



ENERGY ASSURANCE DAILY

Tuesday Evening, April 19, 2011

Electricity

Update: After Deadly Weekend Storms and Tornadoes, Utilities Restore Power to Most Customers across Central and Eastern United States by April 19

Fewer than 10,000 Progress Energy customers in North Carolina remained without power on April 19, days after storms and tornadoes left at least 45 people dead and knocked out electricity to more than 750,000 customers across multiple states, news and company sources reported. To see a full list of affected utilities, see yesterday's Energy Assurance Daily.

<http://www.cnn.com/2011/US/04/19/severe.weather/index.html?hpt=T2>

<http://progress-energy.com/shared/outages/car/default.aspx>

BPA Puts Plans on Hold to Initiate Rolling Outages on Wind Farms in Oregon and Washington

The Bonneville Power Administration (BPA) pulled back from plans to initiate rolling outages on wind farms in Washington and Oregon, responding to concerns from environmentalists, wind developers, and politicians that the plan would discourage wind power development and fail to protect the environment. The BPA proposed the plan in February 2011 amid concerns that unusually high water levels – caused by a larger-than-normal spring runoff – would cause hydroelectric power facilities to produce too much electricity. Once officials have completed a review of the stakeholder comments, BPA plans to implement some form of an over-generation plan.

<http://blogs.forbes.com/williampentland/2011/04/18/grid-operators-drop-plan-for-rolling-wind-farm-outages/>

<http://www.sustainablebusinessoregon.com/articles/2011/04/bpa-pulls-back-on-plan-to-shut-off-wind.html>

Progress Energy's 811 MW Brunswick Nuclear Unit 2 in North Carolina Shut by April 19

The Nuclear Regulatory Commission reported that on the morning of April 18 the unit was operating at 13 percent. Information derived from the NRC Power Reactor Status Reports:

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

EverPower Plans 150 MW Twin Ridges Wind Farm in Somerset County, Pennsylvania

The company expects to begin commercial operations in late 2011, according to its website.

<http://www.everpower.com/twinridges.html>

<http://www.renewablesbiz.com/article/11/04/wind-power-developer-requests-county-easement>

Petroleum

ExxonMobil Reports Operational Issue with Process Unit at 238,600 b/d Joliet, Illinois Refinery April 18

The incident did not impact production, the company said.

Reuters, 10:17 April 19, 2011

Unit Upset Leads to SO₂ Release at Marathon's 215,000 b/d Robinson, Illinois Refinery April 18

The upset was "caused by incorrect pressure setting on a pressure controller for a wet gas compressor at the [fluid catalytic cracking unit]," according to a filing with state regulators. It was not clear if the incident had any impact on production.

<http://www.bloomberg.com/news/2011-04-19/marathon-reports-unit-upset-at-robinson-illinois-refinery-1-.html>

<http://tier2.iema.state.il.us/FOIAHazmatSearch/HazmatDetails.aspx?RptNum=H-2011-0355>

Tesoro Reports Unplanned Process Unit Shutdown at 96,860 b/d Wilmington, California Refinery April 19

The shutdown resulted in flaring, according to a filing with state regulators. It was not clear if the incident had any impact on production.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/4df28497ca358eb088257877005c611c?OpenDocument>
<http://online.wsj.com/article/BT-CO-20110419-711744.html>

Compressor Outage Triggers Emissions at Alon's 67,000 b/d Big Spring, Texas Refinery April 18

Alon was "working to restore normal conditions," it said in a filing with state regulators. It was not clear why the compressor shut or if the incident had any impact on production.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=153454>

Update: Leak Plugged at Marathon Oil-Owned Gasoline Storage Tank in Lansing, Michigan April 18 – Company to Restart Associated Pipeline Soon

Workers plugged a pipeline flange leak at a Marathon Oil-owned storage tank in Lansing, Michigan on April 18, and the company expected to restart the tank and an associated pipeline shortly, according to news and company sources. The affected storage tank can hold 180,000 barrels of gasoline; it was not clear how much gasoline spilled. The associated pipeline delivers gasoline from the storage tank to a separate pipeline.

Reuters, 16:37 April 18, 2011

Attack Forces Shut Ecopetrol's 220,000 b/d, 479-Mile Cano Limon-Covenas Oil Pipeline in Colombia over Weekend

The line delivers oil from the Cano Limon field in the state of Arauca, Colombia. It is equipped to transport as much as 220,000 b/d, but was recently moving approximately 80,000 b/d.

DJN, 10:22 April 19, 2011

PetroVietnam, PdVSA to Produce 200,000 b/d by 2016 from Block Junin 2 in Venezuela

The companies expect to begin production in the fourth quarter of 2012.

http://www.rigzone.com/news/article.asp?a_id=106243

Update: Saudi Arabia Reduced Oil Production by More than 800,000 b/d in March 2011

Weak demand led Saudi Arabia to reduce its oil output by more than 800,000 b/d in March 2011, the nation said over the weekend.

Reuters, 15:25 April 18, 2011

Update: Libya Resumes Normal Capacity at Zawiyah Oil Refinery, Working to Meet Gasoline Demand: State Official

Libya is "working to ensure the arrival of successive cargoes of gasoline," according to an official with the nation's Brega Oil Company.

Reuters, 09:48 April 19, 2011

Natural Gas

Update: PG&E Says Inaccurate Records Were Not to Blame for Fatal September Explosion along Natural Gas Pipeline in San Bruno, California

Inaccurate records did not lead to the fatal September explosion along Pacific Gas and Electric Company's (PG&E) natural gas pipeline in San Bruno, California, the company told state regulators by April 19. The blast occurred after a weld seam failed on the line; PG&E's records incorrectly said that the line did not have weld seams.

http://www.upi.com/Science_News/Resource-Wars/2011/04/19/PGE-brushes-off-record-keeping-concerns/UPI-72971303216391/

Copano Energy Plans 400 MMcf/d Natural Gas Processing Plant at Houston Central Complex in Texas

Copano Energy, L.L.C. plans to construct a 400 MMcf/d cryogenic processing plant at its Houston Central complex in Colorado County, Texas, it said on April 18. The company expects to open the plant in early 2013.

<http://www.copanoenergy.com/RSS/News.asp?releaseID=1551670>

Other News

Two Dead after Coal Train Collides with Equipment-Hauling Train in Iowa April 17

A coal train rear-ended a train transporting maintenance equipment near Red Oak, Iowa on April 17, killing the engineer and conductor of the coal train, officials and a news source said. The coal train was hauling 130 loads of coal; was en route from Wyoming to Chicago, Illinois. One of the coal train's three locomotives derailed; approximately 10 of the maintenance cars overturned. Trains were re-routed around the affected stretch of track.

<http://www.desmoinesregister.com/article/20110418/NEWS/104180310/1001/NEWS/?odyssey=nav/head>

DOE Offers \$2.1 Billion Conditional Commitment Loan Guarantee to Support Solar Trust of America's Proposed 484 MW Blythe Solar Power Project in California April 18

The U.S. Department of Energy (DOE) offered a conditional commitment for a \$2.1 billion loan guarantee in support of Solar Trust of America LLC's proposed two-unit, 484 MW Blythe Solar Power Project in Riverside County, California. Units 1 and 2 of the Blythe project represent the first phase of a larger project that, when complete, will generate 1,000 MW of solar power using parabolic trough technology.

<http://www.energy.gov/news/10276.htm>

MSHA Audits Reveal Flaws in Agency's Mine Inspection Process April 15

The U.S. Department of Labor's Mine Safety and Health Administration's (MSHA) failed, in some cases, to properly or adequately inspect U.S. mines, the MSHA's Office of Accountability said in audit reports from 2008 to 2010. Among the major findings identified during audits conducted in fiscal year 2009, the Office of Accountability determined that additional training was needed for inspection personnel to ensure that inspectors conduct effective inspections that properly and consistently identify hazards in specialized processes in metal and nonmetal mines. MSHA has modified training programs to address these issues. Also in 2009, the Office of Accountability identified instances of inadequate supervisory reviews of inspections, due in large part to a high attrition rate that resulted in many field office supervisors having five or fewer years with the agency. MSHA has developed and conducted a training program specifically tailored to provide supervisors with the essential tools to successfully carry out their functions. The Office of Accountability audits noted that in 2010, in some instances, inspectors did not properly evaluate gravity and negligence in certain citations. As a result, MSHA improved training on citation and order writing including the appropriate evaluation of gravity and negligence. The MSHA posted the audit reports on its website.

<http://www.msha.gov/MEDIA/PRESS/2011/NR110415.asp>

Workers Start Removing Radioactive Water from Reactor at Tokyo Electric Power's Fukushima Daiichi Nuclear Power Plant in Japan April 19

The move was seen as the sign of a shift at Tokyo Electric Power's earthquake-and-tsunami-damaged Fukushima Daiichi nuclear power plant in Japan: rather than focusing exclusively on keeping three of the site's reactors from overheating, the company is now working to prevent additional radioactive material from escaping the facility.

DJN, 10:30 April 19, 2011

Update: Despite Continued Shutdowns at Three Japanese Oil Refineries, Nation's Refiners Return Overall Capacity to Pre-Earthquake Levels by April 19

Despite continued shutdowns at three earthquake-and-tsunami-affected Japanese refineries – JX Nippon Oil & Energy's Sendai facility, Kashima Oil Co.'s Kamisu, Ibaraki Prefecture facility, and Cosmo Oil Co.'s Ichihara, Chiba Prefecture facility – Japanese refiners have boosted production at un-impacted facilities and returned overall refining capacity to pre-earthquake levels. The nation's refineries are operating at 4 million b/d, compared to 2.7 million b/d after the earthquake and tsunami. Domestic demand stands at 3.3 million b/d.

<http://mdn.mainichi.jp/mdnnews/business/news/20110419p2g00m0bu046000c.html>

Energy Prices

| U.S. Oil and Gas Prices April 19, 2011 | | | |
|--|--------|----------|----------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 107.74 | 105.42 | 81.33 |
| NATURAL GAS Henry Hub \$/Million Btu | 4.23 | 4.05 | 3.97 |

Source: Reuters

Energy Notes

Rain, Winds Cut Power to More than 14,000 Duke Energy Customers in Ohio and Kentucky April 19

http://www.wcpo.com/dpp/news/local_news/thousands-without-power-around-the-tri-state-April-19-2011

Ameren Reports 13,758 Customers without Power in Illinois April 15 - Fewer than 100 in the Dark, as of Latest Reports

<http://apps.ameren.com/outage/OutageMap.aspx?state=IL>

Atlantic City Electric Reports 10,321 Customers without Power in New Jersey April 16 - Company Says 3,808 without Electricity April 19

<http://www.atlanticcityelectric.com/home/emergency/maps/stormcenter/>

After Earthquake, PG&E Says Circuit Breaker Snag Knocks Out Electricity to 10,000 Customers in California April 18

<http://www.fox40.com/news/headlines/ktxl-earthquake-rocks-bay-area-on-anniversary-of-1906-quake-20110418,0,1030422.story>

Man Falls to Death at AEP Power Plant in Rockport, Indiana April 16

<http://www.courierpress.com/news/2011/apr/18/evansville-man-dies-fall-rockport-ind-power-plant/?partner=RSS>

DOE Facility at Idaho National Laboratory Has Not Adequately Addressed Degradation of Concrete Modules Storing Radioactive Materials from Three Mile Island Nuclear Power Plant: NRC

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/ElectricPower/6002873>

Update: District Court Judge Issues Temporary Injunction that Could Postpone Imperial Oil's Bid to Move Oil Sands Mega Loads from Idaho to Fort McMurray, Alberta by April 18

<http://www.edmontonjournal.com/business/Montana+judge+issues+injunction+against+Imperial+megaload/4636656/story.html>

Despite Rise in Oil Prices, Energy Secretary Chu Says Oil Refiners throughout the World Have "Adequate Supplies" – Chu Concerned High Prices Could Impact United States' Economic Recovery

Reuters, 15:54 April 18, 2011

Reuters, 11:02 April 19, 2011

Average U.S. Gasoline Price Rises to \$3.84/Gallon, or Highest Level since August 2008:

Department of Energy

Reuters, 18:45 April 18, 2011

Worker Falls to Death at Non-Producing Hilcorp Energy Natural Gas Platform Offshore Louisiana April 18

Reuters, 18:33 April 18, 2011

Worker Dies for Unknown Reasons at Motiva's 285,000 b/d Port Arthur, Texas Refinery by April 18

<http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=201104190920dowjonesdjonline000213&title=worker-found-dead-at-motiva-port-arthur-refineryreport>

Thousands of Gallons of Ethanol Leak from Marathon Petroleum Facility in Louisville, Kentucky April 18

<http://www.wlky.com/r/27580382/detail.html>

One Dead after Ethanol-Carrying Tanker Truck Crashes into Tractor Trailer along Interstate 99 in Benner Township, Pennsylvania April 15 – Tanker was Hauling 8,000 Gallons of Ethanol

<http://www.centredaily.com/2011/04/16/2652125/ethanol-tanker-crash-kills-1.html>

SRU Shutdown Leads to Emissions Event at Keystone Gas Plant in Texas April 18

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=153419>

Upset Causes Shutdown, Emissions Event at Aker Gas Plant in Texas April 18

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=153452>

Leak along DCP Natural Gas Pipeline System Triggers Flaring at Associated GLDU Station 4 in Texas April 18-25

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=153458>

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

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

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