



# ENERGY ASSURANCE DAILY

Wednesday Evening, June 23, 2010

## Major Developments

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### **Update: BP Removes Containment Cap after Apparent Underwater Vehicle Incident at Site of Blown-Out Well in Gulf of Mexico**

BP removed the containment cap on June 23 at the underwater site of the blown-out MC252 well in the Gulf of Mexico, according to Coast Guard Adm. Thad Allen, after a robotic vehicle appeared to have struck and closed a cap vent. The closed vent increased the chances that hydrates could form, he said. Crews were looking for ice-like crystals before putting the cap back in place, but Allen said the system could resume operations on June 23. BP said that capture of oil and gas continued through the blowout preventer's (BOP) choke line via a manifold to the Q4000 vessel on the surface. Separately, Allen confirmed that two spill responders had died - one while swimming and the other while operating a boat. BP collected about 16,665 barrels of oil, flared approximately 10,425 barrels of oil, and flared about 54.4 million cubic feet of natural gas on June 22 via its dual collection system, the company said on its website.

<http://www.cnn.com/2010/US/06/23/gulf.oil.disaster/index.html?hpt=T2>

[http://www.nytimes.com/aponline/2010/06/23/business/AP-US-Gulf-Oil-Spill-Containment-Cap.html?\\_r=1&hp](http://www.nytimes.com/aponline/2010/06/23/business/AP-US-Gulf-Oil-Spill-Containment-Cap.html?_r=1&hp)

<http://www.bp.com/extendedsectiongenericarticle.do?categoryId=40&contentId=7061813>

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7063083>

Reuters, 13:04 June 23, 2010

### **Update: After Legal Setback, Salazar Aims to Issue Refined Moratorium on Deepwater Drilling**

U.S. Interior Secretary Ken Salazar said he would seek to reissue a refined moratorium on deepwater drilling, one day after a New Orleans judge rejected the Administration's previously-issued six-month ban. Despite the judge's ruling, deepwater drillers were not expected to resume work until they saw how the decision panned out, according to analysts.

DJN, 12:07 June 23, 2010

<http://www.businessweek.com/news/2010-06-23/oil-drillers-won-t-rush-to-deep-water-after-ruling.html>

### **U.S. Government Mulling New Oil Collection Methods in the Event of a Hurricane at Blown-Out Well in Gulf of Mexico**

The U.S. government is considering new strategies for capturing oil in the event that a hurricane hampers current collection method, Coast Guard Adm. Thad Allen said on June 22. Among the measures is a plan to redirect the oil along a seafloor pipeline to one or several currently-offline offshore platforms. The oil could also be routed into a natural reservoir underneath the seafloor.

Reuters, 15:02 June 22, 2010

### **Shortfall of Containment Booms Hampers Spill Response in Gulf of Mexico**

<http://www.nytimes.com/2010/06/23/us/23boom.html?hp>

### **Storms Knock Out Power to More than 56,000 Customers in Maryland, Virginia, and D.C. June 22-23**

Storms knocked out power to about 30,000 Baltimore Gas & Electric (BGE) customers in Maryland, more than 21,000 Dominion Virginia Power customers in Virginia, , and more than 15,000 Pepco customers in Maryland and Washington, D.C., multiple sources reported. Some 1,419 BGE customers, 564 Dominion Virginia Power customers, and 1,056 Pepco customers remained without power, as of latest reports.

BGE: <http://www.bge.com/portal/site/bge/menuitem.42d31413f80c584606370f10d66166a0/> , <http://wjz.com/local/storms.2.1767054.html> , [http://www.abc2news.com/dpp/weather/weather\\_news/thousands-still-out-of-power-from-tuesday-night-storm](http://www.abc2news.com/dpp/weather/weather_news/thousands-still-out-of-power-from-tuesday-night-storm)

Dominion Virginia Power: <http://www.dom.com/storm-center/dominion-electric-outage-summary.jsp> , <http://www.news8.net/news/stories/0610/748517.html>

Pepco: <http://www.pepco.com/home/emergency/maps/stormcenter/default.aspx> , <http://www.news8.net/news/stories/0610/748517.html>

### **LCRA to Shut 598 MW Fayette Coal-Fired Unit 2 in Texas June 22**

The Lower Colorado River Authority (LCRA) expected to shut the unit "to correct Unit 2 generator vibration issues," it said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141491>  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141496>

### **Update: Entergy's 951 MW Indian Point Nuclear Unit 2 in New York at Full Power by June 23**

The company slowed the unit for minor repairs, a plant spokesman said. The Nuclear Regulatory Commission reported that on the morning of June 22 the unit was operating at 82 percent.

Information derived from the NRC Power Reactor Status Reports:  
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

### **Citing Rising River Waters, NPPD Declares Unusual Event at 764 MW Cooper Nuclear Power Plant in Nebraska June 22**

The Nebraska Public Power District (NPPD) declared a "Notification of Unusual Event" early on June 22 after the Missouri River's water level reached 42.5 feet. The company said in a release that the move was "part of safety and emergency preparedness procedures the station follows when flooding conditions are in effect." The plant, however, continued to operate. The company said it would shut the facility for safety reasons if the river's level rose to 45.5 feet. It referred to that possibility as "unlikely."

<http://www.nppd.com/Newsroom/NewsRelease.asp?NewsReleaseID=439>  
<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100623en.html>

### **Canada to Impose New Environmental Regulations in Bid to Phase out Aging Coal-Fired Power Plants**

Canada plans to announce new, stricter emissions regulations in early 2011 that will enable it to phase out its aging coal-fired power plants, the nation's Environment Minister said on June 22. He expects the regulations to take effect on July 1, 2015.

<http://www.reuters.com/article/idUSN2320360820100623>

## **Petroleum**

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### **Update: Shell to Repair and Restart Reformer by June 30 at 145,000 b/d Anacortes, Washington Refinery**

Shell expected to complete repairs to a fire-damaged catalytic reformer unit (CRU) on June 28 and return the unit to normal rates by June 30, a company spokeswoman said. The small fire occurred on June 19, according to Reuters.

<http://www.reuters.com/article/idUSWEN615120100622>

### Delek Restarts Unit at 58,000 b/d Tyler, Texas Refinery June 21

Delek restarted a saturated gas unit at its 58,000 b/d Tyler, Texas Refinery on June 21, the company said in a filing with state regulators. The company said that brief visible emissions occurred during the restart.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=141452>

Reuters, 17:53 June 22, 2010

### Update: Connacher Opens 10,000 b/d SAGD Plant at Great Divide Oil Sands Complex in Alberta, Canada by June 22

Connacher Oil and Gas Limited held a formal ceremonial opening of the 10,000 b/d Algar steam-assisted gravity drainage (SAGD) plant at its Great Divide oil sands complex in Alberta, Canada, it said on June 22. The company expects to launch another 24,000 b/d of bitumen production capacity – raising Algar’s total capacity to 34,000 b/d – in 2013.

<http://www.connacheroil.com/en/investor/cil-2010-06-22.pdf>

## Natural Gas

Nothing to report.

## Other News

### USDA Sees Improving Energy Efficiency among Corn-Based Ethanol Producers

Corn-based producers are using less energy to generate the same amount of ethanol as in 2004, the U.S. Department of Agriculture’s (USDA) Office of Energy Policy and New Uses said in a report. The USDA surveyed corn growers for the year 2005 and ethanol plants in 2008 measuring all conventional fossil fuel energy used in the production of 1 gallon of corn ethanol. For every British Thermal Unit (BTU) unit of energy required to make ethanol, 2.3 BTUs of energy were produced, according to the study. That marked an approximately 31 percent increase from a 2004 study. Ethanol, the USDA said, has made the transition from an energy sink, to a moderate net energy gain in the 1990s, to a substantial net energy gain in the present.

[http://www.usda.gov/wps/portal/usda!/ut/p/c5/1ZDLDoJADEU\\_qeU5uFOgA2FwWPAQNgYNEgKCC4Lh78W4kl2mtJsmPb3tLRSwZF90TV2OzdCXHZygMM-RFaapiDUFD7GCvh16iuM4ih0hZO-JNZG4CxFE0vO5gxiwTx9\\_xB7h6A33CnIo2FeFM2Eve1yxkzJWURqQd1VdXmdl-v-ortNRuqo0yaiJZJRvOIBuizP6B-i2JF3V2oBu-Ku6Rh9te7O1bhJVZo3GZV6Vzxebp7bP/dl3/d3/L2dJQSEvUUt3QS9ZQnZ3LzZfUDhNVIZMVDmXMEJUMTBjQ01MURERDETODU!/?printable=true&contentidonly=true&contentid=2010/06/0330.xml](http://www.usda.gov/wps/portal/usda!/ut/p/c5/1ZDLDoJADEU_qeU5uFOgA2FwWPAQNgYNEgKCC4Lh78W4kl2mtJsmPb3tLRSwZF90TV2OzdCXHZygMM-RFaapiDUFD7GCvh16iuM4ih0hZO-JNZG4CxFE0vO5gxiwTx9_xB7h6A33CnIo2FeFM2Eve1yxkzJWURqQd1VdXmdl-v-ortNRuqo0yaiJZJRvOIBuizP6B-i2JF3V2oBu-Ku6Rh9te7O1bhJVZo3GZV6Vzxebp7bP/dl3/d3/L2dJQSEvUUt3QS9ZQnZ3LzZfUDhNVIZMVDmXMEJUMTBjQ01MURERDETODU!/?printable=true&contentidonly=true&contentid=2010/06/0330.xml)

## Energy Prices

U.S. Oil and Gas Prices			
June 23, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	75.50	77.16	65.35
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.87	5.11	4.01

Source: Reuters

**Storm Knocks Out Power to about 17,000 Met-Ed Customers in Pennsylvania June 22**  
[http://www.1dnews.com/cj\\_15353235?source=most\\_email](http://www.1dnews.com/cj_15353235?source=most_email)

**Fire Strikes Idle BGE Substation in Maryland June 22**  
<http://www.wjla.com/news/stories/0610/748336.html>

**DHS's Resilient Electric Grid Project Plans Superconductor Cable that Could Curb Potentially-Damaging Fault Currents**  
<http://homelandsecuritynewswire.com/surge-protector-end-all-surge-protectors>

**NRC Says Cooling Tower Pipe Leaking Water from 18-Inch Crack at Entergy's 563 MW Vermont Yankee Nuclear Power Plant in Vermont**  
<http://www.rutlandherald.com/article/20100623/NEWS02/706239905/1003/NEWS02>

**Entergy Says Design Issues Mostly at Fault for Recent Tritium Leak at 563 MW Vermont Yankee Nuclear Power Plant in Vermont – Leak Caused by Drain Blockage almost 40 Years Ago**  
<http://www.wcax.com/Global/story.asp?S=12689598>  
<http://www.nhpr.org/node/33005>

**In Study of CAISO Service Area, KEMA Sees Opportunities for Storage Applications in High-Penetration Renewables**  
<http://www.kema.com/news/pressroom/press-releases/2010/KEMA-sees-opportunities-for-storage-applications-in-high-penetration-renewables.aspx>

**Water Main Break Causes Sagging Power Lines, Forcing Shutdown of I-270 in Maryland June 23**  
<http://voices.washingtonpost.com/local-breaking-news/?hpid=news-col-blog-viewall>

**Natural Gas Leak Forces Shut Highway Segment in New Hampshire by June 22**  
<http://www.citizen.com/apps/pbcs.dll/article?AID=/20100622/GJNEWS02/706229927/-1/CITNEWS>

**Cryogen Plant Freeze-up Leads to Reboiler Blockage at Midkiff Gas Plant in Texas June 22**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141457>

**Flaring at Keystone Gas Plant in Texas June 22**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141456>

**Acid Gas Compressor Shuts at Waha Gas Plant in Texas June 22**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141435>

**Amine Plant and AGI System Shut Down at Waha Gas Plant in Texas June 22-23**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141473>

**Duke Energy Blows Down A-Line Natural Gas Pipeline to Repair Leak in Texas June 22**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141430>

**Shutdown of Fullerton Plant Leads to Flaring at Andrews Booster Station in Texas June 22**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141482>

**Andrews Booster Station in Texas Shuts Compressors 1,2,3 and 5 June 22**  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141472>

**XTO Shuts Compressor at Russell Field in Texas after Shutdowns at Hess Gas Plant and Targa's West Seminole Compressor Station**

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=141484>

**Russia Reduces Natural Gas Deliveries to Belarus by More than 50 Percent amid Debt Dispute**

<http://in.reuters.com/article/idINIndia-49531320100623>

**Massey Energy Sues U.S. MSHA over Alleged Improper Use of Regulatory Authority to Control the Design of Ventilation Systems and to Limit the Use of Scrubbers in Underground Mines**

<http://phx.corporate-ir.net/phoenix.zhtml?c=102864&p=irol-newsArticle&ID=1441053&highlight=>

**Coda Automotive Seeks Federal Loan for Planned Car Battery Plant in Ohio**

<http://www.dispatch.com/live/content/business/stories/2010/06/22/electric-car-battery-loan-request-filed-coda.html?sid=101>

## Links

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***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](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/ead.aspx>

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