



ENERGY ASSURANCE DAILY

Monday, May 14, 2007

Electricity

PJM Sees Power Adequate to Meet Summer Demand

Assuming that the summer weather will be no hotter than normal, operators of the PJM Interconnect anticipate that the supply of electricity will be adequate to meet the peak summer demand loads. PJM is forecasting that the summer peak will reach 136,981 MW this summer, considerably below the record peak load of 144,644 MW set in 2006.

Reuters, 13:02 May 14, 2007

Mirant Chief Predicts Power Supply Crunch in Mid-Atlantic

Power supply reserves in the Mid-Atlantic could fall into the single digits within a few years, he said, a level that would bring blackouts and brownouts.

<http://www.ajc.com/business/content/business/stories/2007/05/11/0511bizmirant.html>

Accident Kills Worker, Shuts KCP&L's 680 MW Iatan 1 Coal-fired Unit in Missouri May 9

The unit had shut on May 7 due to worries about flood water, but had reopened late on May 8. The accident which closed the plant again on May 9 came from a rupture in a 3-inch diameter pipe carrying hot water and steam. One worker hit by the high temperature water was killed and two others received first-degree burns. The plant remains out while the cause of the accident is being investigated; no power outages are expected as reserves of electricity in the area are ample this time of year.

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

Xcel's 523 MW Prairie Island Nuke Unit 1 in Minnesota Shut May 11

Reuters, 18:40 May 11, 2007

AES' 480 MW Redondo Gas-fired Unit 7 in California Restarted May 11

The unit had been shut since April 26 for unplanned maintenance.

Reuters, 20:02 May 11

Xcel's 360 MW Harrington Coal-fired Unit 2 in Texas Shut May 14

Reuters, 09:58 May 14, 2007

AEP's 675 MW Pirkey Coal-fired Unit in Texas Shut May 10

Reuters, 09:58 May 14, 2007

EPCOR's 384 MW Genesee Coal-fired Unit 1 in Alabama Shut May 10

Reuters, 09:58 May 14, 2007

Calpine's 250 MW Calgary Gas-fired Unit in Alabama Shut May 12

Reuters, 09:58 May 14, 2007

Bruce's 750 MW Bruce Nuke Unit 4 in Ontario Shut May 13

Reuters, 09:58 May 14, 2007

OPG's 881 MW Darlington Nuke in Ontario Shut May 11

Reuters, 18:40 May 11, 2007

Duke Decides to Build One 800 MW Coal-fired Unit at Cliffside, North Carolina

On Thursday May 10, Duke announced that it would proceed with only one of the two new planned coal-fired units at its Cliffside facility. The unit still needs to receive a North Carolina air quality permit to go forward.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BmngimlkSTfc%216C%29bfe%5Ev>
<http://www.charlotte.com/122/story/117923.html>

Xcel Plans to Capture and Bury Emissions in New 600 MW Coal-gasification Power Plant in Colorado

Xcel's plans to break ground on the project in 2010. The power plant would be the first plant that converts coal to gas and then captures and sequesters carbon emissions in underground storage. The plant was first proposed by Xcel in August 2006.

http://www.denverpost.com/ci_4187912?source=rss

SME Gets Approval for 250 MW Coal-fired Unit and 6 MW of Wind Power in Montana May 11

The Southern Montana Electric Cooperative (SME) received approval from State and Federal regulators on Friday to build the 256 MW Highwood Generating station, consisting of a 250 MW coal-fired unit and four 1.5 MW wind generators.

<http://www.montananeewsstation.com/Global/story.asp?S=6502795>

Petroleum

President Bush Directs Administration To Take The First Steps Toward Regulations Based On "Twenty In Ten" Goal

Today, President Bush directed the U.S. Environmental Protection Agency (EPA) and the U.S. Departments Of Energy (DOE), Transportation (DOT), and Agriculture (USDA) to take the first steps toward regulations using the "Twenty In Ten" plan as a starting point. The President has directed these agencies to take the first steps toward regulations that would cut gasoline consumption and greenhouse gas emissions from motor vehicles, using as a starting point his "Twenty in Ten" plan to reduce U.S. gasoline consumption by 20 percent over the next 10 years.

<http://www.whitehouse.gov/news/releases/2007/05/20070514-2.html>

Oil Prices Rise as Saudis Decide Not to Increase Production

Oil prices continued to rise as Saudi Arabia announced over the weekend that it would not increase production in June. Oilfield disruptions in the Congo and Nigeria also put upward pressure on the price of crude. The International Energy Agency (IEA) called on OPEC on Friday to raise oil output before the summer to prevent a sharp decline in crude oil stocks held by consuming nations. Similarly, Guy Caruso of the U.S. Energy Information Administration said that OPEC needed to boost its oil production for the summer. He also warned that U.S. retail gasoline prices would likely break the post-Katrina record this week, to exceed \$3.06 per gallon for regular grade gasoline. (Note, that record does not take inflation into consideration.) On May 14, the American Automobile Association reported that gasoline prices have reached an all-time high.

http://money.cnn.com/2007/05/14/markets/oil.reut/index.htm?source=yahoo_quote

Reuters, 10:46 and 11:44 May 14, 2007

Power Outage Shuts 188,000 b/d Nanticoke Refinery in Ontario May 11

Imperial Oil says it's too early to tell if supply will be affected after a power outage triggered a shutdown at its Nanticoke refinery on Friday.

http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20070512/nanticoke_shutdown_070512/20070512?hub=Canada&s_name

Imperial Oil's 118,000 b/d Refinery in Ontario Back Online Following Power Outage on May 11

The company announced that the refinery is ramping up production following restoration of power. Although the representative of Imperial Oil indicated that the refinery is ramping up to full capacity, no information was available as to the current production levels.

Reuters, 11:14, May 14, 2007

Reuters, 11:15, May 14, 2007

Reuters, 11:21, May 14, 2007

Chevron Temporarily Shuts Down Operations in Nigeria

Chevron temporarily shut down some operations in Nigeria's offshore waters to protect workers and equipment from rampant violence in the country. Chevron produced an average of 137,000 b/d of crude oil production from 30 fields in the region during 2006.

http://www.mg.co.za/articlepage.aspx?area=/breaking_news/breaking_news_africa/&articleid=308217

Chevron Sees 42,000 b/d of Nigerian Production Back Within a Few Days

Chevron is again in possession of the 42,000 Abiteye field, which was shut down when community members seized the facility last week. Chevron is restoring production and anticipates that full restoration will take several days. Reuters, 10:49 May 14, 2007

Nigerian Militants Threaten Attacks in Niger Delta

Bloomberg News, 09:37 May 14, 2007

Natural Gas

Kinder Morgan Plans 225 MMcf/d Natural Gas Pipeline in Texas

The 58-mile pipeline will connect Kinder Morgan's Tejas system in Houston County to its Texas system in Polk County. The project will have an initial capacity of 225 MMcf/d.

http://biz.yahoo.com/ap/070514/kinder_morgan_pipeline.html?v=1

Alaska Legislature Approves Natural Gas Pipeline Bill

Both houses of the Alaska legislature approved the plan put forth by Governor Palin to solicit bids for the construction and operation of the proposed natural gas pipeline to move natural gas from Alaska south to the lower 48 states. Differences between the two versions of the bill must be reconciled before action can be taken.

Applications for bids are expected to be available by July 1 and due for consideration by October 1. The Governor will select and submit a bid to the legislature by January 1.

Reuters, 19:38 May 11

Algeria Announces Plan to Triple Exports of LNG to U.S. by 2010

Algerian state energy company announced that it plans to boost exports of liquefied natural gas (LNG) by 2010. The company will supply approximately 420 Bcf of natural gas to the U.S. in the form of LNG.

Reuters, 05:17 May 13, 2007

U.S. Says Caspian Pipeline Deal "Not Good" for Europe

The U.S. said that the pipeline deal would make Europe more dependent on Russia for natural gas.

Reuters, 09:18 May 14, 2007

Other News

NS Reroutes Coal Trains Around Forest Fires in Georgia and Florida May 10

Norfolk Southern said that coal trains could be delayed up to 24 hours. Detour routes were utilized to allow shipments to get to customers as quickly as possible.

<http://www.platts.com/Coal/News/6382923.xml?p=Coal/News&sub=Coal>

Energy Prices

U.S. Oil and Gas Prices			
May 14, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	62.55	61.48	72.05
NATURAL GAS Henry Hub \$/Million Btu	7.85	7.49	6.35

Source: Reuters

Energy Notes

Gasoline Tanker Truck with 9,000 Gallons of Fuel Crashes and Burns in New Jersey May 10

http://blog.nj.com/ledgerupdates/2007/05/driver_of_tanker_truck_killed.html

Valero Says No Impact from Release of SO2 at Texas City, Texas Refinery May 12

Reuters, 07:52 May 14, 2007

Chevron's 270,000 b/d El Segundo Refinery in California Releases SO2 May 11

Bloomberg News, 14:46, May 14, 2007

Norway's Norsk Hydro Reduces Estimate of 2007 production by 3.3%

<http://www.platts.com/Oil/News/8044396.xml?p=Oil/News&sub=Oil>

IEA Sees Tight Global Oil Market Continuing

Oil Daily, May 14, 2007

Venezuela to Nationalize 18 Oil Rigs in Venezuela

http://biz.yahoo.com/rb/070514/venezuela_rigs_takeover.html?.v=1

Kazakhstan Plans to Increase Gas Exports 52 Percent by 2010

Bloomberg News, 05:27 May 14, 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.

ENERGY ASSURANCE DAILY

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

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