



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

# ENERGY ASSURANCE DAILY

Wednesday Evening, April 21, 2010

## Major Developments

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### Eleven Missing after Explosion at Transocean-Owned, BP-Contracted Oil-Drilling Rig in Gulf of Mexico April 20

A late-Tuesday explosion injured at least 17 workers and left another 11 missing at the Deepwater Horizon semisubmersible oil-drilling rig approximately 41 miles offshore Louisiana, multiple news, company, and official sources reported. The affected rig was drilling an exploratory well – and therefore not producing oil – at the time of the incident, a BP spokeswoman said. The event occurred at about 10 PM on April 20, according to Transocean, the rig's owner and operator. The U.S. Coast Guard said the fire was still burning, as of April 21, and a Coast Guard spokeswoman said the rig was listing at 70 degrees and leaking an unspecified quantity of fuel oil. Coast Guard officials, according to the President of the Plaquemines Parish, thought the rig "may go over sometime today."

There were 126 people on board the rig at the time of the incident, the Coast Guard said. Ninety-four sustained no major injuries, 17 were medevaced, four were transferred to another vessel, and 11 were missing, as of latest Coast Guard reports. The Plaquemines Parish president, however, said the 11 missing workers had been found alive. The Coast Guard did not confirm that report, but did say that Coast Guard helicopters and crews from New Orleans, Louisiana and Mobile, Alabama were responding to the incident. Four Coast Guard cutters were on-scene, and BP and Transocean had established a Command Post in Houston, Texas.

Transocean owned and operated the affected rig, and was performing exploratory drilling in the Macondo prospect offshore Louisiana - on BP's behalf - at the time of the incident, The Wall Street Journal reported. The Macondo prospect is located in Mississippi Canyon Block 252, some 5,023 feet underwater, according to the website of SubseaIQ. BP acquired the prospect via MMS Lease Sale #206 in March 2008, the site says.

In September of 2009, the Deepwater Horizon rig drilled what was then "the deepest oil and gas well over," Transocean said at the time. The company, with BP, drilled the well to 35,050 vertical depth and 35,055 feet measured depth. BP, on the same day of Transocean's release, said it had made a "giant oil discovery" at the Tiber prospect offshore Texas. BP did not refer directly to the Deepwater Horizon rig, or to Transocean, but said the well had been drilled "to a total depth of approximately 35,055 feet."

The Deepwater Horizon is a semi-submersible drilling unit with the capacity to operate in water depths up to 8,000 feet, according to Transocean's website. Hyundai Heavy Industries Shipyard in South Korea constructed the rig in 2001. It is 396 feet long, 136 feet deep, has a 256 breadth can, can accommodate 130 berths and drill a maximum 30,000 feet. It has a liquid mud capacity of 4,435 barrels, a drill water capacity of 13,076 barrels, a potable water capacity of 7,456 barrels, and a fuel oil capacity of 27,855 barrels.

BP releases: <http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7061458>,  
<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7061443>

Transocean release: [http://phx.corporate-ir.net/phoenix.zhtml?c=113031&p=irol-newsArticle\\_print&ID=1415487&highlight=](http://phx.corporate-ir.net/phoenix.zhtml?c=113031&p=irol-newsArticle_print&ID=1415487&highlight=)

Coast Guard releases: <http://www.d8externalaffairs.com/go/doc/425/524147/>,  
<http://www.d8externalaffairs.com/go/doc/425/524115/>, <http://www.d8externalaffairs.com/go/doc/425/524367/>

Deepwater Horizon overview: <http://www.deepwater.com/fw/main/Deepwater-Horizon-56C15.html?LayoutID=17>

Previous Deepwater Horizon releases: <http://www.deepwater.com/fw/main/News-748.html?c=113031&p=irol-news&nyo=0>, <http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7055818>

SubseaIQ: [http://www.subseaIQ.com/Data/Project.aspx?project\\_Id=562](http://www.subseaIQ.com/Data/Project.aspx?project_Id=562)

News sources:

[http://online.wsj.com/article/SB10001424052748704133804575197613591134990.html?mod=WSJ\\_World\\_LEFTSecondNews](http://online.wsj.com/article/SB10001424052748704133804575197613591134990.html?mod=WSJ_World_LEFTSecondNews)

<http://www.cnn.com/2010/US/04/21/oil.rig.explosion/index.html?hpt=T1>

<http://www.nytimes.com/2010/04/22/us/22rig.html?hp>

Bloomberg News, 12:06 April 21, 2010

Reuters, 09:50 April 21, 2010

## **Electricity**

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### **Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Reduced to 58 Percent by April 21**

The Nuclear Regulatory Commission reported that on the morning of April 20 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/2010/>

### **Xcel to Shut 346 MW Harrington Coal-Fired Power Plant in Texas April 22**

The company plans to shut the unit to perform "minor maintenance items," according to a filing with state regulators.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=138487>

### **Exelon's 855 MW Quad Cities Nuclear Unit 2 in Illinois Ramped Up to 86 Percent by April 21**

The unit shut for planned reasons in mid-March, according to Bloomberg News. Operators began restarting the unit by mid-April, but halted that effort on April 16 due to a higher temperature in a turbine bearing. The Nuclear Regulatory Commission reported that on the morning of April 20 the unit was operating at 65 percent.

Bloomberg News, 07:22 April 21, 2010

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

### **PG&E's 407 MW Helms Pump-Gen Hydro Unit 1 in California Shut by April 20**

According to the California Independent System Operator, the unit reported an unplanned outage by April 20.

<http://www.caiso.com/unitstatus/data/unitstatus201004201515.html>

### **Update: AES's 495 MW Alamos Gas-Fired Unit 6 in California Returns to Service by April 20**

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus201004201515.html>

### **Update: Citing Fire Protection Issues, NRC Issues Yellow and White Inspection Findings to TVA's 3,494 MW Browns Ferry Nuclear Power Plant in Alabama April 20**

The Nuclear Regulatory Commission (NRC) issued "yellow" and "white" inspection findings, citing "apparent violations related to fire protection" at the Tennessee Valley Authority's (TVA) Browns Ferry nuclear power plant in Alabama. The "yellow" finding indicates "substantial safety significance" and the "white finding indicates "low to moderate safety significance." As a result of the findings, the NRC expects to hold increased inspections at the facility. The NRC charged previously that the TVA did not appropriately protect equipment needed to shut the plant in the event of a fire; the agency also said that procedural issues could postpone a fire response. The problems, the NRC said earlier, did not pose an immediate threat, and TVA said it was working on the issues.

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-028.ii.html>

<http://abcnews.go.com/Business/wireStory?id=9632379>

### **NRC Issues Yellow Inspection Finding at FPL's 1,700 MW St. Lucie Nuclear Power Plant in Florida**

The Nuclear Regulatory Commission (NRC) issued a "yellow" inspection finding "related to the failure to identify and correct quality and design issues which allowed air into a Unit 1 cooling water system." The "yellow" finding indicates "substantial safety significance." As a result of the findings, the NRC expects to hold increased inspections at the facility.

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-027.ii.html>

### **E.ON Plans 200-Plus MW Papalote Creek II Wind Farm in San Patricio County, Texas**

Project commissioning is slated for the fall of 2010, according to a press release.

PRN, 10:45 April 21, 2010

### **Brief Power Snag Shuts Units at BP's 467,720 b/d Texas City, Texas Refinery by April 21**

News sources varied widely as to the extent of the shutdown. One source said the facility "lost all of its steam power" and "was forced into an immediate shutdown." Another source, however, said the incident forced offline three units and led to reductions at other units. A third source referred to the power outage as "brief," and said the incident had led to shutdowns at an unspecified number of units. All three articles cited BP spokespersons or representatives as sources. A fourth news source, citing unnamed officials, said the incident had forced closed one unit and led to "evacuations of non-essential workers."

<http://www.click2houston.com/news/23221238/detail.html>

<http://www.myfoxhouston.com/dpp/business/100421-steam-loss-forces-texas-city-bp-refinery-to-shut-down>

<http://www.galvnews.com/story/155414>

Bloomberg News, 12:53 April 21, 2010

### **Update: ExxonMobil Restarts Units over Weekend after Late-Week Shutdowns at 567,000 b/d Baytown, Texas Refinery**

A power disruption forced offline multiple units late last week, but operators restarted those units over the weekend, a company spokesman said. The incident caused "minimal impact to production."

Reuters, 14:35 April 20, 2010

### **Valero Sees No Production Impact after FCC Compressor Malfunction and Flaring at 195,000 b/d Paulsboro, New Jersey Refinery by April 21**

The malfunction occurred in an air compressor associated with a gasoline-producing fluid catalytic cracking unit (FCC), Valero said in a filing with state regulators. The incident did not affect production, according to a spokesman.

Reuters, 09:21 April 21, 2010

### **Update: Kinder Morgan Restarts 14-Inch, California-to-Nevada Calnev Petroleum Products Pipeline after One-Day Shutdown April 19-20**

The company shut the line for about 24 hours to investigate a potential leak. A parallel 8-inch line remained in service during the shutdown.

<http://www.reuters.com/article/idUSWEN303120100420?type=marketsNews>

<http://uk.reuters.com/article/idUKWEN315420100421>

### **Update: TransCanada Seeks FERC Okay to Open 435,000 b/d, Alberta-to-U.S. Midwest Keystone Oil Pipeline as Soon as May 15**

TransCanada filed with the Federal Energy Regulatory Commission (FERC) to put into effect oil transport tariffs from May 15, but the company does not expect to begin commercial operations until June 2010, according to a TransCanada source. The company expects to reach full rates by the first quarter of 2011, it said in the FERC filing.

<http://www.reuters.com/article/idUSN2024400320100420?type=marketsNews>

### **DOE Studying Feasibility of Petroleum-Product Reserve**

The Department of Energy (DOE) is studying the viability of developing a petroleum-product emergency reserve, and aims to complete the study by June 2010, according to Assistant Secretary of Fossil Energy Jim Markowsky. DOE researched the possibility of such a reserve in 2009, but the study proved inconclusive, Markowsky said.

Reuters, 13:31 April 20, 2010

### **Dominion Plans 300 MMcf/d Natural Gas Gathering, Processing and Transportation Project in Marcellus Shale**

The Marcellus 404 project would provide transportation, gathering, and processing for up to 300 MMcf/d of natural gas production in West Virginia, Pennsylvania, and Ohio. Dominion plans to construct new processing and fractionation facilities in West Virginia. The company also seeks to convert an existing transmission line – TL-404 – into a wet gas service line. It expects to initially provide just 45 MMcf/d of service, but eventually increase that figure to 300 MMcf/d.

<http://dom.mediaroom.com/index.php?s=43&item=878>

### **Kinder Morgan Plans 175,000 b/d, 250-Mile, Pennsylvania-to-Michigan NGLs Pipeline**

Kinder Morgan expects the line to deliver natural gas liquids (NGLs) from the Marcellus Shale Basin in southern Pennsylvania to the Cochin interconnect at Riga, Michigan. From there, the company seeks to modify and expand its existing Cochin Pipeline to accommodate NGL throughput. It expects to deliver NGLs along the Cochin Pipeline to Windsor, Ontario, and then through the Windsor-Sarnia Pipeline to Sarnia, Ontario. The project, as a whole, would serve fractionation plants and chemical markets near Sarnia, Ontario and Chicago, Illinois. Kinder Morgan expects the pipeline to have an initial capacity of 75,000 b/d, but be expandable to up to 175,000 b/d. It plans to hold an open season in the second quarter of 2010.

<http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1415070&highlight=>

### **Global LNG Demand to Double by 2020: Shell Official**

The surge in LNG demand will accompany a 25 percent rise in global natural gas demand, and a 75 percent increase in worldwide electricity demand, according to Shell's executive vice president for exploration and production.

<http://www.businessweek.com/news/2010-04-20/world-lng-demand-will-double-by-2020-shell-s-ouren-says.html>

## Other News

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### **Pirate Attacks Dip by 34 Percent Worldwide in First Quarter of 2010, Compared to Same Quarter Last Year: IMB**

Pirates boarded, fired on, hijacked, or attempted to attack 67 vessels during the first quarter of 2010, the ICC International Maritime Bureau (IMB) said on April 21. The 67-vessel total marks a drop from the 102 attacks reported during the first quarter of 2009. The IMB attributed the decline to naval activity in the Gulf of Aden and anti-piracy actions among the merchant navy fleet. Somali pirates were to blame for 35 of the 67 events. Despite the drop, the IMB said Somali pirates had expanded the scope of their attacks; incidents occurred in the southern portion of the Red Sea, offshore Kenya, Tanzania, and the Seychelles, in the Indian Ocean offshore Madagascar, and in the Arabian Sea offshore Oman.

[http://www.icc-ccs.org/index.php?option=com\\_content&view=article&id=406:worldwide-hijackings-rise-as-pirates-expand-area-of-operation&catid=60:news&Itemid=51](http://www.icc-ccs.org/index.php?option=com_content&view=article&id=406:worldwide-hijackings-rise-as-pirates-expand-area-of-operation&catid=60:news&Itemid=51)

### **DOD Boosting Energy Efficiency and Investing in Clean Energy Technologies: Pew Study**

The Department of Defense (DOD) is employing clean energy programs as it seeks to cut dependence on fossil fuels and reduce global warming pollution, the Pew Project on National Security, Energy and Climate said in a report, "Reenergizing America's Defense." Among the measures:

- DOD aims to produce or obtain 25 percent of its electricity from renewable sources by 2025.
- The U.S. Navy plans to develop a strike group that will run entirely on alternative fuels by 2016.
- The U.S. Army is constructing a 500 MW solar power plant in California.
- The U.S. Air Force seeks to obtain 25 percent of its base energy needs via renewable energy sources.
- The U.S. Marine Corps 10X10 program aims to reduce energy intensity, cut water consumption, and boost renewable-based electricity.

To read more, click on the link below.

<http://www.pewclimatesecurity.org/news/pew-study-dod-embracing-clean-energy/>

## **Twenty-Five U.S. Communities to Receive up to \$452 in Funding for Energy Efficiency Building Retrofits**

Vice President Joe Biden was expected to announce the selection of 25 communities for up to \$452 million in Recovery Act funding to "ramp-up" energy efficiency building retrofits. Under the Department of Energy's Retrofit Ramp-Up initiative, communities, governments, private sector companies and non-profit organizations will work together on pioneering and innovative programs for concentrated and broad-based retrofits of neighborhoods and towns - and eventually entire states.

<http://www.energy.gov/news/8870.htm>

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b> April 21, 2010			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	83.12	85.78	46.19
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.93	3.97	3.55

Source: Reuters

## **Energy Notes**

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### **Rocky Mountain Power Restores Power to 17,600 Customers in Wyoming April 21 - Cause of Outage Unclear**

[http://www.trib.com/news/local/casper/article\\_f6ddeb74-4d74-11df-ab3f-001cc4c03286.html](http://www.trib.com/news/local/casper/article_f6ddeb74-4d74-11df-ab3f-001cc4c03286.html)

### **Transformer Snag Cuts Power to More than 11,000 Dominion Virginia Power Customers in Virginia April 21 - Company Restores Power to Nearly All Affected Customers by Mid-Afternoon**

<http://www.wric.com/Global/story.asp?S=12349451>

### **Update: Tenaska to Capture at Least 85 Percent of CO2 Emissions at Proposed 600 MW Coal-Fired Trailblazer Power Plant in Texas**

<http://www.tenaskatrailblazer.com/media/press-100419b.html>

### **State PUC Issues Draft Site Permit for Goodhue Energy, LLC's Proposed 78 MW Community-Based Wind Farm in Goodhue County, Minnesota April 15**

<http://www.nationalwind.com/node/124>

<http://www.goodhuewind.com/project>

### **County Commission Okays Solar Panel, Inc.'s Proposed 15-20 MW Solar Power Project in California – Company Could Begin Construction in 2010 or 2011**

[http://www.redbluffdailynews.com/ci\\_14913417](http://www.redbluffdailynews.com/ci_14913417)

### **GE and APS Studying Ways to Incorporate Solar Power into U.S. Electric Grid**

DJN, 09:29 April 21, 2010

### **Siemens to Construct Smart Grid System in Honolulu, Hawaii**

DJN, 09:00 April 21, 2010

**Update: Citing Monday Death at Motiva Enterprises' Port Arthur, Texas Refinery Construction Site, United Steelworkers Urges Oil Industry to Monitor Safety Conditions at Refinery Construction Locations**

<http://www.prnewswire.com/news-releases/too-many-industrial-accidents-in-oil-sector-usw-charges-91615959.html>

**Update: BLM Issues Proposed Resource Management Plan Amendment and Final Environmental Impact Statement for UNEV, LLC's Planned 399-Mile, 12-Inch, Utah-to-Nevada Petroleum Product Pipeline April 16**

<http://www.businessweek.com/ap/financialnews/D9F6S0RO0.htm>

[http://www.blm.gov/ut/st/en/prog/more/lands\\_and\\_realty/unev\\_pipeline\\_eis.html](http://www.blm.gov/ut/st/en/prog/more/lands_and_realty/unev_pipeline_eis.html)

**Hurricane Katrina Caused about 8 Million Gallons of Onshore Petroleum Releases: NSF-Funded Study**

[http://www.upi.com/Science\\_News/2010/04/19/Katrina-led-to-onshore-petroleum-releases/UPI-35751271709218/](http://www.upi.com/Science_News/2010/04/19/Katrina-led-to-onshore-petroleum-releases/UPI-35751271709218/)

**CNOOC Resumes Full Production at 45,000 b/d Oil, 40-Plus MMcf/d Natural Gas Huizhou Oilfields in China – Typhoon Koppu Forced Shut Fields in September 2009**

<http://www.prnewswire.com/news-releases/cnooc-ltds-huizhou-oilfields-restarted-production-in-full-scale-91664279.html>

**High Discharge Temperature Causes Compressor Shutdown, Flaring at Waha Gas Plant in Texas April 20-21**

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=138682>

**El Paso Natural Gas Reports 13 Anomalies along Line 1100 in Texas – Company Replaces Leaking Line Segment by April 20**

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=138686>

**Leak along 8-Inch Valve at Freer 44 Compressor Station in Texas by April 20**

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=138637>

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=138638>

**Natural Gas Leaks into Drinking Water Wells, Triggers 100 Local Evacuations in Louisiana by April 20**

<http://www.wdam.com/Global/story.asp?S=12340257>

**Update: FERC Okays for Service Transco's Mobile Bay South Expansion Project along Texas-to-New York Natural Gas Pipeline by April 21 – Project Involves New Compressor Facility in Alabama**

<http://intelligencepress.com/>

[http://www.williams.com/mobile\\_bay\\_south/](http://www.williams.com/mobile_bay_south/)

**Efforts to Reduce CO2 Rates along U.S. Natural Gas Pipeline Pose Threat to Coalbed Methane Gas Output – Recent Proposal by Wyoming Interstate Co. Could Have Forced Offline At Least 33 Percent of Powder River Basin Gas Production**

[http://billingsgazette.com/news/state-and-regional/wyoming/article\\_b9542bfe-4cf9-11df-88a3-001cc4c03286.html](http://billingsgazette.com/news/state-and-regional/wyoming/article_b9542bfe-4cf9-11df-88a3-001cc4c03286.html)

**MMS Publishes Final Rule Setting Limits on Flaring of Natural Gas April 16**

<http://www.mms.gov/ooc/press/2010/press0419.htm>

**EnCana Corp Calls Current Natural Gas Prices Unsustainable, Says it May Shut Production if Rates Continue – Company Had 25 MMcf/d of Output Offline at End of Quarter**

Reuters, 12:25 April 21, 2010



## Irving Oil Proposes 2,200 b/d Biodiesel Refinery in Saint John, New Brunswick

<http://www.cbc.ca/canada/new-brunswick/story/2010/04/21/nb-irving-oil-biodiesel.html>

## House-Passed Cap-and-Trade Bill Would Cost Average U.S. Household \$160/Year by 2020 and \$930/Year by 2050: Congressional Budget Office

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a9OyOXbV4G0E>

## Links

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### *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](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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