



ENERGY ASSURANCE DAILY

Friday, June 23, 2006

Major Developments

Update: ConocoPhillips' Westlake Refinery Reports Status After Calcasieu Closure

Yesterday two of three Lake Charles-area refineries reported cutting rates due to the June 21 closure of the Calcasieu Shipping Channel in Louisiana. Late yesterday the remaining refinery, ConocoPhillips' 239,000 b/d Westlake plant, reported that the channel closure was having a limited effect on its operations but was evaluating alternative sources of crude supply if needed. The company declined to say whether it would seek an SPR loan from the U.S. Department of Energy. The U.S. Coast Guard said yesterday that channel could be closed for up to one week. The Lake Charles-area refineries make up about 4 percent of total U.S. refining capacity according to EIA data. For more on the impact to refiners due to the closing of the channel see the Energy Assurance Daily from June 22.

Reuters, 16:04 June 22, 2006

Bloomberg, 19:13 June 23, 2006

Refiner Impact of Calcasieu Shipping Channel Closure			
June 23, 2006			
Refinery	Location	Capacity (b/d)*	Impact
Citgo	Lake Charles	440,000	"Slight reduction"
ConocoPhillips	Westlake	239,000	"Limited impact"
Calcasieu Refining	Lake Charles	32,000	"Halved crude runs"

*Processing capacity according to companies' websites:

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

<http://www.citgo.com/AboutCITGO/Operations/RefiningRefiningDetails.jsp>

<http://www.conocophillips.com/NR/rdonlyres/C0B96A23-E7DF-495A-9F60-9B73C05B348A/0/downstream.pdf>

Electricity

25,000 Washington, D.C. Area Customers Still Without Power After Storm June 23

As of 9 a.m. today, about 25,000 Washington area customers remained without power due to last night's severe thunderstorm, which left some 40,000 homes without power immediately after the storms. More heavy rain and thunderstorms are expected today and tonight, which are likely to cause additional power outages in the area. Representatives of Pepco and Dominion Virginia Power said work crews would continue their efforts to restore power to households throughout the day.

http://www.washingtonpost.com/wp-dyn/content/article/2006/06/23/AR2006062300241.html?nav=rss_metro/va

PG&E Urges Power Conservation for Heat Wave in California

Pacific Gas & Electric does not expect any problem meeting consumer demand and reserve requirements, but advised customers to conserve energy because increased usage to run air conditioners could strain its systems.

Reuters, 10:05 June 23, 2006

Industry Panel Projects \$400 Billion of Investment in New Power Plants

At the recent annual meeting of the Edison Electric Institute in Washington, D.C., industry experts projected that \$400 billion would be spent on new investment in power generating plants over the next 25 years. The panel also recognized the possibility of another energy crisis before the end of the decade and recommended rapid development of additional power plants to increase the generating capacity.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6826087

DTE Energy Will Not Shut its 1,111 MW Fermi 2 Nuke Unit in Michigan to Replace Transformer

A company spokesman said that DTE does not plan to shut the unit in order to replace a failed transformer as some sources had speculated. Instead, the company indicated it was preparing to replace the transformer.
Reuters, 12:10 June 23, 2006

TXU's 565 MW Monticello 2 Coal-fired Unit in Texas to Restart June 23

The company shut the unit earlier for turbine repairs. Traders believe that it has remained out of service since June 19 when the company shut the unit for boiler repairs.
Reuters, 08:07 June 23, 2006

Allegheny Power's 555 MW Ft. Martin 2 Coal-fired Unit in W. Va Shut June 22

Reuters, 08:14 June 23, 2006

Mirant's 237 MW Contra Costa 7 Gas-fired Unit in California Shut June 22

Reuters, 08:14 June 23, 2006

CDWR's 200 MW Hyatt-Therm Hyrdo Unit in California Shut June 21

Reuters, 08:14 June 23, 2006

Calpine's 333 MW Metcalf Gas-fired Unit in California Shut June 21

Reuters, 08:14 June 23, 2006

Reliant's 215 MW Mandalay Gas-fired Unit in California Shut June 22

Reuters, 08:14 June 23, 2006

Mirant's 262 MW Pittsburg 7 Gas-fired Unit in California Shut June 22

Reuters, 08:14 June 23, 2006

AES' 439 MW Redondo 7 Gas-fired Unit in California Shut June 22

Reuters, 08:14 June 23, 2006

Petroleum

FCC Rates Slowed at Alon USA's 70,000 b/d Big Spring Refinery in Texas June 23

The refinery was struck by lightning overnight, shutting down the wet gas compressor and slowing rates from 21,000 b/d to 14,000 b/d at the fluid catalytic cracker. The cat cracker flared for more than three hours after the incident.

Reuters, 11:17 June 23, 2006

Tesoro Corp.'s 70,000 b/d Nikiski Refinery in Alaska Shuts, then Restarts June 21

A power failure forced the unit to shut and flare off hydrocarbons. The unit restarted later in the day.

Bloomberg, 03:34 June 23, 2006

Natural Gas

Falcon Files Plans to Develop 50 Bcf Gas Storage in Alabama

Falcon Gas Storage's subsidiary, MoBay Storage Hub, filed an application at FERC for a 50 Bcf gas storage project in southern Alabama. If approved, the new storage facility will be connected to the Gulfstream, Transco, Gulf South, and Florida Gas Transmission pipelines.

<http://powermarketers.net/content/inc.net/newsreader.asp?ppa=8kowu%5D%5BhmrmmntqUUhd%7DGL%7Dbfel%5Dv>
http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6826980

Other News

Bodman Worried About U.S. Ethanol Supplies But Says Brazil Imports Won't Help

U.S. Energy Secretary Samuel Bodman is concerned about this week's jump in ethanol prices, which indicates a tight market for supply in the United States. However, he dismissed the suggestion that lifting the import duty on Brazilian ethanol would increase supply in the short term. Ethanol is trading at \$5 per gallon on the spot market. Earlier this year some markets in the U.S. experienced ethanol supply problems due to the refining industry's phase out of the fuel additive MTBE.

Reuters, 13:05 June 23, 2006

Suncor Energy Nearing Completion of Canada's Biggest Ethanol Plant in Ontario

The company expects to reach full production by the end of July at its new 53 million gallon/year St. Clair ethanol plant near Sarnia, Ontario.

Reuters, 13:01 June 23, 2006

GAO Finds NRC's 'Safety Culture' Problematic

According to GAO's recent preliminary report, NRC needs to change the "safety culture" at U.S. nuclear power plants. The report says NRC's reactor oversight process is ineffective in early identification of deterioration or corrosion at nuclear facilities. The report cites the need for a "safety culture" that would adhere to procedure and take preventive measures.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6825904

Energy Prices

U.S. Oil and Gas Prices			
June 23, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	70.68	69.90	59.07
NATURAL GAS Henry Hub \$/Million Btu	6.51	6.45	7.41

Source: Reuters

Energy Notes

Thousands of AEP Customers in Ohio Without Power June 23 After Thunderstorms

<http://www.timesreporter.com/index.php?ID=55424>

Tropical Storm Could Develop Over Bahamas Over Weekend – NHS

Reuters, 11:59 June 23, 2006

Total Restarts Electricity Cogeneration Unit at Port Arthur Refinery in Texas

Reuters, 12:57 June 23, 2006

Demand for Million-Barrel Suezmax Crude Tankers May Outpace Investment

Bloomberg, 11:35 June 23, 2006

June Traffic Delays at Panama Canal Down From May

Reuters, 12:18 June 23, 2006

Proposal for LNG Terminal at Boston Harbor Revived

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BhmrlgmnSUhd%7DGL%7Dbfel%5Dv>

Plans on the Way for Additional 5,714 MW of Generation in Kansas

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BhmqlhorUUhd%7DGL%7Dbfel%5Dv>

Update: Failure at New Substation Causes Breakdown of Amtrak trains

<http://www.northjersey.com/page.php?qstr=eXJpcnk3ZjczN2Y3dnFIZUVFeXk1JmZnYmVsN2Y3dnFIZUVFeXk2OTUxOTQxJnlvaXJ5N2Y3MTdmN3ZxZWVFRXI5Mg>

Green Energy Investment Rises 43 Percent Last Year, Continues to Rise

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BhmrmpUhd%7DGL%7Dbfel%5Dv>

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/index.aspx>.

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