcf/d of natural gas when it was shut. According to a DOE model, that loss represents 11 percent overall loss of production from federal waters. Enterprise estimates that the repairs will take one to four weeks to complete. Concerns about the impact of the outage on gas storage helped drive the price up to \$10.05 at closing, nearing a two year high. Although the amount of gas in storage is nearly 20 percent below the amount at this time last year only about 0.5 percent above the five-year average, the timing of the outage is fortuitous in that it follows the peak winter demand and comes before peak summer demand.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1127733&highlight=>
http://tonto.eia.doe.gov/dnav/ng/ng_prod_sum_dc_u_r3fm_m.htm
<http://www.tradingmarkets.com/.site/news/Stock%20News/1336157/>
<http://www.reuters.com/article/CHMMFG/idUSN0928396820080409>
http://money.cnn.com/news/newsfeeds/articles/djf500/200804091544DOWJONESDJONLINE000987_FORTUNE5.htm
Bloomberg, 11:53 April 9, 2008

Electricity

Duke's 150 MW Southbay Gas-fired Unit 2 in California Returns to Service April 8

According to the California Independent System Operator, the unit experienced an unplanned outage on April 8.
<http://www.caiso.com/unitstatus/data/unitstatus200804081515.html>

SMUD's 102 MW Solano Wind Farm in California Returns to Service April 8

According to the California Independent System Operator, the unit experienced an unplanned outage on April 8.
<http://www.caiso.com/unitstatus/data/unitstatus200804081515.html>

Federal Authorities and Northwest Tribes Strike Deal on Region's Hydroelectric Dams and Fish Habitat

The hydroelectric dams of the Northwest will stay in operation for another decade according to an April 6 agreement reached by federal officials and four tribes of the Northwest. Under the agreement, government agencies including the Bonneville Power Administration, Army Corps of Engineers and the Bureau of Reclamation will continue operating the hydroelectric dams for ten years without opposition from the tribes and in exchange the tribes will receive approximately \$900 million in earmarked for improving fish habitat.

http://www.redorbit.com/news/science/1332073/feds_tribes_strike_deal_on_dams_fish/index.html?source=r_science

FPL Seeks State Approval for Proposed 1,200 MW Gas-fired Power Plant in Florida

FPL Group is seeking approval from the state Public Service Commission to construct and operate a 1,200 MW natural gas-fired power plant at its West County Energy Center in Palm Beach County. The company anticipates that the new facility will be in operation by 2011.

Reuters, 18:26 April 8, 2008

Dominion Announces Plans to Develop 300-Megawatt Prairie Fork Wind Farm in Central Illinois

The proposed 300 MW Prairie Fork wind farm will consist of 150 to 200 turbines on 25,000 acres in Central Illinois. Construction is expected to begin in 2010, subject to necessary permits and approvals. Commercial operation is expected in 2011.

<http://www.dom.com/news/elec2008/pr0409.jsp>

Petroleum

Update: ALON USA's 70,000 b/d Big Spring, Texas Refinery Operating at Half Rates April 9

According to industry sources, the crude unit, reformer unit, distillate hydrotreater and jet fuel hydrotreater at the refinery have all resumed production and the refinery is operating at approximately half of capacity. The FCC unit at the refinery is expected to be brought online by mid-July.

Bloomberg, 02:58 April 9, 2008

Power Outage Shuts PDVSA's 320,000 b/d Curacao Refinery in Venezuela April 9

According to a refinery representative, the situation was deemed serious because the power supplier ACUALECTRA was unable to quickly resolve the problem.

Reuters, 11:32 April 9, 2008

Update: Sunoco's 194,000 b/d Marcus Hook, Pennsylvania Refinery to Begin Restart Following Power Failure

According to a company representative, the refinery will begin to restart April 9 after suffering a power failure on April 7.

Reuters, 10:43 April 9, 2008

Equipment Malfunction Reported at Sunoco's 145,000 b/d Eagle Point, New Jersey Refinery April 9

A release of alumina silica dust at the refinery was due to an equipment malfunction at the plant. No further details on the nature of the problem were available.

Reuters, 11:00 April 9, 2008

SRU Upset Reported at Citgo's 156,000 b/d Corpus Christi, Texas Refinery April 8

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=106027>

Natural Gas

Equipment Malfunction Reported at Gordon Gas Processing Plant in Texas April 9

According to a filing with state regulators, the cooler associated with the Exhaust Flue Gas Recirculation (FRC) control device for the compressor has been shipped off-site to be repaired and the compressor will operate one week without the FRC control device, leading to increased emissions.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=106029>

Other News

Energy Information Administration Conference April 7-8

The Energy Information Administration (EIA) held its 2008 Energy Conference in Washington, DC on April 7 and 8. In part, the conference celebrated the 30th anniversary of EIA, “30 Years of Energy Information and Analysis” but it also dealt with themes across a broad spectrum of energy issues ranging from economic, technological and legislative as well as changes and challenges in the collection and analysis on energy data. Principal speakers included Secretary of Energy Samuel Bodman, former Secretary of Energy James Schlesinger, John Dingell Chairman, House Energy and Commerce Committee, Senator Pete Domenici, Ranking Member, Senate Energy and Natural Resources Committee and Daniel Yergin of Cambridge Energy Research Associates.

The roundtable and panel discussion included the following:

- 2008 Annual Energy Outlook and Energy Modeling Challenges
- EIA Program Review and Assessment: Responding to Change
- Tracking Changes in Energy End Use: EIA's Consumption Surveys
- Challenges for Long-Term Energy Models
- A Conversation with EIA's Administrators
- Petroleum: Keeping Pace with a Rapidly Changing Sector
- Growth in Petroleum and Other Liquids Demand in the Developing World
- 2008 Summer Transportation Fuels Outlook
- Refinery Capacity: Meeting Future Energy Needs
- The Ups and Downs of Natural Gas Prices
- The Future of LNG: Growth Spurts or Growing Pains?
- Electricity: 30 Years of Industry Change
- Electric Generation Technologies: Their Potential Role in Reducing GHG Emissions
- New Baseload Generation: Coal or Nuclear?
- Renewable Portfolio Standards: Costs and Benefits
- The Outlook for Energy and Climate Legislation.
- The Role of Energy Efficiency in Meeting Future Demand
- Energy and the Macroeconomy

Selected presentations will be posted on the EIA Web site at the following link.

http://www.eia.doe.gov/eia_conference_2008.html?featureclicked=1&

Energy Prices

U.S. Oil and Gas Prices			
April 9, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	111.59	101.06	61.89
NATURAL GAS Henry Hub \$/Million Btu	10.05	9.92	7.65

Source: Reuters

Energy Notes

Santee Cooper's 590 MW Cross Coal-fired Unit 4 in South Carolina Scheduled to Come Online June 2008 – No Problems Foreseen for All-time Low Summer Peak Demand

[http://www.oatioasis.com/SC/SCdocs/CSSR_040808_\(VACAR_EC\)_FINAL.pdf](http://www.oatioasis.com/SC/SCdocs/CSSR_040808_(VACAR_EC)_FINAL.pdf)

Update: Georgia Power Plans to Expand its 2,320 MW Vogtle Nuclear Plant in Georgia with Two Additional 1,100 MW Reactors

http://biz.yahoo.com/ap/080409/ga_nuclear_plants.html?.v=1

P.E.I. Electric Utility Plans New 40-Mile Transmission Line to Carry Wind Energy to Prince Edward Island

<http://www.theguardian.pe.ca/index.cfm?sid=124294&sc=98>

U.S. Gasoline Prices Hit New Record High, \$3.33 Dollars per Gallon EIA Reports

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Expert's Forecast "Well Above Average" 2008 Hurricane Season – 15 Atlantic Storms, Eight Hurricanes

Bloomberg, 12:28 April 9, 2008

Flu Gas Desulfurization Units to be Installed at PacifiCorp's Johnston Coal-fired 230 MW Unit 3 and 330 MW Unit 4 in Wyoming

<http://biz.yahoo.com/bw/080408/20080408006281.html?.v=1>

Misheard Comment Taken as Threat Leads to Evacuation of Exelon's 1,047 MW Point Beach Nuclear Plant in Wisconsin April 8

<http://www.todaystmj4.com/news/local/17419539.html>

Senator Asks OSHA for Detailed Post BP Texas City, Texas Refinery Blast Report

http://www.downstreamtoday.com/News/Articles/200804/Sen_Kennedy_Ask_OSHA_for_Post_Texas_Ci_9940.aspx

Iran on Course to Boost Refining Capacity to 3.3MMb/d by 2012

Bloomberg, 12:42 April 9, 2008

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/index.aspx>.

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