



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

ENERGY ASSURANCE DAILY

Wednesday, April 12, 2006

Electricity

Cal. ISO Says California Power Markets Stable Four Years Running

Short-term electricity markets in California have been “stable and competitive” since the energy crisis of 2000-2001, according to a “state-of-the-market” report the California Independent System Operator for 2005 filed on Tuesday with the Federal Energy Regulatory Commission.

Reuters, 20:52 April 12, 2006.

Pacific Northwest Power Companies Form ColumbiaGrid to Manage Flows

Six utilities joined together this week to form ColumbiaGrid, a Pacific Northwest regional electricity transmission coordinator that wants to oversee but not dictate the movement of power by 2007. ColumbiaGrid will coordinate power flows between transmission systems but will not have the authority to demand action by utilities as do ISOs (Independent System Operators).

Reuters, 15:08 April 12, 2006.

TVA Reducing Tennessee River Stream Flow Due to Shortage of Rain in Recent Months

A shortage of rain this past February and March has caused the Tennessee Valley Authority (TVA) to reduce the Tennessee River’s stream flow along with production of hydroelectric power by nearly 30 percent. Some lake levels will remain low past June 1.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6551520

All Reactors at APS’ 3,804 MW Palo Verde Nuclear Generating Station Down April 12

The nation’s largest nuclear plant, Palo Verde Nuclear Generating Station (operated by Arizona Public Service Co.), reported that all of its three reactors were out of service today, April 12. Unit Two (1,314 MW) was shut yesterday to repair a pipe that delivers steam to turbines and may be back online as soon as April 13. Unit Three shut down last week as part of its regularly scheduled refueling and should be back up in May. Unit One was shut down in late March for repairs and should be back in operation in June.

<http://www.team4news.com/Global/story.asp?S=4758765&nav=0w0v>

Reuters, April 12, 2006.

FirstEnergy’s 831 MW Beaver Valley 2 Nuke in Pennsylvania Ramps Up to 65 Percent April 12

The unit was reduced to 20 percent overnight after fire suppression equipment was activated unexpectedly on Tuesday morning.

Reuters, 11:10 April 12, 2006.

Petroleum

Small Fire Won't Affect Restart of BP's 460,000 b/d Texas City Refinery

A small fire was quickly extinguished overnight in a "sulfur pit" at BP's Texas City refinery, a person with knowledge of the plant's operations told Reuters on Wednesday. The incident had no effect on the plant's attempt to restart units, which have been shut for more than six months following damage from hurricanes last year, the person said. BP is planning to begin producing gasoline from the 460,000 b/d refinery as early as Saturday.

Reuters, 10:32 April 12, 2006.

Enterprise Announces Initial Flows on Gulf of Mexico Oil and Gas Pipelines

Enterprise Products Partners L.P. announced today that it has received initial flows of crude oil and natural gas into its Constitution oil and natural gas pipelines from the Constitution and Ticonderoga fields in the Gulf of Mexico. Current production from the fields is 32,000 b/d of oil and 30 MMcf/d of natural gas, with five new wells expected to begin flowing from the Constitution field in 2006. The natural gas pipeline is 32 miles long and 16 inches in diameter and has the capacity to transport 200 MMcf/d. The oil pipeline is 70 miles long and 16 inches in diameter and has the capacity to transport 100,000 b/d.

Reuters, 08:00 April 12, 2006.

OPEC May Raise Crude Output Ceiling to Stabilize World Oil Markets

In response to a question about international crude prices increasing concerns about Iranian and Nigerian supply, Kuwait's oil minister, Sheikh Ahmed Fahed al-Sabah, said that maybe OPEC members would decide this June to raise the group's official crude output ceiling of 28 million b/d in an effort to help stabilize world oil markets.

<http://www.platts.com/Oil/News/8379892.xml?p=Oil/News&sub=Oil&src=null>

IEA World Demand Projections Up, Non-OPEC Supply Projections Down

According to the IEA, World oil demand will average 85.1 million b/d in 2006, up 300,000 b/d from a previous estimate due to increased supply needs in the Middle East and Asia. At the same time, the IEA trimmed an estimate for growth in supply from outside OPEC to 1.15 million b/d, down 300,000 to 400,000 b/d due to outages that are delaying output resurgence into the second half of the year.

Reuters, 04:00 April 12, 2006.

Natural Gas

Pre-filing Process Begun for 1 Bcf/d Pacific Connector Pipeline to Supply LNG Imports to West Coast

A formal partnership called Pacific Connector Gas Pipeline L.P., involving PG&E Corporation, Williams, and Fort Chicago Energy Partners L.P., has requested a pre-filing review from FERC for the proposed 223-mile Pacific Connector Gas Pipeline. The pipeline would connect to a proposed LNG terminal in Coos Bay, Oregon, and join with Williams' Northwest Pipeline. It would tie in near the California-Oregon border to Pacific Gas and Electric Company's gas transmission system. Currently, virtually all natural gas supplies serving the Pacific Northwest and northern California originate in the Rocky Mountains or in Canada. The Pacific Connector is slated to begin construction in summer 2009 and is scheduled for completion in 2010, subject to regulatory approval.

<http://biz.yahoo.com/prnews/060412/sfw055.html?.v=54>

Reuters, 12:11 April 12, 2006.

Binding Open Season Begins for NGPL Pipeline Expansion in Louisiana

Natural Gas Pipeline Company of America (NGPL), a subsidiary of Kinder Morgan Inc., began a binding open season for shipper support for its proposed 200,000 Dth/d expansion of its Gulf Coast and Louisiana lines. Service is expected for January 2008.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BgmoknnjRTfct9K%22bfe1%5Dv>

Other News

100 Million Gallon per Year Ethanol Plant to be Constructed in Illinois in 2007

Construction of an ethanol plant that will use about 36 million bushels of locally grown corn a year is due to begin in 2007 in Galva, Illinois. Once completed in 2008, the plant will be operated by Big River Resources LLC and will be capable of producing 100 million gallons of the corn-derived fuel a year. Another ethanol plant will be built in Annawan, Illinois, in late 2007.

<http://www.belleville.com/mld/belleville/news/politics/14317055.htm>

Energy Prices

U.S. Oil and Gas Prices			
April 12, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	68.54	67.76	51.54
\$/Barrel			
NATURAL GAS			
Henry Hub	6.78	6.89	7.34
\$/Million Btu			

Source: Reuters

Energy Notes

U.S. Crude Oil Futures Near All-Time Highs, \$68.98 for March Delivery

Reuters, 20:34 April 12, 2006.

EPA Will Attempt to Tweak Refinery Pollution Rules This Summer

Reuters 19:02 April 12, 2006.

Meldahl Locks and Dam in Ohio Being Considered as Potential Hydroelectric Facility

http://www.redorbit.com/news/science/465708/hamilton_eyes_meldahl_for_hydroelectric_power/index.html?source=r_science

PacifiCorp to Expand Utah Geothermal Plant from 23 MW to 34 MW for 2007 Operation

<http://deseretnews.com/dn/view/0,1249,635198932,00.html>

Repairs Slated for 22.5 MW Coal-fired Fort Wainwright Power Plant in Alaska

<http://ap.alaskajournal.com/stories/state/ak/20060411/3780862.shtml>

<http://www.hq.usace.army.mil/cepa/pubs/may02/story9.htm>

AEP Microgrid System Designed to Negate Blackouts

<http://www.columbusdispatch.com/business-story.php?story=dispatch/2006/04/11/20060411-F1-03.html>

http://www.dhs.gov/interweb/assetlibrary/DHS_Daily_Report_2006-04-12.pdf

Expansion at Elba Island Facility Sought by Southern LNG

<http://www.wtoctv.com/Global/story.asp?S=4754994&nav=0qq6>

Kinder Morgan to Expand 360 MMcf/d Natural Gas Pipeline to Chicago

Reuters, 12:59 April 12, 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 at 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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