



# ENERGY ASSURANCE DAILY

Thursday Evening, May 12, 2011

## Electricity

### Storms Cut Power to More than 66,000 Customers in Texas May 11-12

Storms cut power to an estimated 66,131 customers in Texas on May 11-12, multiple news and company sources reported. The following table lists peak and current outages, based on latest available data.

Texas Customer Power Outages			
May 11 – 12, 2011			
Electric Utility	State	Peak	Latest Reported
Oncor	TX	18,000	4,763
CenterPoint Energy	TX	18,000	15,685
CPS Energy	TX	13,731	13,731
Austin Energy	TX	11,500	5,079
Bluebonnet Electric Cooperative	TX	2,600	1,048
Pedernales Electric Cooperative	TX	2,300	700
<b>TOTAL*</b>		<b>66,131</b>	<b>41,006</b>

\*Total outages only represent electric utilities listed in this table.

Sources:

CenterPoint Energy: <http://gis.centerpointenergy.com/OutageTracker/Default.aspx> ,  
<http://abclocal.go.com/ktrk/story?section=news/local&id=8126380> , <http://fuelix.com/blog/2011/05/12/300-remain-without-power-after-houston-outages/>

Oncor: <https://maps.oncor.com/summary.asp> , <http://www.star-telegram.com/2011/05/11/3069042/thunderstorms-in-dfw-ground-flights.html>

Austin Energy: <https://my.austinenergy.com/outages/> , <http://www.kutnews.org/post/high-winds-cause-power-outages-across-city>

CPS Energy: <http://www.cpsenergy.com/CPSEnergyOutageMap.html> ,  
[http://www.mysanantonio.com/news/local\\_news/article/Severe-weather-hits-area-1376600.php](http://www.mysanantonio.com/news/local_news/article/Severe-weather-hits-area-1376600.php)

Bluebonnet Electric Cooperative: <http://outage.bluebonnetelectric.coop:82/> ,  
[http://www.statesman.com/blogs/content/shared-gen/blogs/austin/weather/entries/2011/05/12/widespread\\_powe.html?cxntfid=blogs\\_weather\\_watch&cxntcid=breaking\\_news](http://www.statesman.com/blogs/content/shared-gen/blogs/austin/weather/entries/2011/05/12/widespread_powe.html?cxntfid=blogs_weather_watch&cxntcid=breaking_news)

Pedernales Electric Cooperative: [http://www.statesman.com/blogs/content/shared-gen/blogs/austin/weather/entries/2011/05/12/widespread\\_powe.html?cxntfid=blogs\\_weather\\_watch&cxntcid=breaking\\_news](http://www.statesman.com/blogs/content/shared-gen/blogs/austin/weather/entries/2011/05/12/widespread_powe.html?cxntfid=blogs_weather_watch&cxntcid=breaking_news)

### Cabrillo Power's 330 MW Encina Unit 5 Gas-Fired Unit in California Shut by May 11

According to the California Independent System Operator, the unit reported an unplanned outage by May 11.  
<http://www.caiso.com/unitstatus/data/unitstatus201105111515.html>

### Update: Elk Hills Power's 552 MW Elk Hills Gas-Fired Unit in California Ramps up by May 11

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 252 MW.  
<http://www.caiso.com/unitstatus/data/unitstatus201105111515.html>

### AES's 226 MW Huntington Beach Gas-Fired Unit 1 in California Shut by May 11

According to the California Independent System Operator, the unit reported an unplanned outage by May 11.  
<http://www.caiso.com/unitstatus/data/unitstatus201105111515.html>

## **Luminant to Shut 591 MW Sandow Coal-Fired Unit 4 in Texas May 12**

Luminant expected to shut the unit “to repair a boiler tube leak,” the company said in a filing with state regulators.  
<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154343>

## **Environmental Regulations Could Force Companies to Retire More than 8,000 MW of Gas-Fired Power Capacity across ERCOT’s Service Territory in Texas: ERCOT**

Proposed environmental regulations would likely force companies to retire more than 8,000 MW of gas-fired power capacity across the Electric Reliability Council of Texas’ (ERCOT) service territory, the grid operator said in an evaluation released on May 11. Companies are unlikely to retire a significant amount of coal-fired generation, ERCOT said, unless several factors such as low natural gas prices and carbon emission fees combine to reduce the economic viability of these units. Most of the affected gas-fired facilities would be located in or near Dallas/Fort Worth and Houston. Without additional replacement generation, the retirements would reduce generation reserve margins to below 2 percent in 2015, and impact transmission reliability in the Houston and Dallas/Fort Worth areas.  
[http://www.ercot.com/news/press\\_releases/2011/nr05-11-11](http://www.ercot.com/news/press_releases/2011/nr05-11-11)

## **Update: Dominion to Shut Two of Four Units by End of 2011 and All Four Units in June 2014 at Existing 745 MW Coal- and Oil-Fired Salem Harbor Power Station in Massachusetts**

Dominion plans to shut two of the four units at the Salem Harbor Power Station by the end of 2011 and all four units on June 1, 2014, the company said on May 11. Dominion said that pending environmental regulations and market conditions were making the facility uneconomical to operate. ISO New England authorized Dominion Resources Inc. on May 10 to shutter two coal-fired units in 2014 at the facility, but said two other units – one oil-fired unit and a coal-fired unit – were still needed to ensure reliability. The grid operator, however, said certain transmission upgrades would render the units unnecessary. ISO cannot force Dominion to keep the plant in service. Dominion said yesterday that it would not seek to negotiate an agreement that could keep the station operating beyond existing commitments.

<http://dom.mediaroom.com/index.php?s=43&item=988>

<http://finance.yahoo.com/news/2-units-at-Mass-coalfired-apf-1548544162.html?x=0&.v=1>

## ***Petroleum***

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### **Update: Alon Constructing New Levee amid Concerns that Flooding Could Force it to Shut 83,000 b/d Refinery in Krotz Springs, Louisiana**

Alon could be forced to reduce or fully shut its 83,000 b/d Krotz Spring, Louisiana refinery if flooding leads the U.S. Army Corps of Engineers to open the Morganza Spillway, the company said on May 11. The opening of the Spillway would result in higher water levels on the Atchafalaya River almost immediately, and within 10 to 14 days, floodwaters could migrate north to the area surrounding the refinery. Alon was finalizing a plan to construct an additional levee at the facility on May 11; that levee would supplement existing levees on the North and East sides of the refinery.

<http://www.pnewswire.com/news-releases/alon-krotz-springs-provides-update-on-potential-impact-of-flooding-on-louisiana-operations-121671043.html>

### **Update: TransCanada to Restart 591,000 b/d Alberta-to-Oklahoma Keystone Crude Oil Pipeline May 14**

TransCanada expected to restart the line on May 14, it said on May 11, after a leak led the company to shut the line last weekend. The line leaked 500 barrels of oil in North Dakota. The company did not expect the shutdown to impact May deliveries.

<http://www.reuters.com/article/2011/05/11/us-pipeline-operations-canada-idUSTRE74A7W920110511>

<http://www.businessweek.com/ap/financialnews/D9N4MP2G0.htm>

### **Total Reduces Reformer after Failure, Flaring at 232,000 b/d Port Arthur, Texas Refinery May 11**

Total “cut Reformer rates to minimum” and shut a naphtha hydrotreater unit after an “instrument failure” triggered flaring, the company said in a filing with state regulators. It was not clear when the company expected to resume normal operations.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154395>

### **Update: After Power Failure, ConocoPhillips Restarting Coker Unit at 247,000 b/d Sweeny, Texas Refinery May 11-12**

ConocoPhillips planned to restart a coker unit at the facility on May 11-12 after a power failure forced shut the unit on May 10, the company said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154408>

### **Oil Futures Plunge by \$5.67 as Crude Inventories Surge by 3.8 Million Barrels in Week Ended May 6**

Crude oil futures slid by \$5.67 to \$98.21 per barrels on May 11 after the Energy Information Administration (EIA) said crude stockpiles surged by 3.8 million in the week ended May 6, outpacing analysts' expectations of a 1.6 million barrel build.

[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)

[http://www.rigzone.com/news/article.asp?a\\_id=107046](http://www.rigzone.com/news/article.asp?a_id=107046)

### **Power Snag Forces Offline PdVSA's 310,000 b/d Cardon Refinery, Partially Shuts 645,000 b/d Amuay Refinery in Venezuela by May 12**

It was not clear when the company expected to return the facilities to normal service.

Reuters, 12:32 May 12, 2011

### **Update: After Workers' Strike, Nexen Restarting Oil Production in Yemen May 11 – Company Expects to Boost Output to Approximately 70,000 b/d in Coming Days**

Nexen was restarting oil production in Yemen after it reached a deal to end a two-day workers' strike, the company said on May 11. The company produced approximately 70,000 b/d of oil prior to the disruption. It expected to return to that level over the next few days.

Reuters, 17:59 May 11, 2011

## ***Natural Gas***

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### **Citing Rising Waters, El Paso's Tennessee Gas Pipeline to Isolate Muskrat Natural Gas Pipeline in Louisiana May 13**

Citing "rising waters" along the Atchafalaya River "and the ability to access this area if the Morganza Spillway is opened," El Paso Corporation's Tennessee Gas Pipeline said online that it planned to isolate its Muskrat natural gas pipeline in Louisiana on May 13. The Muskrat line links a station in Kinder, Louisiana to a station in Cocodrie, Louisiana. The isolation was expected to curtail takeaway capacity along the associated 800 line, according to the company. "Based on current nominations," however, "no restrictions for the 800 line will be necessary."

[http://tebb.epenergy.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=TGP&name=Tennessee%20Gas%20Pipeline%20Company%20-](http://tebb.epenergy.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=TGP&name=Tennessee%20Gas%20Pipeline%20Company%20)

[%20Notice%20Text&status=Notice&sParam1=TGP&sParam2=D&sParam4=137944&sParam9=D&details=Y](http://tebb.epenergy.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=TGP&name=Tennessee%20Gas%20Pipeline%20Company%20-%20Notice%20Text&status=Notice&sParam1=TGP&sParam2=D&sParam4=137944&sParam9=D&details=Y)

## ***Other News***

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### **TEPCO Says Fuel Rods Fully Exposed in Reactor at Fukushima Daiichi Nuclear Power Plant in Japan May 12**

Nuclear fuel rods are fully exposed in one reactor at Tokyo Electric Power Co's (TEPCO) Fukushima Daiichi nuclear power plant in Japan, the company said on May 12, citing low water levels. "Melted fuel has dropped to the bottom of the pressure vessel and is still being cooled, according to a company official.

[http://news.xinhuanet.com/english2010/world/2011-05/12/c\\_13871824.htm](http://news.xinhuanet.com/english2010/world/2011-05/12/c_13871824.htm)

## Energy Prices

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<b>U.S. Oil and Gas Prices</b>			
May 12, 2011			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	97.80	99.89	75.66
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.23	4.49	4.15

Source: Reuters

## Energy Notes

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### **Fishermen's Energy of Cape May Receives State Permits to Construct 25 MW Wind Farm Offshore New Jersey – Company Expected to Break Ground in Summer 2012**

<http://newyork.cbslocal.com/2011/05/07/nj-grants-final-permits-for-offshore-wind-farm/>

### **NRC Issues Bulletin to U.S. Nuclear Power Operators Requesting Information on How Plants are Complying with Requirements to Deal with Potential Loss of Large Areas of Plants after Extreme Events**

<http://www.nrc.gov/reading-rm/doc-collections/news/2011/11-078.pdf>

### **U.S. District Judge Orders Federal Regulators to Act within 30 Days on Six Offshore Drilling Applications, Saying the Government “Unlawfully and Improperly Delayed” Permits in Wake of Deepwater Horizon Disaster May 10**

<http://www.bloomberg.com/news/2011-05-10/u-s-must-act-on-six-drilling-permits-federal-judge-orders.html>

### **Federal Government Authorizes Shell's Plan to Drill For Oil at Appomattox Discovery in Deepwater U.S. Gulf of Mexico May 11**

[http://online.wsj.com/article/SB10001424052748703864204576317121890526668.html?mod=googlenews\\_wsj](http://online.wsj.com/article/SB10001424052748703864204576317121890526668.html?mod=googlenews_wsj)

### **North American Fuel Demand to Slide by 190,000 b/d in 2011 to 23.7 Million b/d: IEA**

<http://www.bloomberg.com/news/2011-05-12/oil-declines-as-ia-cuts-demand-outlook.html>

### **Venezuela Produced 2.25 Million b/d in April 2011, IEA Says – Venezuelan Oil Minister Has Said that Nation Produces Near 3 Million b/d**

DJN, 09:10 May 12, 2011

### **Rupture along 12-Inch Natural Gas Pipeline Prompts Local Evacuations in St. Anthony and Minneapolis, Minnesota May 10 – Leak Expected to be Repaired by Late Evening of May 10**

<http://www.startribune.com/local/east/121595049.html>

### **Power Disruption Temporarily Forces Shut Tilden Gas Plant in Texas May 11 – AGI Units Shut, Restart at Facility on May 11-12**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=154415>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=154416>

**Mitsubishi Power Systems Americas Dedicates Savannah Machinery Works Facility in Georgia May 11 – Facility to Manufacture and Service Large Gas and Steam Turbines to Provide Power to Electric Grid in United States and Elsewhere**

<http://www.prnewswire.com/news-releases/mitsubishi-power-systems-unveils-new-325-million-manufacturing-and-service-facility-121663808.html>

## **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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