



ENERGY ASSURANCE DAILY

Thursday Evening, May 15, 2008

Electricity

Strong Storms Knock Out Power to About 90,000 Customers in Texas May 14-15

According to CenterPoint Energy officials, more than 10,000 customers remained without power in their service territory in Houston, Texas early May 15. About 59,000 customers lost power at some point during the storm. Austin Energy, which serves Austin, Texas, reported 11,000 customers without power May 15 afternoon, down from over 30,000 customers without power at one point.

<http://www.click2houston.com/weather/16271293/detail.html>

<http://www.kxan.com/Global/story.asp?S=8326757&nav=0s3d>

First Heat Wave of the Year Bearing Upon California May 15

Cal ISO Working to Reduce Power Plant Outages to Meet Demand

PG&E Asks Some Customers to Conserve Energy

The California Independent System Operator (Cal ISO) on May 14 said it expected to get total generation outages trimmed to about 5,000 MW on May 15 when temperatures in parts of California will reach 98 F to 104 F. Outages May 14 were about 8,300 MW, down from 11,500 MW on May 13. Cal ISO has not yet released their May 15 outage data at the time of this writing. The Cal ISO did not expect to call a Stage 1 or Stage 2 power emergency on May 15 or 16, unless temperatures exceed expectations. In response to the heat wave, PG&E asked its critical peak pricing customers to voluntarily conserve energy on May 15. PG&E does not anticipate any power supply shortages this week but does expect to see higher than average electricity demands for May

Cal ISO System Status: <http://www.caiso.com/outlook/SystemStatus.html>

<http://www.pge.com/foryourhome>

Reuters, 22:10 May 14, 2008

TVA Reports 44 Percent Drop in Hydro Power Production in 2Q 2008

Company Warns That Coal and Nuke Units May be Affected if Drought Continues

According to a recent filing with the SEC, The Tennessee Valley Authority's (TVA's) hydroelectric power production was 44 percent of normal in the second quarter, causing TVA to purchase replacement power or use more expensive forms of generation. Drought conditions are expected to continue to impact TVA. Although rainfall totals for the first six months of the fiscal year were about 80 percent of normal, the amount of water reaching the rivers and reservoirs was less than 50 percent of the normal amount. In order not to exceed thermal limits in plant discharge permits during the summer of 2007, TVA derated two fossil plants, took one unit at Browns Ferry Nuclear Plant temporarily offline, and reduced the output of the other two units. Additionally, TVA used its cooling towers at Browns Ferry and Sequoyah Nuclear Plants which takes a substantial amount of power that TVA would have otherwise sold. If the drought continues, TVA may have to take similar actions in the summer of 2008.

Press Release: http://www.tva.gov/news/releases/aprjun08/2nd_qtr.htm

Full Filing: <http://investor.shareholder.com/tva/sec.cfm>

NRC Tells FPL to Increase Staff at Turkey Point Nuclear Power Plant in Florida

According to NRC Chairman Dale Klein, the NRC has fielded complaints about excessive hours from plant employees and FPL needs to hire about 10 more NRC-licensed operators and about 20 more non-licensed operators. Similar complains about overtime and staffing have also come from FPL's St. Lucie nuclear plant but Klein did not think the problem was significant there. Licensed operators at St. Lucie, who report having to work 12-hour shifts, have expressed concern that, if staff levels get much lower, rolling brownouts could result because one of the nuclear reactors would have to power down.

http://www.palmbeachpost.com/business/content/business/epaper/2008/05/13/a6b_fplnuke_0514.html

Constellation's Nine Mile Nuke Unit 1 in New York Briefly Reduces Power May 13

The plant reduced power to 90 percent of capacity on the morning May 13 when the plant lost both 115 kV power lines that supply the plant with offsite power. One line was down for maintenance, while the other was lost for unknown reasons. During the outage, two emergency diesel generators started up as expected. The plant returned to full power later that morning when one of the power lines down for maintenance was restored.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2008/20080514en.html>

<http://www.newsday.com/news/local/wire/newyork/ny-bc-ny--reactorshutdown0513may13.0.6768869.print.story>

Luminant's 750 MW Martin Lake Coal-fired Unit 3 in Texas Trips Offline May 14,

Restarts May 15

The unit tripped offline on the afternoon of May 14 after a boiler feed pump failed. The unit was returned to service by early May 15.

Reuters, 07:21 May 15, 2008

AEP Shuts 690 MW Oklaunion Coal-fired Unit in Texas May 15 - 22

The company expects the unit to be down for about a week while workers fix a tube leak.

Reuters, 08:17 May 15, 2008

Wolf Creek Nuclear's 1,165 MW Wolf Creek Nuke Unit 1 in Kansas Ramped Up to 30 Percent May 15

According to the Nuclear Regulatory Commission, the unit was operating at 1 percent on May 14. The unit restarted after a valve was repaired.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Reuters, 18:25 May 15, 2008

NMC's 512 MW Point Beach Nuke Unit 2 in Wisconsin Ramped Up to 94 Percent May 15

According to the Nuclear Regulatory Commission, the unit was operating at 70 percent on May 14.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

AES's 226 MW Huntington Beach Gas-fired Unit 2 in California Returns to Service May 14

According to the California Independent System Operator, the unit experienced an unplanned outage on May 14.

<http://www.caiso.com/unitstatus/data/unitstatus200805141515.html>

PG&E's 154 MW Kerkhoff Hydro Unit 1 in California Returns to Service May 14

According to the California Independent System Operator, the unit experienced an unplanned outage on May 14.

<http://www.caiso.com/unitstatus/data/unitstatus200805141515.html>

Petroleum

Coker Briefly Shut at ExxonMobil's 150,000 b/d Torrance, California Refinery May 14-15

According to an ExxonMobil spokeswoman, the coker was back in operation the morning of May 15 following an upset in the unit on the night of May 14.

Reuters, 12:40 May 15, 2008

Coker Briefly Reduced at Chevron's 260,000 b/d El Segundo, California Refinery May 14

According to a company spokesman, the coker was reduced after a controller problem developed on the unit. The problem was fixed and the unit returned to planned rates late May 14.

<http://www.reuters.com/article/marketsNews/idUSN1454721620080515>

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/e48c1fdd5b29471e882574490082a793?OpenDocument>

Natural Gas

FERC Approves Cheniere Creole Trail Pipeline to Begin Service in Louisiana May 13

FERC gave the go-ahead for Cheniere Creole Trail Pipeline to place into service much of its pipeline system that will serve two liquefied natural gas (LNG) terminals in Louisiana.

<http://intelligencepress.com/>

Other News

Force Majeure Declared on Emerald Mine Coal Production after Roof Collapse

Foundation Coal Holdings, Inc. announced May 15 that production at the Emerald Mine, operated by its affiliate Emerald Coal Resources, LP in Pennsylvania, is running at a reduced rate due to anomalous geological conditions, which caused a roof fall. Based on current information, the company expects the roof fall to curtail longwall production for approximately 14 to 17 days, resulting in estimated reduced production of approximately 210,000 to 240,000 tons from the mine in the second quarter.

<http://ir.foundationcoal.com/releasedetail.cfm?ReleaseID=310592>

Energy Prices

U.S. Oil and Gas Prices			
May 15, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	122.24	122.58	62.92
NATURAL GAS Henry Hub \$/Million Btu	11.52	11.08	7.85

Source: Reuters

Energy Notes

Commissioning Set To Begin on Rentech's Synfuels Demo Facility in Colorado

<http://phx.corporate-ir.net/phoenix.zhtml?c=66629&p=irol-newsArticle&ID=1145527&highlight>

NRC Approves 15 Percent Uprate of PSEG's Hope Creek Nuke Unit in New Jersey

Reuters, 13:22 May 15, 2008

Canada's Natural Gas Production Fell 2 Percent in 2007 – National Energy Board

<http://intelligencepress.com/>

Canada's Crude Oil Production Increased 7 Percent in 2007 – National Energy Board

<http://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>.

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