



ENERGY ASSURANCE DAILY

Friday, May 11, 2007

Electricity

Thunderstorms and Hail Knock Out Power to 32,000 CenterPoint Energy Customers in Houston, Texas May 10

As of 6:00 a.m. local time this morning, CenterPoint Energy said 4,000 customers were still without power.
http://www.khou.com/news/local/stories/khou070511_ac_wxfolo.5a8f38de.html

MidAmerican's 700 MW Louisa Coal-fired Unit in Iowa Shut May 10 After Explosion and Fire

The explosion and fire took place Wednesday night in a 25 kV auxiliary transformer and resulted in the plant being taken off line on Thursday May 10. No customers lost power due to plant shutdown.
http://www.siouxcityjournal.com/articles/2007/05/10/news/lat_est_news/6daf68675a891099862572d70049f576.txt

Update: TXU to Restart 750 MW Martin Lake Coal-fired Unit 1 in Texas May 11-12

According to a report filed with state regulators, TXU plans to restart the unit beginning on May 11 and continuing into May 12. The unit was shut on May 10 so that a boiler tube leak could be repaired.
Reuters, 08:04 May 11, 2007

Entergy Louisiana's 966 MW River Bend Nuke Unit in Louisiana Ramps Up to Full Power May 10

The unit was shut on May 4 as the result of a loss of coolant to a main transformer.
Reuters, 07:42 May 11, 2007

TVA to Reopen Browns Ferry Nuke Unit 1 in Alabama Later This Month After 22 Years

The unit was closed 22 years ago due to safety reasons. After 5 years of work, the unit has been upgraded extensively and will have a capacity of 1,200 MW. The reason TVA invested in the upgrading the Browns Ferry plant (instead of building a new plant) is because unit 1 was already licensed and was able to take necessary measures to allow it to start in only 5 years. To build a new nuclear power plant would have taken an estimated 12 years. What this effort showed is that any new nuclear power plant construction could run up against a national shortage of welders and other craft workers.
<http://www.iht.com/articles/2007/05/09/sports/nuke.php>

Duke Energy Chief Echoes DOE Deputy Secretary's Call for About 60 New Nukes

On May 9, Duke Energy Chief Executive Jim Rogers said it was important to make it easier to construct new power plants. He cited a new study from the Electric Power Research Institute in California, the research arm for the electric power industry. The study concludes the country needs about 58 new nuclear reactors by 2030 to meet growing electricity demand.
<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BmmnrrqoVTeb%216C%29bfem%5Ev>
<http://www.platts.com/Nuclear/News/6382704.xml?p=Nuclear/News&sub=Nuclear>

Progress Energy Moving Forward on Siting New Nuclear Plant in Florida

Of 34 sites under review by utilities in the U.S., this is the only one not already co-located with a nuclear reactor.
<http://www.tbo.com/news/money/MGBYCF6G11E.html>

Tritium Leak Reported at OPPD's Fort Calhoun Nuclear Plant in Nebraska May 11

Bloomberg News, 09:45 May 11, 2007

Kissimmee Utility Authority Breaks Ground on New Substation in Florida

The project will consist of a 69/13.2 kV substation and two 69 kV overhead power line circuits, totaling 5.5 miles in length. The substation will be built by Kissimmee-based Terry's Electric and is slated for completion in December.
<http://www.kua.com/Corporate/Press/News/NewsItem.aspx?ID=550>

APS, Babcock & Brown Dedicate 90 MW Wind Farm in New Mexico May 8

<http://biz.yahoo.com/bw/070509/20070509006404.html?v=1>

Wisconsin Power and Light Gets OK to Build Wind Farm in Wisconsin

The Wisconsin Public Service Commission approved Wisconsin Energy's plan to build 41 wind turbines in Fond du Lac County which will have an initial capacity of 99 MW. When completed in 2009, this wind farm, called Cedar Ridge, will have a capacity of 300 MW.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BmmovvvoRTeb%216C%29bfem%5E%5B>

U.S. Wind Industry to Install Over 3,000 MW of Wind Power in 2007

Texas could account for 2/3 of that new capacity.

http://www.awea.org/newsroom/releases/AWEA_First_Quarter_Market_Report_2007.html

Energy Northwest's Plan for 600 MW Kalama Coal Gasification Power Plant in Washington Put on Hold

A new State law on reducing greenhouse gas emissions has prompted the utilities supporting this plant to set aside its application for the plant.

<http://www.columbian.com/news/localNews/05102007news138169.cfm>

Petroleum

Update: Explorer Pipeline Segment Restarted May 10

The company successfully restarted the segment of the line from Houston to Tulsa on Thursday evening. The line had been shut by flooding for approximately 15 hours. The refined products pipeline has a capacity of approximately 665,000 b/d.

Reuters, 08:50 May 11, 2007

Small Fire Reported at ConocoPhillips's 96,000 b/d Ferndale Refinery in Washington State May 10

According to a company representative, the small fire began at approximately 5:00 p.m. local time May 10 on the roof of a storage facility at the refinery. The fire, caused when a small leak ignited, was extinguished within 30 minutes.

Bloomberg News, 12:04 May 11, 2007

SPR Awards Exchange Contract to Shell Trading

The U.S. Department of Energy (DOE) today awarded a contract to Shell Trading for exchange of 8.7 million barrels of royalty oil produced from the Gulf Coast for crude oil meeting the quality specifications of the Strategic Petroleum Reserve (SPR). The exchange oil will be delivered to two SPR sites, West Hackberry, Louisiana and Bryan Mound, Texas. Deliveries are expected to begin in August 2007 at a modest rate of approximately 50,000 barrels per day for a period of six months. The Royalty-in-Kind program is separate from the SPR's recent solicitations to purchase crude to replace oil sold on an emergency basis after Hurricane Katrina. Earlier this month, DOE suspended direct purchases of oil for the SPR until at least the end of the summer driving season. The Strategic Petroleum Reserve has a capacity of 727 million barrels and currently holds 690 million barrels in inventory stored in the SPR's underground salt caverns located along the Gulf Coast of Louisiana and Texas.

<http://www.energy.gov/news/5046.htm>

BP Files Plan for Liberty Field Development in Alaska

The company has filed its development plan for the Liberty oilfield in Alaska with federal regulators. The Liberty field is located offshore near BP's existing Endicott field in federally administered waters. Although the field was discovered in 1997, economics and technological challenges have kept the field from being developed until now. If BP makes the final decision to commence development, and if the development is successful, the company anticipates that initial production of 20,000 b/d would commence in 2011 with production eventually reaching a maximum of 40,000 b/d in 2013.

Reuters, 11:04 May 11, 2007

Fire at Oil Field in Republic of Congo Results in Loss of 60,000 b/d of Production

Operator of the Kossa field, Total SA, declared force majeure following a fire that killed 2 workers on May 10. The fire burned from before dawn into the night on Thursday. In a statement issued by the Oil Ministry, production is expected to be restarted within three weeks. According to the latest data available from the Energy Information Administration, the U.S. imported nearly 50,000 b/d of crude oil from the Congo during the first two months of this year.

http://tonto.eia.doe.gov/dnav/pet/pet_move_impcus_a2_nus_ep00_im0_mbb1_m.htm

http://biz.yahoo.com/ap/070510/republic_of_congo_oil_fire.html?v=2

Reuters, 08:00 May 11, 2007

Reuters, 12:27 May 11, 2007

Bloomberg News, 11:06 May 11, 2007

Statoil Cuts 2007 Oil and Gas Production Target by 100,000 to 150,000 b/d

<http://www.iht.com/articles/ap/2007/05/10/business/EU-FIN-Norway-Statoil-Production.php>

Oil Daily, May 11, 2007

Natural Gas

Update: Coast Guard Unreceptive to Plan to Use Smaller Tankers for Proposed LNG Terminal at Fall River, Massachusetts

<http://www.southcoasttoday.com/apps/pbcs.dll/article?AID=/20070510/NEWS/70510011>

OPEC to Boost Production of NGLs

OPEC producers have been boosting production of natural gas liquids (NGLs) for some time as they seek to better utilize the gas found associated with the production of oil. According the International Energy Agency (IEA), OPEC plans to increase production of NGLs (including ethane, propane, butane, and gas condensate) to more than 7 million b/d by 2012.

Reuters, 06:31 May 11, 2007

Other News

USDA Sees Record Corn Crop: 27 Percent Earmarked for Ethanol Production

According to the latest estimate from the U.S. Department of Agriculture (USDA), this year's U.S. corn crop will be the largest in history. The size of the crop is driven in part by the surging demand for corn-based ethanol. The USDA foresees that corn for ethanol will exceed corn for export for the first time. In addition, the USDA estimates that some 27 percent or 3.4 billion bushels will be used in the production of ethanol.

Reuters, 08:53 May 11, 2007

Survey Results: U.S. Energy Industry Executives Say Government Should Spend Most on Renewable Energy

According to a new survey of more than 550 energy industry executives conducted by KPMG, the majority of U.S. energy industry executives surveyed (54 percent) indicated that they believe that the majority of energy-related spending by the government should be devoted to renewable energy programs. Twenty-five percent of those responding to the survey felt that at least 75 percent of the monies should be devoted to renewable programs.

Bloomberg News, 11:00 May 11, 2007

Energy Prices

U.S. Oil and Gas Prices			
May 11, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	62.20	61.89	73.35
NATURAL GAS Henry Hub \$/Million Btu	7.63	7.82	6.80

Source: Reuters

Energy Notes

PG&E May Expand Proposed Pacific Connector Pipeline from 1 Bcf/d to 1.5 Bcf/d

NGI, Daily Gas Price Index, May 11, 2007 <http://intelligencepress.com/>

U.S. DOE May Back Up to 90 Percent of Clean Energy Projects' Debt

<http://www.energy.gov/news/5045.htm>

<http://www.platts.com/Nuclear/News/7331374.xml?p=Nuclear/News&sub=Nuclear>

LNG Can Close Supply/Demand Gap, Shell's Snodgrass Says

NGI's Daily Gas Price Index, May 10, 2007, www.intelligencepress.com

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/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov