



ENERGY ASSURANCE DAILY

Thursday, May 10, 2007

Electricity

U.S. DOE to Award \$60 Million for Nuclear Recycling Projects

This funding is part of the Bush Administration's plan for global expansion of civilian nuclear energy through recycling of spent fuel. Clay Sell, Deputy Secretary of the U.S. Department of Energy announced the planned awards at a May 9th meeting of the United States Energy Association yesterday. He also noted that to build new nuclear power plants in the U.S. will require recycling of spent nuclear fuel. He said he was fairly confident that the U.S. would get six more nuclear plants but noted that the U.S. needed to get 60 more of them.

<http://www.platts.com/Electric%20Power/News/6382344.xml?p=Electric%20Power/News&sub=Electric%20Power>

Exelon's 867 MW Dresden Nuke Unit 2 in Illinois Ramps up to 88 Percent May 10

According to the daily report of the Nuclear Regulatory Commission, the plant was operating at 88 percent of capacity by early morning on May 10. The plant had been shut on May 4 when of a loss of feedwater occurred as a computer card was being replaced.

Reuters, 07:22 May 10, 2007

National Grid Plans Projects Strengthening New York and New England Power Grids

The company is in the midst of implementing detailed plans covering the next five years that call for spending \$3 billion to provide enhancements and upgrades to its electricity networks in New York and New England. During the course of this past year, the first year of the five-year program, the company has spent \$600 million to upgrade distribution lines, transformers, substations, refurbish transmission lines, trim and remove trees, and replace other outdated equipment.

http://www.nationalgridus.com/aboutus/a3-1_news2.asp?document=2432

Duke's Energy Conservation Plan to Reduce Coal-fired Generation

Under the new proposal, customers would pay extra on their monthly bill for new programs created by the utility, including incentives to buy energy-efficient appliances. As a result, the utility would build fewer power plants and continue mothballing its older, dirtier coal-fired operations. Duke is pledging to shut down a megawatt of coal-fired production for every megawatt saved through the efficiency programs up to 800 megawatts. After four years, Duke hopes to reduce demand by up to 1,700 megawatts.

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8knpp%5E%5BmmmokruVSlj%216C%29bfem%5Ev>

Petroleum

Explorer Pipeline System Shut Between Houston and Tulsa

According to a report from OPIS, the section of the Explorer petroleum products pipeline system between Houston and Tulsa was shut shortly before midnight on May 9. The pipeline was expected to be back in operation by the afternoon of May 10. By early morning on May 10, an Explorer Pipeline employee estimated that some 330,000 bbl of oil had been delayed.

OPIS, 02:47 May 10, 2007

Update: Sinclair's 72,000 b/d Refinery in Wyoming to Reduce Production by 22,000 b/d

The reduction will occur over the next week to 10 days as the catalytic cracker unit damaged by the May 8 power outage is repaired.

<http://www.billingsgazette.net/articles/2007/05/10/news/wyoming/45-output.txt>

FCCU Flow Reduced to 55,000 b/d at Valero's Delaware City Refinery in Delaware May 10 Rates Will Stay Reduced for 5 to 7 Days

According to information from state regulators, Valero has reduced the flow to the unit from the rated 82,000 b/d to 55,000 b/d due to a problem with a boiler. It is anticipated that the unit will continue to operate at the reduced rates for between five and seven days. According to a company representative, there has been no material impact on production.

Reuters, 13:38 May 10, 2007

ConocoPhillips Wants Deal to Continue Business in Venezuela but Ongoing Commercial Terms in Question

ConocoPhillips Chairman Jim Mulva said Wednesday the company is trying to work out a fair deal with Venezuela that would allow it to continue to produce oil from the Orinoco Basin and said that efforts are now "directed toward compensation and ongoing commercial terms." Venezuela set a May 1 deadline for all oil companies to agree to cede at least 60 percent ownership in their Venezuelan operations to state-owned oil company PdVSA.

ConocoPhillips is the only major oil company that has not agreed to these terms. All companies have until June 26 to negotiate the terms of the agreement. Venezuelan Oil Minister Rafael Ramirez has said ConocoPhillips would be expelled from the country and barred from staying on as a minority partner in a state-run joint venture if it continues to resist the takeover by not signing the country's agreement. ConocoPhillips says that operational control of its oil and gas assets in Venezuela have been turned over to Venezuela's state run oil company, it just has not signed an agreement yet.

http://biz.yahoo.com/ap/070509/conocophillips_shareholders.html?v=2

Oil Daily, May 10, 2007

Natural Gas

Nothing to report.

Other News

DOE Outlines Five-part Approach to Energy Security and Climate Change

On May 9, Deputy U.S. Secretary of Energy Clay Sell presented a five-part plan to address both energy security and climate change issues. The plan calls for expanding domestic energy production, increased energy efficiency, developing new technologies to reduce emissions, breakthroughs in biofuels and carbon-capture technology, expansion of pipelines and other energy infrastructure, and ensuring an open and transparent investment climate around the world.

Oil Daily, May 10, 2007

Energy Prices

U.S. Oil and Gas Prices			
May 10, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	61.59	63.04	72.15
NATURAL GAS Henry Hub \$/Million Btu	7.53	7.08	6.50

Source: Reuters

Energy Notes

Heat Wave Leads California ISO to Call First Operations Warning of the Year

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8260482

Laidlaw Energy Seeks NY Supreme Court Action to Force Town of Ellicottville to Comply with Missed Deadlines to Complete EIR of Renewable Energy Project

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8257027

Trace of Radioactive Tritium found in Sewage from Indian Point Nuke

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8260233

First Named Storm of 2007 Arrives Three Weeks before Official Start of the Atlantic Hurricane Season

<http://www.wtopnews.com/index.php?nid=104&sid=1136424>

Nationalized Oil Fields in Venezuela Producing at 482,000 b/d

Reuters, 10:21 May 10, 2007

Kazakhstan Plans to Boost Crude Oil Export Pipeline Capacity

Bloomberg News, 11:07 May 10, 2007

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.

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

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