



ENERGY ASSURANCE DAILY

Thursday Evening, May 21, 2009

Electricity

Unknown Cause Leaves 31,205 PNM Customers Without Power in New Mexico May 20

PNM officials report the company is still determining the cause of the power outage that left 31,205 customers in New Mexico without power. A 115 kV transmission line tripped at about 08:30 AM May 20 and power was restored to all customers within 30 minutes.

http://www.alamogordonevents.com/ci_12406540

Reliant's 130 MW Mandalay Gas-fired Unit 3 in California Shut by May 20

According to the California Independent System Operator, the unit experienced an unplanned outage by May 20.

<http://www.caiso.com/unitstatus/data/unitstatus200905201515.html>

Update: AES's 227 MW Huntington Beach Gas-fired Unit 4 in California Returns to Service by May 20

According to the California Independent System Operator, the unit returned from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200905201515.html>

Update: PSE&G's 1,049 MW Hope Creek Nuke Unit 1 in New Jersey Reduced to 90 Percent by May 21

The company shut the unit on May 17 due to an air supply problem. The Nuclear Regulatory Commission reported that on the morning of May 20 the unit was operating at full power.

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

<http://www.reuters.com/article/marketsNews/idUSN2044317320090520>

National Research Council's Report Highlights Need for Significant Technological Investments to Reduce U.S. Dependence on Petroleum

The National Research Council's (NRC) recent report titled, "Liquid Transportation Fuels from Coal and Biomass: Technological Status, Costs and Environmental Impacts," suggests that liquid fuels from biomass and coal have the potential to reduce petroleum fuel use and CO2 emissions in the U.S. transportation sector over the next 25 years. Even with abundant resources in biomass and coal, however, substantial investments in research, development, and commercial demonstration projects will be needed to produce these alternative liquid fuels in an environmentally conscious way, and at a level that could impact U.S. dependence on imported oil.

<http://www8.nationalacademies.org/onpinews/newsitem.aspx?RecordID=12620>

Con Edison Invests \$1.5 Billion for Summer 2009 to Upgrade and Reinforce Electric Delivery System

Consolidated Edison Company (Con Edison) announced it is investing approximately \$1.5 billion this year to upgrade and reinforce its electric delivery system, including upgrading multiple transformers, and replacing and installing approximately 2,000 miles of electrical cable. The \$1.5 billion in overall system investments this year includes; \$905 million on the distribution system for cables, transformers and network protectors, \$222 million on transmission upgrades and system reliability; and \$347 million on new substation installations and related equipment.

<http://www.coned.com/newsroom/news/pr20090520.asp>

IEA Foresees \$100 Billion Oil Investment Drop in 2009

The International Energy Agency (IEA) forecasts a \$100 billion drop in global oil investment for the year 2009 over 2008. IEA's chief economist reported that lower investments as a consequence of the world-wide economic crisis threaten future energy security as well as the effort to combat climate change.

<http://www.platts.com/Oil/News/8576609.xml?p=Oil/News&sub=Oil>

Update: Nigeria Oil Minister Says Country is Losing 1 MMb/d of Production Due to Conflict in Niger Delta, Nigeria

<http://www.platts.com/Oil/News/8576505.xml?p=Oil/News&sub=Oil>

Update: Ultraformer, Ultracracker Restarting at BP's 475,000 b/d Texas City, Texas Refinery May 21

BP is restarting an ultraformer and an ultracracker at its Texas City refinery. The units' restart is expected to last through May 24.

Bloomberg News, 11:10 May 21, 2009

Update: FCC Unit Restarting at Flint Hills 330,000 b/d Corpus Christi, Texas Refinery May 20

Flint Hills is in the process of restarting a gasoline producing fluid catalytic cracker (FCC) unit at its refinery in Corpus Christi, Texas. The unit was shut on May 19 due to a fire.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=124495>

Reuters, 15:26 May 20, 2009

Update: FCC Unit Remains Shut at Sunoco's 178,000 b/d Marcus Hook, Pennsylvania Refinery

The company said a gasoline producing fluid catalytic cracker (FCC) unit remained down and as a result, crude rates are cut at its refinery in Marcus Hook, Pennsylvania following a fire on May 17. A company representative said it would boost output at its 335,000 b/d Philadelphia and 145,000 b/d New Jersey refineries to make up for production lost at Marcus Hook.

Reuters, 10:03 May 21, 2009

Louisiana Offshore Oil Port Temporarily Shuts Offshore Tanker Offloading Due to Wind, High Seas May 21

The Louisiana Offshore Oil Port (LOOP) said it halted offshore tanker unloading this morning and the stoppage is expected to last no more than 24 hours. High seas and heavy winds led to the decision. The LOOP normally receives more than 10 percent of incoming oil supplies to the U.S.

Reuters, 11:57 May 21, 2009

Update: Chevron Resumes Oil Production on its Makaraba-Utonana Pipeline in Southern Nigeria Following March 13 Militant Attack

The Makaraba-Utonana pipeline has a capacity of 11,500 b/d of crude oil.

Reuters, 12:50 May 21, 2009

Natural Gas

Panhandle Eastern Shuts Section of 24-Inch Missouri Gas Line Following Explosion in Howard County, Missouri May 20

According to a Howard County, Missouri sheriff, Panhandle Eastern Pipe Line's 24-inch natural gas pipeline in Missouri ruptured and caught fire yesterday, forcing the company to shut a section of the line. A company spokesperson said natural gas supplies to customers have not been affected by the closure.

Bloomberg News, 08:41 May 21, 2009

Bloomberg News, 10:48 May 21, 2009

<http://www.komu.com/satellite/SatelliteRender/KOMU.com/ba8a4513-c0a8-2f11-0063-9bd94c70b769/62b832bf-80ce-0971-019a-a4cf73bb6dcd>

Williams' Northwest Pipeline Files for Permission with FERC to Expand its Piceance Basin System in Colorado May 20

Williams' Northwest Pipeline GP subsidiary applied with the Federal Energy Regulatory Commission (FERC) for permission to expand its system to ship additional natural gas from the growing Piceance Basin in Colorado. The project would include construction of 15 miles of 30-inch-diameter mainline loop in Wyoming and the construction of compressor units in Utah. The expansion project would add 150,000 Dth/d worth of firm transportation capacity from the Greasewood and Meeker/White River hubs in Rio Blanco County, Colorado, to the Opal Hub region in Lincoln County, Wyoming.

<http://www.platts.com/Natural%20Gas/News/6335205.xml?src=rssheadlines0>

Other News

Gulf of Mexico Offshore Industry Improves Hurricane Readiness, MMS Reports

In a teleconference May 19, the Minerals Management Service (MMS) said the offshore oil and gas industry is still addressing weaknesses exposed by Hurricanes Ike and Gustav, but an improved record in 2008 suggests the industry has made progress since 2005, when Hurricanes Rita and Katrina did extensive damage to offshore facilities. MMS said the offshore industry is better positioned to weather major storms than in the past

<http://www.gomr.mms.gov/homepg/whatsnew/newsreal/2009/090514.pdf>

Energy Prices

U.S. Oil and Gas Prices			
May 21, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	60.50	57.62	132.83
NATURAL GAS Henry Hub \$/Million Btu	3.75	4.42	10.94

Source: Reuters

Energy Notes

Southern Company to Test Carbon Capture and Storage Technology at its Coal-fired Barry Plant in Alabama

<http://www.platts.com/Electric%20Power/News/8576911.xml?p=Electric%20Power/News&sub=Electric%20Power>

NOAA Releases 2009 Hurricane Forecasts, 4 to 7 Hurricanes Predicted for Atlantic

http://www.noaaneews.noaa.gov/stories2009/20090521_atlantichurricane.html

Alstom Power and We Energies Report Success for its Pilot Carbon Capture Project in Wisconsin

<http://www.scientificamerican.com/blog/60-second-science/post.cfm?id=carbon-capture-success-in-wisconsin-2009-05-20>

Update: AEP, Allegheny Power File Applications with Maryland Public Service Commission to Build 20-Mile Section of 765 kV Potomac-Appalachian Transmission Highline (PATH) through Maryland

<http://www.nbc12.com/Global/story.asp?S=10394583>

Orleans Energy Announces Start-Up of Kaybob Natural Gas Pipeline in Alberta
<http://www.orleansenergy.com/PDF/Orleans%20Energy%20News%20Release%20-%20May%2021%202009.pdf>

U.S. Energy-Related Carbon Dioxide Emissions Down by 2.8 Percent in 2008, EIA Reports
<http://www.eia.doe.gov/oiaf/1605/flash/flash.html>

Interior Secretary Salazar Agrees To Review Oil, Gas Leases Earlier Cancelled in Utah
<http://online.wsj.com/article/SB124286392648841329.html.html>

Pentagon Urged To Explore Renewable Energy for Military Use to Improve Nation's Security and Warfighting Capabilities
<http://blogs.wsj.com/environmentalcapital/2009/05/20/green-berets-military-brass-urge-american-energy-revolution/>

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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