



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

# ENERGY ASSURANCE DAILY

Friday Evening, August 05, 2011

## *Electricity*

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### **NOAA Warns of Solar Storms August 5-6 – CMEs Could Impact Electric Grid**

According to the National Oceanic and Atmospheric Administration (NOAA), the first of three coronal mass ejections (CMEs) arrived on August 4, though "its passage did not excite the geomagnetic field much." Two more shocks are expected to hit Earth today and tomorrow, with one source reporting that a CME impact is in progress now. The "moderate to strong" solar activity could impact communications and the electric grid.

<http://www.swpc.noaa.gov/>

<http://www.swpc.noaa.gov/today.html>

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

[http://www.washingtonpost.com/blogs/capital-weather-gang/post/significant-solar-storm-headed-to-earth/2011/08/04/gIQA9XzquI\\_blog.html](http://www.washingtonpost.com/blogs/capital-weather-gang/post/significant-solar-storm-headed-to-earth/2011/08/04/gIQA9XzquI_blog.html)

<http://www.politico.com/news/stories/0811/60756.html>

<http://www.ibtimes.com/articles/192870/20110805/geomagnetic-storm-significant-solar-storm-solar-flare-auroras-power-grids-and-satellites.htm>

<http://www.kplctv.com/story/15213287/recent-solar-flares-could-affect-us-infrastructure>

### **Skyrocketing Electricity Demand Leads ERCOT to Curtail Power to Some Industrial Customers August 4; Grid Operator Warns of Potential Rolling Blackouts August 5**

The Electric Reliability Council of Texas (ERCOT) instituted an Energy Emergency Alert 1 on August 5 for the fourth day in a row as demand for power across the Texas grid soars amid high heat. ERCOT cut electricity supplies to some large industrial users on August 4, freeing up 1,000 MW, and is currently requesting that Texas customers reduce energy use during the afternoon hours. At least two natural gas facilities reported power shortages impacted operations in filings with state regulators. Although ERCOT reports its current system load is 66,480 MW, exceeding the forecasted peak of 65,751 MW, today's demand will likely fall short of the record 68,294 MW set on August 3. Shutdowns at power plants have reduced available supply.

Reuters, 15:41 August 4, 2011

Reuters, 16:40 August 4, 2011

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

<http://www.ercot.com/content/alerts/html/eea1>

<http://www.latimes.com/sns-rt-utilities-ercotthean1e7731vs-20110804,0,5258974.story>

<http://af.reuters.com/article/commoditiesNews/idAFN1E7741JR20110805>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=157700>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=157699>

### **Luminant's 617 MW Big Brown Coal-Fired Unit 1 in Texas Shut August 5**

According to a filing with state regulators, the unit tripped while at load due to a controls system malfunction on the turbine. The loss of the unit comes during a heat wave and could be problematic for the power grid.

Reuters, 11:34 August 5, 2011

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=157680>

### **San Miguel Electric Coop's 410 MW San Miguel Coal-Fired Power Plant in Texas Shut August 4, Restarted Later in the Day**

The unit tripped due to an electrical short in the 7200v Breaker.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=157692>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=157693>

### **Update: Multiple Units Ramp Up at TVA's Browns Ferry Nuclear Plant in Alabama by August 5, Following Curtailment Due to High River Water Temperatures**

The 1,155 MW unit 1 ramped up to 75 percent, the 1,118 MW unit 2 ramped up to 69 percent, and the 1,118 MW unit 3 ramped up to 70 percent, all by August 5. According to news reports, all three units were reduced to 50 percent power to avoid environmental sanctions due to high river water temperatures. The Nuclear Regulatory Commission reported that on the morning of August 4 each of the three units was operating at 50 percent.

<http://timesfreepress.com/news/2011/aug/04/river-temperature-forces-plant-to-50-percent/>

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: GenOn Energy's 775 MW Ormond Beach Gas-fired Unit 2 in California Shut by August 4**

According to the California Independent System Operator, the unit reported an unplanned outage on August 4. The unit previously reported a return from an unplanned outage on August 3.

<http://content.caiso.com/unitstatus/data/unitstatus201108041515.html>

### **Calpine's 751 MW Pastoria Gas-fired Unit in California Returns to Service by August 4**

According to the California Independent System Operator, the unit reported a return from a planned curtailment of 271 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201108041515.html>

### **Dynegy's 510 MW Moss Landing Gas-fired Unit 2 in California Shut by August 4**

According to the California Independent System Operator, the unit reported an unplanned outage on August 4.

<http://content.caiso.com/unitstatus/data/unitstatus201108041515.html>

### **Delta Power's 240 MW Crockett Gas-fired Unit in California Shut by August 4**

According to the California Independent System Operator, the unit reported an unplanned outage on August 4.

<http://content.caiso.com/unitstatus/data/unitstatus201108041515.html>

### **Operators Report Loss of Power to Emergency Sirens Due to Weather at TVA's Browns Ferry Nuclear Plant in Alabama August 4**

According to a filing with the Nuclear Regulatory Commission (NRC), 35 emergency sirens were found to be inoperable due to loss of power from thunderstorm activity. Operators were in the process of restoring sirens.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110805en.html>

### **Sempra Plans 150 MW Copper Mountain Solar 2 Plant in Boulder City, Nevada August 4**

The first 92 MW of solar panels at Copper Mountain Solar 2 are expected to be installed by January 2013, with the remaining 58 MW slated for completion by 2015. Pacific Gas & Electric (PG&E) plans to enter into a 25-year contract for the power generated at the facility.

[http://www.pge.com/about/newsroom/newsreleases/20110804/pge\\_and\\_sempra\\_generation\\_contract\\_for\\_150\\_mw\\_of\\_renewable\\_power.shtml](http://www.pge.com/about/newsroom/newsreleases/20110804/pge_and_sempra_generation_contract_for_150_mw_of_renewable_power.shtml)

### **Update: Georgia Power Asks State PSC to Approve Retirement of Three Coal-Fired Units in Georgia August 4**

Georgia Power previously announced its intention to retire Plant Branch units 1 and 2 (totaling 569 MW) by December 31 and October 1, 2013, respectively. According to an updated integrated resource plan filed with the Georgia Public Service Commission (PSC), the company also plans to retire its 33 MW Plant Mitchell Unit 4C near Albany, Georgia in March 2012. The units are being shut due to the anticipated impact of environmental regulations.

[http://www.georgiapower.com/news/iframe\\_pressroom.asp](http://www.georgiapower.com/news/iframe_pressroom.asp)

<http://www.bizjournals.com/atlanta/news/2011/08/04/ga-power-reducing-reliance-on-coal.html>

### **Update: Continued Operation of GenOn Energy's 482 MW Potomac River Coal-Fired Generation Station in Alexandria, Virginia May Not Be Necessary: Analysis Group**

According to a July report by Analysis Group, there will be enough reliable power in the Washington, DC area without the plant if local utilities perform infrastructure upgrades next year as planned. Analysis Group stated that PJM Interconnection is due to complete an assessment of regional power needs later this year.

[http://www.washingtonpost.com/local/alexandrias-genon-coal-fired-plant-not-needed-report-says/2011/08/01/gIQAckm7rI\\_story.html](http://www.washingtonpost.com/local/alexandrias-genon-coal-fired-plant-not-needed-report-says/2011/08/01/gIQAckm7rI_story.html)

## **Shutting Entergy's 2,045 MW Indian Point Nuclear Plant in New York Would Increase Prices and Pollution, Create Regional Reliability Issues: Charles River Associates**

According to a report conducted by Charles River Associates and finalized by the City of New York Department of Environmental Protection (DEP) on August 4, shutting the plant without building any new generation or transmission assets could compromise the reliability of the electric grid.

[http://www.entergy.com/News\\_Room/newsrelease.aspx?NR\\_ID=2212](http://www.entergy.com/News_Room/newsrelease.aspx?NR_ID=2212)

<http://www.power-eng.com/articles/2011/08/indian-point-shutdown-could-increase-costs-and-emissions.html>

## ***Petroleum***

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### **NISOC's Crude Oil Pipeline Explodes in Southwestern Iran August 5; Fire Consumes 10,000 Barrels of Oil**

According to the Mehr news agency, the National Iranian South Oil Company (NISOC) pipeline exploded and caught fire for unknown reasons. According to Reuters, an estimated 10,000 barrels of oil were burned in the fire. Production in the region is continuing at full capacity however. According to reports, a blast also hit one of Iran's oil-transferring pipelines to Turkey in the northwestern of the country on July 29. Iran said that Kurdish rebels were responsible for the earlier blast.

<http://af.reuters.com/article/energyOilNews/idAFL6E7J50F120110805?sp=true>

[http://news.xinhuanet.com/english2010/world/2011-08/05/c\\_131031876.htm](http://news.xinhuanet.com/english2010/world/2011-08/05/c_131031876.htm)

<http://online.wsj.com/article/SB10001424053111903454504576490191302751996.html>

### **Valero Reports Fire at 195,000 b/d Memphis, Tennessee Refinery Forces Shut Both of Plant's Crude Distillation Units August 5**

It was not clear from reports what caused the fire. The refinery is expected to remain down for three to four days. Reuters, 11:38 August 5, 2011

[http://www.nasdaq.com/aspx/stock-market-news-](http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201108050959dowjonesdjonline000418&title=refinery-statusvalero-memphis-crude-units-down-after-fire)

[story.aspx?storyid=201108050959dowjonesdjonline000418&title=refinery-statusvalero-memphis-crude-units-down-after-fire](http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201108050959dowjonesdjonline000418&title=refinery-statusvalero-memphis-crude-units-down-after-fire)

### **Total Restarts Coker Compressor Following Shutdown at 232,000 b/d Port Arthur, Texas Refinery August 4**

According to a filing with state regulators, the incident led to flaring.

Reuters, 12:21 August 5, 2011

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=157687>

### **FCCU Wet Gas Compressor Trips Offline at Alon USA's 67,000 b/d Big Spring, Texas Refinery August 4**

It was not clear from reports what caused the compressor to trip. Production was not impacted by the problem at the gasoline-making fluid catalytic cracking unit (FCCU).

Reuters, 09:30 August 5, 2011

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=157671>

[http://www.nasdaq.com/aspx/stock-market-news-](http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201108050959dowjonesdjonline000418&title=refinery-statusvalero-memphis-crude-units-down-after-fire)

[story.aspx?storyid=201108050959dowjonesdjonline000418&title=refinery-statusvalero-memphis-crude-units-down-after-fire](http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201108050959dowjonesdjonline000418&title=refinery-statusvalero-memphis-crude-units-down-after-fire)

### **Update: Tesoro Says 93,000 b/d Kapolei, Hawaii Refinery Still Running at Reduced Rates August 4**

The company said August 5 that the refinery is expected to resume normal rates by this weekend. The refinery was shut due to a power failure on August 2.

Reuters, 04:53 August 5, 2011

### **Update: Shell Receives Conditional Exploration Permit from BOEMRE for Alaska's Beaufort Sea August 4**

The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) granted Shell an exploration permit to drill four wells in Camden Bay between now and 2013. However, the permit is contingent on Shell receiving a number of other federal permits and approvals.

<http://www.timeslive.co.za/scitech/2011/08/05/shell-beaufort-sea-exploration-gets-approval>  
[http://www.rigzone.com/news/article.asp?a\\_id=109828](http://www.rigzone.com/news/article.asp?a_id=109828)

### **Update: Secretary of State Clinton Says U.S. Working with TransCanada to Develop Enhanced Safety Standards for the Company's Proposed 1,900-Mile, Canada-to-U.S. Gulf Coast Keystone XL Crude Oil Pipeline August 4**

According to Secretary Clinton, U.S. officials and TransCanada are developing safety standards that go beyond those required by law. The U.S. State Department has authority over the pipeline because it crosses an international border.

[http://www.deseretnews.com/article/700168420/Clinton-TransCanada-to-upgrade-pipeline-safety.html?s\\_cid=rss-14](http://www.deseretnews.com/article/700168420/Clinton-TransCanada-to-upgrade-pipeline-safety.html?s_cid=rss-14)

### **Shell Considering Reversing Direction of Houma, Louisiana-to-Houston, Texas Ho-Ho Crude Pipeline System August 4**

The switch would allow the company to move about 300,000 b/d of crude eastward through the Houma-Houston (Ho-Ho) Pipeline System to refineries in Louisiana. The proposed reversal project would be able to begin service in early 2013 subject to regulatory approval. The Ho-Ho system currently transports crude oil from Houma to Houston with a capacity of over 325,000 b/d.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=27480](http://www.downstreamtoday.com/news/article.aspx?a_id=27480)  
<http://www.reuters.com/article/2011/08/04/shell-ho-ho-idUSN1E7731A120110804>  
[http://www.shell.us/home/content/usa/products\\_services/solutions\\_for\\_businesses/pipeline/crude\\_system\\_maps\\_spec/gulf\\_onshore.html](http://www.shell.us/home/content/usa/products_services/solutions_for_businesses/pipeline/crude_system_maps_spec/gulf_onshore.html)

### **MEG Energy Plans to Build 900,000-Barrel Bitumen and Diluent Storage Facility at Stonefell Site in Alberta**

The company plans to build six 150,000-barrel storage tanks, which will be in service in 2013. The company plans to build the Stonefell site into an oil hub.

<http://www.fortsaskatchewanrecord.com/ArticleDisplay.aspx?e=3244358>  
<http://www.newswire.ca/en/releases/archive/July2011/27/c7623.html>

### **Enbridge Expands Plans to Transport Oil from Cushing, Oklahoma to U.S. Gulf Coast August 5 – Project Now to Include Transportation of Oil from Illinois to Oklahoma**

Executives announced today that the company's expanded plans now include new capacity from the U.S. Midwest. The new, northern part of the plan would transport 200,000-300,000 b/d to Cushing, Oklahoma from Flanagan, Illinois. The project, which would combine new and existing facilities, could be in service in late 2012.

<http://ca.reuters.com/article/businessNews/idCATRE77446H20110805>

### **Update: ExxonMobil Moving Forward with Development of 165,000 b/d Banyu Urip Oil Field in Indonesia August 5**

The company awarded the first of five engineering and construction contracts for work on the oil field. Construction is expected to be complete in three years. According to previous reports, the company expects to recover 450 million barrels of oil or more from the field. ExxonMobil shares ownership of the Cepu block portion of the project with Pertamina and four local government companies.

Reuters, 10:27 August 5, 2011

<http://www.businessweek.com/ap/financialnews/D9OU19R02.htm>

## Natural Gas

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### DOE Approves 2 Bcf/d of LNG Exports from Lake Charles Exports LLC's Lake Charles, Louisiana Terminal July 22

The U.S. Department of Energy (DOE) approved liquefied natural gas (LNG) exports to countries with which the U.S. has free trade agreements for 25 years. DOE is still working to determine whether to permit exports to countries without free trade agreements. Lake Charles Exports LLC is a subsidiary of Southern Union Co. and BG Group.

[http://www.salon.com/wires/techbiz/2011/08/04/D9OTH09G1\\_us\\_natural\\_gas\\_exports/index.html](http://www.salon.com/wires/techbiz/2011/08/04/D9OTH09G1_us_natural_gas_exports/index.html)

### Update: Dominion Planning to Begin Construction of Natural Gas Processing and Fractionation Plant in Natrium, West Virginia August 4

The first phase of the proposed plant, which will be built along the Ohio River, will have a processing capacity of 200 MMcf/d of natural gas, as well as a fractionation capacity of 36,000 b/d of natural gas liquids (NGLs). The first phase is expected to be in service by December 2012. Eventually, the second phase of the project will expand the Natrium facility to process a total of 400 MMcf/d of natural gas and fractionate a total of 59,000 b/d of NGLs.

<http://dom.mediaroom.com/index.php?s=43&item=1007>

## Other News

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### Cloud Peak Energy Says Company Delivered 1 Million Fewer Tons of Coal from Powder River Basin in 2Q 2011 Compared to Same Time Last Year Due to Flooding

Flooding in the U.S. Midwest forced trains to slow down and reduced the amount of coal that could be exported from the Powder River Basin during the second quarter of 2011. The company operates three mines in the basin, in Wyoming and Montana.

<http://www.greenwichtime.com/news/article/Midwest-flooding-slowed-trains-Wyo-coal-exports-1719663.php>

### Agriculture Secretary Vilsack Announces \$45 Million in Federal Contracts for Four Biomass Crop Assistance Program Project Areas in Six States July 26

The money will be used to expand the availability of non-food crops to be used in the manufacturing of liquid biofuels. The four project areas set aside acres in California, Kansas, Montana, Oklahoma, Oregon, and Washington for the production of renewable energy crops. The projects will provide feedstocks to produce more than 2 MMGal/Yr. of biofuels.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=2011/07/0320.xml&navid=NEWS\\_RELEASE&navtype=RT&parentnav=LATEST\\_RELEASES&edeployment\\_action=retrievecontent](http://www.usda.gov/wps/portal/usda/usdahome?contentid=2011/07/0320.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent)

<http://www.agweek.com/event/article/id/18816/>

## Energy Prices

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U.S. Oil and Gas Prices			
August 5, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	87.00	95.58	82.04
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.20	4.41	4.84

Source: Reuters

## Energy Notes

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**About 10,000 Entergy Customers Lose Power after Transformer Malfunctions, Causing Substation Fire in Benton, Arkansas August 3 – 794 Currently without Power**

<http://www.todaysthv.com/news/article/167676/2/Substation-fire-triggers-thousands-of-outages-in-Benton>

[http://arkansasmatters.com/fulltext/?nxd\\_id=449367](http://arkansasmatters.com/fulltext/?nxd_id=449367)

<http://viewoutage.entergy.com/ar.aspx>

**Two Charged with Stealing Copper in June from a Penn Power Substation in Pennsylvania – Incident Caused an Explosion and Left 3,800 Customers without Power**

<http://www.post-gazette.com/pg/11217/1165433-100.stm>

**Austin Energy Announces Locations for 103 Plug-In Charging Stations for Electric Vehicles in Austin, Texas August 3**

<http://www.mysanantonio.com/news/article/Austin-getting-103-plug-in-vehicle-charge-stations-1719737.php>

**EPA Approves Permit for the Three Affiliated Tribes' Proposed 15,000 b/d Oil Refinery in the Fort Berthold Indian Reservation near Makoti, South Dakota**

<http://www.thedickinsonpress.com/event/article/id/50148/>

**Update: Opening of INEOS New Planet BioEnergy's 8 MMGal/Yr. Ethanol Plant Currently Being Built in Florida to Be Delayed Until "This Period of Time Next Year": Company President**

[http://www.biofuels-news.com/industry\\_news.php?item\\_id=3900](http://www.biofuels-news.com/industry_news.php?item_id=3900)

**Update: NOAA Updates 2011 Atlantic Hurricane Season Outlook August 4, Predicting Above-Normal Season Including 14-19 Named Storms**

[http://www.noaanews.noaa.gov/stories2011/20110804\\_update\\_atlantic-hurricaneoutlook.html](http://www.noaanews.noaa.gov/stories2011/20110804_update_atlantic-hurricaneoutlook.html)

<http://www.tradeonlytoday.com/home/515521-noaa-upgrades-hurricane-forecast>

**Multiple Engines Go Down Due to Equipment Problems at Andrews Booster Station in Texas August 4**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=157679>

**Emperor Field Unit Goes Down at Keystone Gas Plant in Texas August 4**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=157678>

## 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 EDT every Wednesday.

***Natural Gas Weekly Update*** from EIA

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

Updated after 2:00 PM EDT every Thursday.

## ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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