



ENERGY ASSURANCE DAILY

Thursday Evening, June 30, 2011

Electricity

La Paloma's 256 MW La Paloma Gas-Fired Unit 3 in California Shut by June 29

According to the California Independent System Operator, the unit reported an unplanned outage on June 29.
<http://www.caiso.com/unitstatus/data/unitstatus201106291515.html>

Dominion Virginia Power Asks for VSCC Okay to Convert Coal Stations to Biomass

Dominion Virginia Power, on Monday asked the Virginia State Corporation Commission (VSCC) to allow the company to convert three coal-fired plants to biomass. The biomass fuel would be primarily wood waste from timber operations in the area. If approved, 150 MW of renewable energy would be added to the Dominion generation portfolio by the end of 2013

<http://www.prnewswire.com/news-releases/dominion-virginia-power-seeks-scc-approval-to-convert-coal-stations-to-biomass-124640508.html>

Copper Theft Cuts 161kV Transmission Line Causing 15,000 Hydro-Jonquière Customers to Lose Power in Quebec, Canada June 29

Company officials report that thieves cut high tension line carrying 161 kV, causing a transformer explosion.
<http://www.cbc.ca/news/canada/montreal/story/2011/06/30/jonquiere-copper-theft.html?ref=rss>

Petroleum

Chevron Reports CCR Unit Back in Operation at 330,000 b/d Pascagoula, Mississippi Refinery by June 30

Chevron reported a continuous catalytic reformer (CCR) unit was back in operation following a compressor trip on June 29. According to a company representative, no other units were affected.
<http://af.reuters.com/article/energyOilNews/idAFWEN492720110630>

BP Restarting Reformer and FCC Units at 437,080 b/d Texas City, Texas Refinery June 30

The problem with the fluidic catalytic cracking (FCC) unit No. 3 on Wednesday had no impact on production. The reformer had been shut since late April when a power outage occurred at the refinery
Reuters, 10:14 June 30, 2011

Valero Shuts Vacuum Unit at 115,000 b/d Corpus Christi, Texas Refinery by June 30

According to a filing with state regulators, the company shut the vacuum jet compressor in the eastern part of its refinery to perform unplanned maintenance.
DJN, 12:36 June 30, 2011

Open Valve Results in Flaring at Valero's 93,000 b/d Three Rivers, Texas Refinery June 29

According to the company, the incident had no material impact on production
Reuters, 17:12 June 29, 2011

Colonial Pipeline Announces 55,000 b/d Expansion to its Main Distillate Pipeline

On June 29, the Company announced that it will increase capacity on the line by 55,000 b/d on the main distillate line running from Houston, Texas to Greensboro, North Carolina. Anticipated completion of the project is June 2012. The expansion is designed to reduce congestion and the need to allocate space on the line. This project is the latest in a series first announced in March 2011; the overall expansions will add 240,000 b/d of capacity. On a daily basis, Colonial ships approximately 2.3 MM b/d of refined products from Texas to the Northeast.

http://www.colpipe.com/press_release/pr_110.asp

U.S. Refining Capacity Reaches Highest Level in 29 Years: EIA

According to the latest data from the Energy Information Administration (EIA), crude oil refining capacity is at the highest level since the 1995. Capacity increased 152,000 b/d this year to 17.7 MM b/d. However, refinery utilization remains considerably below the historic high point reached during the 1990's.

Reuters, 14:57, June 29, 2011

BOEMRE Completes Draft SEIS Report to Reopen Drilling in the Gulf of Mexico

The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) announced on June 29, the completion of a draft of a supplemental environmental impact statement (SEIS) that sets the stage for a lease sale next year before June 30, 2012 when the current five-year plan for leasing the Outer Continental Shelf closes. The draft SEIS will be open for public review and comment for 45 days.

<http://www.boemre.gov/ooc/press/2011/press0629a.htm>

G Seven Generations Proposes Building Railroad to Carry Oil from Alberta Oil Sands to Valdez, Alaska

The company's announcement came at the International Indigenous Summit on Energy and Mining in Niagara Falls, Ontario and the company indicated that it would work closely with Native groups in Alaska and Canada on the project. At this time, there is little information available other than the press release indicating that the project would cost some \$12 billion.

<http://newsminer.com/bookmark/14520820-Canadian-firm-talks-of-building-railroad-from-Alberta-to-Alaska>

Natural Gas

Alaska's Cook Inlet Could Contain Eight Times As Much Natural Gas as Previously Thought: USGS

The U.S. Geological Survey announced on June 28 that the Cook Inlet could contain as much as 19 Tcf of natural gas, 600 million barrels of oil and 46 million barrels of natural gas liquids. The latest result from new geologic data including estimates of the volumes recoverable from unconventional reservoirs including tight rock formations.

http://www.marketwatch.com/story/us-ups-alaska-cook-inlet-natgas-supply-estimate-2011-06-28?reflink=MW_news_stmp

Other News

INGAA Study Sees \$205 Billion Investment Required to Meet Natural Gas Infrastructure Needs to 2035

A study commissioned by the Interstate Natural Gas Association of America (INGAA) Foundation concludes that an average investment of \$8.2 billion per year through 2035 will be required to accommodate new natural gas supplies in the U.S. and Canada. The report focuses on new supplies from shale and the need for new mainlines, laterals, gas storage, and other facilities. The study forecasts that an additional 35,600 miles of mainline transmission pipelines and 13,900 miles of laterals will be required along with nearly 5 million horsepower of compression to move the gas. The report also addresses the need for new crude oil pipelines to deliver crude oil from the Canadian oil sands and from shale formations in North Dakota, Montana, Colorado, and Wyoming which will support demand for another 5 million b/d of crude pipeline capacity by 2035.

http://www.pennenergy.com/index/petroleum/display/2044652460/articles/oil-gas-journal/transportation-2/pipelines/20100/june-2011/study-projects_205.html

Department of Energy Awards \$4.5 Billion of Loan Guarantees for Three First Solar Plants in California

The U.S. Department of Energy announced an award of conditional loan guarantees totaling \$4.5 billion for three large-scale solar power plants in California. The combined capacity of the the Antelope Valley Solar Ranch 1, Desert Sunlight and Topaz Solar thin-film photovoltaic facilities total approximately 1,330 MW.

<http://www.energy.gov/news/10404.htm>

Energy Prices

U.S. Oil and Gas Prices June 30, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	94.64	90.32	74.71
NATURAL GAS Henry Hub \$/Million Btu	4.60	4.32	4.68

Source: Reuters

Energy Notes

Update: MDEQ Approves Permit for Wolverine Power Supply Cooperative's 600 MW Coal-Fired Rogers City Power Plant in Michigan, June 29

http://www.pennenergy.com/index/power/display/7799066246/articles/pennenergy/power/coal/2011/june/proposed-600mw_coal-fired.html

BP Reports Flaring at 405,000 b/d Whiting, Indiana Refinery by June 30

Reuters, 11:33 June 30, 2011

Citgo Reports Leaking Exchanger at 163,000 b/d Corpus Christi, Texas Refinery by June 30

Reuters, 10:32 June 30, 2011

Cooling Tower Leak Causes Emissions Event at Citgo's 163,000 b/d Corpus Christi, Texas Refinery June 28 - 29

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=156293>

Jury in Maryland Ordered ExxonMobil Corporation to Pay \$495 Million Compensation Over 2006 Gasoline Leak

Reuters, 11:43 June 30, 2011

Pressure Spike on Gas Pipeline Causes Emissions Event at Dimmit County Compressor Station in Texas, June 29

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=156285>

Links

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

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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