



ENERGY ASSURANCE DAILY

Tuesday Evening, June 03, 2008

Major Developments

Power Failure Shuts Motiva's 285,000 b/d Port Arthur, Texas Refinery June 2

Power Restored, Company Expects Full Production in a "Couple of Days"

A "ground fault malfunction in the electrical system" triggered a power outage, halting Motiva's 275,000 b/d Port Arthur, Texas refinery June 2, according to a company spokeswoman and news reports. Motiva restored power to the facility late June 2 and planned to reach normal production in the "next couple of days." In the interim, the company will tap the refinery's on-site, refined product inventories. Traders said the shutdown should not impact prices, unless it lasts for more than three days. As it restores units, Motiva said flaring would be possible. Separately, Flint Hills suffered a power outage at its Port Arthur chemical facility. The company expected that incident to stretch to June 4.

http://www.southeasttexaslive.com/site/news.cfm?newsid=19740731&BRD=2287&PAG=461&dept_id=512589&rfi=6

<http://www.chron.com/disp/story.mpl/business/energy/5815213.html>

Bloomberg News, 08:56 June 3, 2008

Reuters, 08:58 June 3, 2008

Reuters, 15:03, June 2, 2008

Electricity

TVA's 1,118 MW Browns Ferry Nuke Unit 2 in Alabama at Full Power by June 3

The Nuclear Regulatory Commission reported that on the morning of June 2 the unit was operating at 75 percent. Information derived from the NRC Power Reactor Status Reports:

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

Energy Northwest's 1,107 MW Columbia Generating Station Nuke Unit in Washington Ramped Up to 85 Percent by June 3

The Nuclear Regulatory Commission reported that on the morning of June 2 the unit was operating at 65 percent. Information derived from the NRC Power Reactor Status Reports:

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

Entergy's 1,075 MW Waterford Nuke Unit 3 in Louisiana Reduced to 26 Percent by June 3

Entergy reduced the unit after workers found a "mechanical issue on the turbine," according to a spokesman. The unit had been ramping up from a refueling outage. The Nuclear Regulatory Commission reported that on the morning of June 2 the unit was operating at 38 percent.

Bloomberg News, 11:10 June 3, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

Calpine's 593 MW Metcalf Energy Center Gas-fired Unit in California Returns to Service by June 2

According to the California Independent System Operator, the unit returned from an unplanned curtailment of 328 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200806021515.html>

Unit Restarts at San Miguel Electric Cooperative's 400 MW Christine, Texas Power Plant

The company repaired a "failed protective" refractory layer in a bottom ash hopper on June 1, according to a filing. Bloomberg News, 07:10 June 3, 2008

Powerex's 428 MW Dynamic Resource Unit in California Reduced June 2

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 329 MW on June 2.

<http://www.caiso.com/unitstatus/data/unitstatus200806021515.html>

SCE, eSolar Plan 245 MW of Solar Power Plants in Antelope Valley, California

eSolar, a solar power plant producer, signed a power purchase agreement with Southern California Edison (SCE) for 245 MW of new solar power. The projects will be modular, scalable, and easily and rapidly deployed, according to an SCE official. The "series" of plants will begin service in 2011.

http://www.esolar.com/news/press/2008_06_03

Petroleum

CO Boiler Upset at Valero's 210,000 b/d Delaware City, Delaware Refinery June 3

The company did not expect the upset to materially affect production, a spokesman said. The incident resulted in flaring. Valero plans to return the CO boiler to normal operations on Friday, and said flaring will continue until then.

Reuters, 11:29 June 3, 2008

Update: Valero Restarts 55,000 b/d FCCU at 160,000 b/d Paulsboro, New Jersey Refinery June 1

The 55,000 b/d gasoline-producing fluid catalytic cracking unit (FCCU) is returning to full rates, a spokesman said. Valero shut the unit on May 27 to repair a leak in an expansion joint.

Reuters, 14:14 June 2, 2008

Plains All American Pipeline Subsidiary Plans 677,000 b/d Oil Import Terminal in Southern California—Port of Los Angeles Releases Draft Environmental Impact Report

Pacific L.A. Marine Terminal, a Plains All American Pipeline subsidiary, is planning to build a 677,000 b/d oil import terminal at the Port of Los Angeles' Pier 400. The project would include the terminal and two 250,000 barrel storage tanks at Pier 400, a pipeline to the nearby Pier 300, and 14 additional 250,000 barrel storage tanks at Pier 300. The terminal would have the capacity to accept "fully loaded, deep-draft very large crude carrier oil tankers," according to a source. Pending approval, the facility would open in phases: the terminal, Pier 400's two storage tanks, and eight of Pier 300's storage tanks would come online in the fourth quarter of 2010. The other six of Pier 300's storage tanks would enter service in the second quarter of 2011.

http://www.cunninghamreport.com/news_item.php?id=322

Natural Gas

Enbridge Declares Force Majeure on Manta Ray Natural Gas Gathering System in Gulf of Mexico June 2—Company Lifts Force Majeure June 3

Citing "downstream operational limitations," Enbridge curtailed most receipt points on the Manta Ray pipeline by 75 percent. The company lifted the force majeure by this morning, June 3.

<http://www.enbridgeus.com/Reports/reportrem.aspx?pl=1&rptSite=1&rpt=/notice/FinalReview.asp?code=manr2008154.163355&tmi=869&tmt=5>

<http://www.enbridgeus.com/Reports/reportrem.aspx?pl=1&rptSite=1&rpt=/notice/FinalReview.asp?code=manr2008155.93627&tmi=869&tmt=5>

Update: Tennessee Gas Considers 1 Bcf/d Expansion of Natural Gas Pipeline System to Transport Marcellus Shale Gas in Pennsylvania

Tennessee Gas Pipeline may upgrade its existing system, or expand its planned Northeast Passage pipeline to transport natural gas from the Marcellus Shale in Pennsylvania. The Northeast Passage project had been slated to deliver natural gas from the Rockies to the East Coast. Citing customer interest, however, the company said it may broaden the project to move Marcellus Shale gas.

<http://www.platts.com/Natural%20Gas/News/6896337.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Bolivia Nationalizes Transredes Pipeline Company

President Evo Morales announced the takeover on May 1. However, month-long talks between the state and Transredes' controller, Ashmore Energy International, failed to broker a deal. The takeover is part of Morales' aim to expand state control in Bolivia's energy industry, according to a news source.

<http://www.reuters.com/article/marketsNews/idUSN0231908920080602>

Other News

DOE Files Application to Construct, Operate Nuclear Fuel Repository at Yucca Mountain, Nevada

The Department of Energy (DOE) filed a 17-volume application with the Nuclear Regulatory Commission (NRC) today, June 3 to construct and operate the nuclear waste repository. Political, funding, and regulatory delays have hampered the facility's progress, which DOE originally planned to open in 1998. Recent DOE estimates suggest it could begin service by 2017. The facility would store up to 70,000 metric tons of nuclear waste.

Bloomberg News, 11:27 June 3, 2008

OPG's Plans for Nuclear Waste Repository Near Lake Huron in Canada Faces Opposition From Detroit Environmentalists

Ontario Power Generation (OPG) wants to store low and intermediate-level wastes—but not nuclear fuel—deep beneath the ground, approximately one mile from Lake Huron's shore. Critics say that a leak could threaten water supplies, fish life and recreation. OPG has not yet decided whether it will go ahead with the plans.

<http://www.detnews.com/apps/pbcs.dll/article?AID=/20080603/METRO/806030375/1409/METRO>

Energy Prices

U.S. Oil and Gas Prices			
June 3, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	125.90	129.73	64.88
\$/Barrel			
NATURAL GAS			
Henry Hub	11.80	11.56	7.80
\$/Million Btu			

Source: Reuters

Energy Notes

Ameren Reports 14,045 Customers Without Power in Illinois June 3

As of 1:30 PM: http://www.ameren.com/Outage/ADC_IllinoisOutageInformation.asp

Update: Alliant Energy to Buy 500 MW of Turbines for Wind Power Projects—Plans Include 200 MW Whispering Willow Wind Farm in Iowa

<http://www.prnewswire.com/>

Pennsylvania Gas Association Launches “Public and Legislative Informational Campaign” to Push for Fixes to Pennsylvania’s Dated Natural Gas Infrastructure

<http://www.primenewswire.com/newsroom/news.html?d=143860>

Update: As Weather Clears, Mexico Reopens Dos Bocas Oil Port in Gulf of Mexico—Cayo Arcas Oil Port Still Shut June 3

Reuters, 11:24 June 3, 2008

Norwegian Workers’ Union Threatens Strike if Wage Talks go Unresolved—Beginning June 7, Strike Could Shut in 150,000 b/d of StatoilHydro Production, and 70,000 b/d of Shell Output in North Sea

Reuters, 10:29 June 3, 2008

Bloomberg News, 08:45 June 3, 2008

Chevron Plans 30,000 b/d Gas-to-Diesel Plant in Nigeria—to Come Online in 2012

Bloomberg News, 12:25 June 3, 2008

Chevron to Begin Output of as Much as 125,000 b/d of Crude in Tombua Landana, Angola, Some Time in Next Few Years

Bloomberg News, 12:25 June 3, 2008

Iran Eyes 2010 Start Date for Construction of 1 Million b/d Iran Oil Pipeline from Neka Port on Caspian Sea to Jask Terminal Near Persian Gulf

Bloomberg News, 07:18 June 3, 2008

Update: French Trucks Continue to Obstruct Total’s 158,000 b/d La Mede, France Refinery June 3

<http://www.platts.com/Oil/News/8777324.xml?p=Oil/News&sub=Oil>

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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