



ENERGY ASSURANCE DAILY

Monday, May 15, 2006

Electricity

NERC Expects Tighter U.S. Electric Supply This Summer

The North American Electricity Reliability Council expects electricity supplies in the United States to be tighter this summer than last as new generation is outpaced by rising power demand. NERC expects "extreme weather conditions to present a significant reliability risk" to areas with less surplus supply. In particular NERC identified southern California and southwestern Connecticut as areas of concern.

ftp://www.nerc.com/pub/sys/all_updl/docs/pressrel/05-15-06SummerAssessment.pdf

Reuters, 11:01 May 15, 2006

Pepco Holdings Proposes Construction of 500 kV, 230-mile Interstate Transmission Line

On May 15, Pepco Holdings, Inc. proposed construction of an interstate transmission line entitled PHI Mid-Atlantic Power Pathway, to increase the electricity reliability and meet the increasing demand in the mid-Atlantic. The 230-mile line would originate in northern Virginia, continue through Maryland and Pennsylvania, and terminate in New Jersey.

<http://biz.yahoo.com/prnews/060515/dcm033.html?v=49>

Reuters, 11:13 May 15, 2006

600 MW Clean-Coal Power Plant Site Proposed in Virginia

A clean-coal power plant with 600 MW capacity will be built in a reclaimed surface mine in Wise County, Virginia by a consortium of power companies, cooperatives, and economic development agencies. If constructed, the plant is scheduled to come on line in 2012.

<http://www.platts.com/Coal/News/7456576.xml?p=Coal/News&sub=Coal>

PG&E's 400 MW Hunters Point Coal-fired Unit in California to Close May 15

The 77-year old generating station in San Francisco is closing today. The closing was facilitated by the recent opening of a 230-kV transmission project that will deliver electricity to the city from the peninsula to the south, replacing the production from Hunters Point.

Reuters, 13:06 May 15, 2006

Bruce Power's 790 MW Bruce Nuke Unit 7 in Ontario Shut May 14

The unit shut for a brief, unplanned outage.

Reuters 10:07 May 15, 2006

LS Power's 510 Moss Landing Gas-fired Unit 2 in California Shut May 14

Reuters, 12:36 May 15, 2006

Sempra's 381 MW Palomar Gas-fired Unit in California Shut May 14

Reuters, 12:36 May 15, 2006

Update: Ameren's 1,137 MW Callaway Nuke Unit in Missouri Ramps Up to 90 Percent May 15

The unit, which exited an outage today, was shut on May 12 to investigate vibrations on two main turbine bearings.

Reuters, 08:07 May 15, 2006

Update: DTE's 1,111 MW Fermi Nuke Unit 2 in Michigan Ramps Up to 92 Percent May 15

The unit was reduced last week so DTE could find a leaking fuel rod.

Reuters, 07:53 May 15, 2006

Update: Exelon's 619 MW Oyster Creek Nuke Unit in New Jersey Returns to Full Power May 15

On May 12, the unit was operating at 38 percent after exiting an outage. The unit was shut on May 6 to fix an automatic drain on the condenser and replace a motor on the reactor recirculation pump in the drywell.

Reuters, 07:33 May 15, 2006

AEP's 675 MW Pirkey Coal-fired Unit in Texas Restarts May 14-17

The company said that the unit had tripped but did not say when the trip occurred.

Reuters, 11:28 May 15, 2006

Topaz Power's 632 MW Coletto Creek Coal-fired Unit in Texas Restarts

The unit ramped up to half power and the company said it would stay there until it fixes the condensate pump motor and a problem with an associated breaker. The unit shut on May 12 because of the pump and breaker problems.

Reuters 10:25 May 15, 2006

TXU's 565 MW Monticello Coal-fired Unit 1 in Texas Restarts May 13

The company shut the unit May 8 for short-term work.

Reuters, 12:03 May 15, 2006

Petroleum

Some U.S. Suppliers Still Selling MTBE Gasoline

On Friday, industry sources said that gasoline suppliers in Boston, Baltimore and Dallas were still using gasoline blended with the fuel-additive MTBE due to logistical problems in obtaining ethanol. The industry-wide switch from MTBE to ethanol for blending in reformulated gasoline has caused delivery problems because ethanol cannot be pumped via pipeline and must therefore be transported by rail, barge or tanker truck.

Reuters 17:25 May 12, 2006

Alkylation Unit at 55,000 b/d Wynnewood Refinery Down Due to Fire May 12

An alkylation unit at the Wynnewood refinery in Oklahoma caught fire on Friday, May 12. Although the fire was controlled by Saturday and other units are operating at a reduced capacity, the alkylation unit will be shut indefinitely. EPA found no hazardous substance releases at the plant.

Oil Price Information Service, 09:12 May 15, 2006.

<http://www.platts.com/Oil/News/9863176.xml?p=Oil/News&sub=Oil>

http://today.reuters.com/news/newsArticle.aspx?type=domesticNews&storyID=2006-05-12T234340Z_01_N12444389_RTRUKOC_0_US-ENERGY-WYNNEWOOD-REFINERY.xml&archived=False

Exxon Mobil's 245,000 b/d Joliet Refinery in Illinois Restarted Last Week

The refinery, which restarted without delay, was shut in early April for turnaround. Traders earlier had said that the refinery had delayed the restart of some units.

Reuters 16:26 May 12, 2006

Reuters 17:08 May 12, 2006

PdVSA's 200,000 b/d Puerto La Cruz Refinery in Venezuela to Restart May 15

The company says that all units at the refinery will be operational by tonight. Operations were halted temporarily after a fire broke out on May 14 that was apparently caused by electrical problems. PdVSA has said that domestic distribution and exports would not be affected. Venezuela, which supplied 11 percent of total U.S. product imports in 2005, has suffered a string of refinery accidents in recent months.

Reuters, 12:37 May 15, 2006

Reuters, 19:31 May 14, 2006

River/Gulf Energy Plans 100 Million Gallon Ethanol Plant in Iowa

The plant will be located in Buffalo, Iowa and will use barges to ship ethanol on the Mississippi River. The company expects to begin construction later this year and begin production 15 months later.
Reuters 11:47 May 15, 2006

Labor Shortage in Oil Industry Causing Project Delays and Cost Increases

Oil companies are saying that the lack of skilled labor is causing delay in project schedules and cost increases.
http://www.energyintel.com/DocumentDetail.asp?document_id=175410

Natural Gas

Nothing to report.

Other News

Congressman Capuano (D-MA) Suggests a Missile Test Attack at LNG Tanker

U.S. Rep. Michael Capuano of Massachusetts suggested firing a missile at a liquefied natural gas tanker at sea in order to examine what could happen in the event of a terrorist attack on an LNG ship near Boston Harbor.
<http://intelligencepress.com/subscribers/daily/news/d20060512f.html>

Ohio Waste Agency Authorized to Construct Methanol Facility

The Solid Waste Authority of Central Ohio received a final permit to build a plant that will produce 20 million gallons of methanol per year to manufacture biodiesel fuel.
<http://www.wastenews.com/headlines2.html?id=1147463935>

Update: Strontium-90 Leaks Tied to Closed Unit 1 at the Indian Point Nuclear Plant

Entergy has found evidence that it believes clearly links leaks of strontium-90 to the spent fuel pool of the permanently closed unit 1 at the Indian Point nuclear plant. Entergy has constructed a dry storage facility and will move the spent fuel to it next year.
<http://www.platts.com/Nuclear/News/7456763.xml?p=Nuclear/News&sub=Nuclear>

Energy Prices

U.S. Oil and Gas Prices			
May 15, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	69.25	69.75	48.65
NATURAL GAS Henry Hub \$/Million Btu	5.92	6.54	6.47

Source: Reuters

Energy Notes

Questar Files at FERC to Expand Capacity on its Overthrust Pipeline in Southern Wyoming

<http://intelligencepress.com/subscribers/daily/news/d20060515c.html>

Chevron Exploring Investments in Ethanol Plants to Guarantee Supply

Bloomberg, 12:05 May 15, 2006

OPEC's Oil Expansion Plans May Be Delayed by Rig Shortages

Bloomberg, 07:55 May 15, 2006

Nigeria Hopes to Restore 500,000 b/d Shut by Rebel Attacks by June

Reuters, 10:50 May 14, 2006

Yemen Hopes New Oil Finds Will Reverse 50,000 b/d Output Decline

Reuters, 09:41 May 14, 2006

Saudi Arabia Quadrupling Exploration to Boost Oil Reserves by 25 Percent by 2025

Reuters, 06:27 May 15, 2006

Libya to Auction Oil Rights to Double Reserves and Production

Bloomberg, 08:26 May 15, 2006

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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