



U.S. DEPARTMENT OF ENERGY  
Office of Electricity Delivery and Energy Reliability  
Infrastructure Security and Energy Restoration

# ENERGY ASSURANCE DAILY

Thursday Evening, June 23, 2011

## Major Developments

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### Department of Energy and IEA Members Announce Release of 60 Million bbls from Emergency Stockpiles to Address Disrupted Oil Supplies from Libya June 23

2 million b/d of oil will be released from International Energy Agency (IEA) member stockpiles for a period of 30 days. 50% of the supply will come from North America member states, 30% from European members, and 20% from Asian member countries. The U.S. currently has 727 million bbls in storage and 30 million bbls will be released from the U.S. Strategic Petroleum Reserves. As a result, WTI light sweet crude dropped more than 4% to \$91.45 per barrel. The conflict in Libya has resulted in a loss of roughly 1.5 million b/d of oil from global markets. IEA has posted answers to key questions related to the release of the oil from reserves on its official website.

<http://www.energy.gov/news/10393.htm>

[www.iea.org/files/faq.asp](http://www.iea.org/files/faq.asp)

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Oil/8035709>

<http://online.wsj.com/article/SB10001424052702303339904576403480626606792.html>

<http://blogs.forbes.com/heatherstruck/2011/06/23/u-s-opens-oil-reserves-crude-futures-continue-to-fall/>

<http://www.foxnews.com/politics/2011/06/23/us-to-release-30-million-barrels-oil-from-strategic-reserve/>

[http://www.usatoday.com/money/industries/energy/2011-06-23-oil-prices\\_n.htm#](http://www.usatoday.com/money/industries/energy/2011-06-23-oil-prices_n.htm#)

## Electricity

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### Update: Over 109,600 Customers Remain Without Power June 23 Due to Thunderstorms Across U.S. Midwest and Tennessee June 21-22

Storms swept through the Midwest, causing major damage and disruptions in the Chicago, Illinois area, where there were cancelled flights and delays of commuter trains. About 430,000 Commonwealth Edison (ComEd) customers throughout the area were without power at the peak Wednesday. ComEd expects the restoration process to take multiple days since the outages are widespread. The utility has deployed 700 crews to repair power lines. The Knoxville Utilities Board (KUB) in Tennessee reported the largest power outage in the utility's history, with 127,000 customers without electricity.

- ComEd reports 85,000 customers are without power in Illinois as of 2:45 pm Thursday, down from a peak of 430,000 June 22. The utility expects to restore power to 90 percent of customers by midnight tonight.
- KUB reports 24,628 Tennessee customers are without power as of 3:30 pm Thursday, down from the peak of 127,000 customers without power.

ComEd: <http://twitter.com/#!/ComEd>, <http://twitter.com/#!/ComEd/status/83662057903357953>, Reuters, 16:41 June 22, 2011

KUB: [http://www.kgis.org/website/kub\\_outage/mainpage.htm](http://www.kgis.org/website/kub_outage/mainpage.htm),

<http://www.volunteertv.com/home/headlines/124325439.html>,

[http://www.kub.org/wps/wcm/connect/400525804752b330b4aef4850412d6f2/11June+22StormmUpdate1130am\\_MA+%233+WEB.pdf?MOD=AJPERES](http://www.kub.org/wps/wcm/connect/400525804752b330b4aef4850412d6f2/11June+22StormmUpdate1130am_MA+%233+WEB.pdf?MOD=AJPERES)

### 20,000 Customers in Hamilton, Ohio Lose Power after City is Disconnected from National Grid June 22

Hamilton residents lost power for approximately three hours Wednesday. City officials are investigating a possible malfunction of Duke Energy's equipment, which connects the city to the grid.

<http://www.local12.com/news/local/story/Hamilton-Power-Outage-Explained/ztsR8mNRv0S3rJnz34bYkQ.csp>

### **Update: Wallow Fire in Arizona 61 Percent Contained June 23**

The Wallow Fire burning in Arizona and New Mexico is now 61% contained and officials expect that weather conditions will remain stable for the next two days. Currently the Wallow fire line is not an immediate threat to El Paso Electric's transmission lines or Tucson Electric Power's transmission lines in the area.

<http://www.azein.gov/azein/Lists/Announcements/DispForm.aspx?ID=1832>

<http://www.epelectric.com/about-el-paso-electric/article/update-wallow-fire-june-22-2011>

### **Update: Willow Fire in Arizona 45 Percent Contained June 23**

On June 22 the fire was assessed by the state as being of "moderate risk" to two APS 345 kV power lines.

<http://www.azein.gov/azein/Lists/Announcements/DispForm.aspx?ID=1831>

<http://www.azein.gov/azein/Lists/Announcements/DispForm.aspx?ID=1824>

### **Update: Constellation's 835 MW Calvert Cliffs Nuclear Unit 2 in Maryland Ramped Up to 30 Percent by June 23**

The Nuclear Regulatory Commission reported that on the morning of June 22 the unit was operating at 10 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **Update: Dominion's 871 MW Millstone Nuclear Unit 2 in Connecticut Ramped Up to 18 Percent by June 23**

The Nuclear Regulatory Commission reported that on the morning of June 22 the unit was not operating.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **Update: TVA's 1,126 MW Sequoyah Nuclear Unit 2 in Tennessee Ramped Up to 34 Percent by June 23**

The Nuclear Regulatory Commission reported that on the morning of June 22 the unit was not operating.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **PPL's 1,149 MW Susquehanna Nuclear Unit 1 in Pennsylvania Ramped Up to 2 Percent by June 23**

According to a Nuclear Regulatory Commission (NRC) report, the unit 1 reactor is currently exiting an outage. The unit had been shut May 16 for inspection work. Unit 2 remains out of service.

Reuters, 07:26 June 23, 2011

### **AES's 495 MW Alamos Gas-Fired Unit 6 in California Returns to Service by June 22**

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus201106221515.html>

### **Calpine's 561 MW Los Medanos Energy Center Aggregate Gas-Fired Power Plant in California Ends Curtailment by June 22**

According to the California Independent System Operator, the power plant reported a return from an unplanned curtailment of 297 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201106221515.html>

### **Duke Energy Moss Landing, LLC's 510 MW Moss Landing Gas-Fired Power Block 1 in California Reduced by June 22**

According to the California Independent System Operator, the unit reported an unplanned curtailment of 260 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201106221515.html>

### **U.S. Energy Secretary Steven Chu Announces Offer of Conditional Commitment for \$1.4 Billion Loan for 733 MW Project Amp in 28 states and the District of Columbia June 23**

Solar panels will be installed on industrial buildings across the country, with the electricity generated sent directly to the electrical grid. The project will generate an equivalent amount of electricity as the total capacity of all photovoltaic units installed in the U.S. in 2010. NRG Energy is leading the first phase of the project with a 15.4 MW solar installation in Southern California.

<http://www.energy.gov/news/10391.htm>

## **NRC Cannot Guarantee Structural Integrity of Underground Safety-related Pipelines at Nuclear Power Plants: GAO Report**

Some of the pipelines may not satisfy current Nuclear Regulatory Commission (NRC) regulations and standards according to the report.

[http://www.reformer.com/ci\\_18326895?source=most\\_viewed](http://www.reformer.com/ci_18326895?source=most_viewed)

## **New EPA Regulations Could Require Retirement of Nearly 12,000 MW of Coal-fired Generation by 2020 in ERCOT Region in Texas: The Brattle Group**

ERCOT estimates are a bit lower, believing coal generation retirements could range from 1,200 MW to 4,400 MW across its 69,700 MW of total operational generation capacity in its footprint. ERCOT also believes another 9,800 MW of gas generation would probably need to be retired due to the new regulations.

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Coal/8035406>

## **Update: First Wind's 102 MW Milford Wind Phase II Project Begins Commercial Operation in Utah on June 14**

The first phase, Milford I, began commercial operation in 2009. This second phase includes the installation of an additional 68 1.5 MW GE turbines, for a total combined capacity of 306 MW for both phases.

Dow Jones Newswires, 11:24 June 23, 2011

## ***Petroleum***

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### **Update: Upgrades to Marathon's 106,000 b/d Detroit, Michigan Refinery Expected to be Completed Fall 2011**

Upon project completion, the refinery will be capable of processing up to 120,000 b/d of oil. The project has experienced some delays, and was originally expected to be completed by the end of 2010.

<http://www.freep.com/article/20110623/BUSINESS06/106230581/Refinery-create-jobs-add-tax-revenues>

### **Power Outage Requires Restart of Units at 212,000 b/d Catlettsburg, Kentucky Refinery June 21-22**

A storm cut off power to the refinery Tuesday evening. It is not yet known when the refinery will return to full rates. Reuters, 14:55 June 22, 2011

## ***Natural Gas***

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### **Morgantown City Council Approves Ordinance Banning Marcellus Shale Gas Drilling Within One Mile of Morgantown, West Virginia City Limits June 22**

The ordinance applies only to unconventional horizontal gas wells and wells using hydraulic fracturing.

<http://www.dailyjournal.net/view/story/5a791f3cd67849c685696873c6f6989b/WV--Morgantown-Gas-Wells/>

### **Alliance Pipeline L.P. Announces Plans for 80-mile 120,000 Mcf/d Pipeline and Associated Facilities Transporting Liquids-rich Natural Gas from Tioga to Sherwood, North Dakota June 22**

The pipeline being constructed in the Tioga Lateral Project is planned to be in service by July 2013 and will connect production from Hess Corporation's Tioga gas processing facility to the Alliance main gas line near Sherwood, North Dakota.

[http://www.alliance-pipeline.com/contentfiles/115\\_Tioga\\_News\\_Release\\_June\\_22\\_2011.pdf](http://www.alliance-pipeline.com/contentfiles/115_Tioga_News_Release_June_22_2011.pdf)

### **Global Oversupply of Natural Gas Likely to End as Early as 2012 or 2013: Wood Mackenzie Global Gas Research**

Previous forecasts projected that oversupply would end in 2015. The shorter timeframe could lead to spot prices higher than contract prices in both Asia and Europe, according to the report.

[http://www.worldoil.com/Wood\\_Mackenzie\\_Global\\_oversupply\\_of\\_gas\\_could\\_dissipate\\_as\\_early\\_as\\_winter\\_2012.html](http://www.worldoil.com/Wood_Mackenzie_Global_oversupply_of_gas_could_dissipate_as_early_as_winter_2012.html)

## Other News

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### **Floodwaters Threaten Levees near 20 MMGal/Yr. Golden Triangle Energy Ethanol Plant in Craig, Missouri - Evacuation Orders Announced June 22**

The city has been given a 48-hour mandatory evacuation order due to high water levels in the Missouri River. Sandbags have been placed around the Golden Triangle Energy ethanol plant to protect the facility from floodwater damage.

<http://www.columbiatribune.com/news/2011/jun/22/residents-along-river-given-evacuation-order/>

### **Motiva Enterprises LLC Announces Plans to Construct Ethanol Rail Offloading Facility at Motiva Port Everglades, Florida Terminal by June 23**

The project will allow Motiva to deliver ethanol from unit trains directly into existing storage tanks. The new facility is also expected to improve both cost efficiency and delivery logistics. The Motiva Port of Everglades terminals have a combined 1,200,000 bbls of refined products storage.

<http://www.prnewswire.com/news-releases/motiva-announces-new-rail-yard-in-port-everglades-terminal-124357178.html>

## Energy Prices

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U.S. Oil and Gas Prices			
June 23, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	90.32	94.95	75.50
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.32	4.53	4.87

Source: Reuters

## Energy Notes

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### **China's Oil Demand Rose to an Average of 9.31 Million b/d – 8 Percent Higher Year on Year in May 2011**

[http://www.rigzone.com/news/article.asp?a\\_id=108281](http://www.rigzone.com/news/article.asp?a_id=108281)

### **Thunderstorms Cause Outages for 15,000 Duke Energy Customers in South Carolina Evening of June 22 – 4,295 Customers Remain Without Power at 3 pm June 23**

<http://www.duke-energy.com/south-carolina/outages/current.asp>

<http://www.foxcarolina.com/story/14959907/strong-storms-dark-skies-reported-across-upstate-ga-and-wnc>

### **Equipment Failure Results in Upset, Flaring at Chevron's 245,271 b/d Richmond, California Refinery June 22**

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/6d322b437d9da2e7882578b700681bda?OpenDocument>

### **Praxair Announces Plans to Expand Louisiana Hydrogen Pipeline Complex to Connect to New Hydrogen Plant in St. Charles Parish, Louisiana June 22 – Pipeline to be in Service Q2 2012, Plant to be in Service Q4 2012**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=27000](http://www.downstreamtoday.com/news/article.aspx?a_id=27000)

## Lubricator Failure Results in Engine Shutdown, Flaring at Goldsmith Gas Plant in Texas June 22

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=156038>

### Links

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***This Week in Petroleum*** from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.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://www.eia.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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