



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

ENERGY ASSURANCE DAILY

Friday Evening, August 13, 2010

Electricity

Update: More than 26,000 Customers Remain without Power in Maryland, Virginia, and Washington, D.C. August 13 – Storms Cut Power to More than 150,000 on August 12

Some 26,219 Pepco customers in Maryland and Washington, D.C., 1,048 Baltimore Gas & Electric (BGE) customers in Maryland, and 594 Dominion Virginia Power customers in Virginia remained without power on August 13, one day after storms cut electricity to about 110,000 Pepco customers, more than 33,000 BGE customers, and nearly 14,000 Dominion Virginia Power customers, news and company sources reported.

Pepco: <http://www.pepco.com/home/emergency/maps/stormcenter/> ,

<http://www.pepco.com/welcome/news/releases/archives/2010/article.aspx?cid=1509> ,

<http://www.washingtonexaminer.com/local/Back-to-back-storms-hammer-region-1009738-100587724.html>

BGE: <http://www.bge.com/portal/site/bge/menuitem.42d31413f80c584606370f10d66166a0/> ,

http://files.shareholder.com/downloads/CEG/976167006x0x395438/b359261d-a27c-4011-81a7-6e6c8a7700d8/Release_Final_8-12-10.pdf

Dominion Virginia Power: <http://www.dom.com/storm-center/dominion-electric-outage-summary.jsp> ,

<http://www.washingtonexaminer.com/local/Back-to-back-storms-hammer-region-1009738-100587724.html>

Maryland PSC to Investigate Pepco after Recent Weather-Related Power Outages

Citing "a large number" of complaints related to Pepco's response to recent weather-related power outages, the Maryland Public Service Commission (PSC) said it would "investigate the reliability of [the company's] electric distribution system and the quality of electric distribution service that Pepco is providing its customers." In addition to storm-induced disruptions, the PSC said it received complaints related to other "frequent and apparently inexplicable outages." Others complained that the company did not communicate well with its customers during outages. The PSC directed numerous Pepco officials to appear at a hearing on August 17 in Baltimore, Maryland.

<http://webapp.psc.state.md.us/Intranet/sitesearch/cn9240.pdf>

<http://wjz.com/local/pepco.2.1857831.html>

Citing Economic and Other Factors, FirstEnergy to Reduce Operations at Several Smaller Coal-Fired Power Plants in Ohio

Citing economic conditions, reduced electric demand, and uncertainty regarding possible environmental regulations, FirstEnergy Corp. said on August 12 that its subsidiary, FirstEnergy Generation Corp., would reduce operations at several smaller coal-fired power plants in Ohio. The changes would affect 1,620 MW of generating capacity, combined, at the company's Bay Shore units 2-4 in Oregon, Ohio, Eastlake Plant units 1-4 in Eastlake, Ohio, the Lake Shore Plant in Cleveland, Ohio, and the Ashtabula Plant in Ashtabula, Ohio. From September 2010 through August 2011, the affected units would operate with a minimum three-day notice and in response to customer demand, such as during extreme weather conditions. Beginning in September 2011, for about 18 months, the Bay Shore and Eastlake units would be available only in the winter and summer months, and the Ashtabula and Lake Shore plants would be temporarily idled. The changes are subject to review by the Midwest Independent Transmission System Operator (MISO), PJM Interconnection, and the independent market monitors.

[http://www.firstenergycorp.com/NewsReleases/2010-08-](http://www.firstenergycorp.com/NewsReleases/2010-08-12%20FE%20Generation%20Corp.%20Announces%20Plans%20To%20Reduce%20Ope.pdf)

[12%20FE%20Generation%20Corp.%20Announces%20Plans%20To%20Reduce%20Ope.pdf](http://www.firstenergycorp.com/NewsReleases/2010-08-12%20FE%20Generation%20Corp.%20Announces%20Plans%20To%20Reduce%20Ope.pdf)

Luminant to Shut 793 MW Martin Lake Coal-Fired Unit 3 in Texas August 13-14

Luminant expected to shut the unit to fix a boiler tube leak, it said in a filing with state regulators. It was not clear when the unit might return to service.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=143438>

Luminant to Shut Monticello Coal-Fired Unit 3 in Texas August 13

Luminant expected to shut the unit on August 13 to fix a boiler tube leak, it said in a filing with state regulators. It was not clear when the unit might resume service.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=143497>

Luminant to Reduce 593 MW Big Brown Coal-Fired Unit 1 in Texas August 12-13

Luminant expected to reduce the unit as it performed maintenance related to an electrostatic precipitator, according to a filing with state regulators.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=143473>

Update: Duke Energy's 846 MW Oconee Nuclear Unit 1 in South Carolina at Full Power by August 13

Duke Energy shut the unit on August 7 “due to indicated vibrations on 1A1 and 1A2 reactor coolant pumps (RCP) reaching the high vibration trip criteria” the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of August 12 the unit was operating at 58 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100809en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

SCE's 200 MW Eastwood Hydro Unit in California Shut by August 12

According to the California Independent System Operator, the unit reported an unplanned outage by August 12.

<http://www.caiso.com/unitstatus/data/unitstatus201008121515.html>

Exelon Reduces Both Units at 2,222 MW La Salle Nuclear Power Plant in Illinois by August 13

Exelon began shutting both units at the LaSalle nuclear plant on August 12 – the 1,111 MW Unit 1 and the 1,111 MW Unit 2 – “due to environmental conditions resulting in elevated ultimate heat sink temperature,” the company said in a filing with the Nuclear Regulatory Commission (NRC). The company expected both units to be in hot shutdown in 12 hours and cold shutdown in 36 hours. Unit 1 was operating at 99 percent power and Unit 2 was running at 83 percent this morning, August 13, according to the NRC. Unit 1 had been running at full power and Unit 2 had been operating at 97 percent power yesterday morning, August 12, the NRC reported.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100813en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama Shut by August 13

The Nuclear Regulatory Commission reported that on the morning of August 12 the unit was operating at 40 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Ramped Up to 65 Percent by August 13

The Nuclear Regulatory Commission reported that on the morning of August 12 the unit was operating at 50 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

TVA's 1,118 MW Browns Ferry Nuclear Unit 2 in Alabama Ramped Up to 65 Percent by August 13

The Nuclear Regulatory Commission reported that on the morning of August 12 the unit was operating at 50 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: Enbridge Replaces 50-Foot Section of Pipe along Ruptured 190,000 b/d, 30-Inch, Indiana-to-Ontario Lakehead System Line 6B by August 12

Enbridge's 190,000 b/d 30-inch, Indiana-to-Ontario Lakehead System Line 6B remained offline, as of latest reports, but the company planned to file a revised restart plan on August 13 with the U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA), according to the company's website. The PHMSA rejected Enbridge's initial restart proposal on August 10. Operators shut the line after it spilled an estimated 19,500 barrels (the Environmental Protection Agency suspected that total could exceed 23,800 barrels) of oil on July 26 into a creek near the company's Marshall, Michigan pump station. Enbridge said on August 12 that it had finished replacing a previously-removed, 50-foot section of pipe.

<http://response.enbridgeus.com/response/main.aspx?id=13022>

Update: Refiners and Crude Suppliers Report Multiple Disruptions as Enbridge's 190,000 b/d, 30-Inch, Indiana-to-Ontario Lakehead System Line 6B Remains Offline August 12-13

The continued shutdown of Enbridge's 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B – and the subsequent reduction in pipeline capacity – was creating a bottleneck along the Canadian export pipelines that remained in service, multiple companies said by August 12. Nexen had reduced bitumen exports, Talisman was mulling plans to store or send oil to other locations, and Enerplus Resources Fund had considered whether to use trucks for some of its crude deliveries, according to an article in the Canadian-based Globe and Mail. Further complicating the issue, industry sources said Enbridge had reduced throughput along its 490,000 b/d, 30-inch, 645-mile, Wisconsin-to-Ontario Line 5. The company attributed the reduction to "ongoing integrity management program," but said that "all current volumes allocated to the line can be accommodated." Eastern Canadian refiners were, as a consequence, receiving shipments via ports along the Atlantic coast and producers in Alberta, Canada were exporting some oil to the southern United States. Despite the reported disruptions, Enbridge said yesterday that the spill had not, as yet, required it to apportion space along its pipelines in North America. Separately, United Refining Co., which normally receives crude from Enbridge's Line 6B, was operating its 70,000 b/d Warren, Pennsylvania refinery at 60 percent capacity, a company official said. It could be forced to shut the facility at the end of August, should it fail to procure a new source of crude, according to the official.

http://www.theglobeandmail.com/globe-investor/enbridge-pipeline-shutdown-puts-squeeze-on-energy-producers/article1671316/?cmpid=rss1&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+TheGlobeAndMail-Business+%28The+Globe+and+Mail+-+Business+News%29

<http://www.enbridge.com/DeliveringEnergy/OurPipelines/~media/Site%20Documents/Delivering%20Energy/Enb%20Refiners%20Book%202010%20Sys%20Config.ashx>

<http://www.reuters.com/article/idUSN1213277920100812>

<http://www.bloomberg.com/news/2010-08-13/enbridge-reduces-operating-capacity-of-crude-oil-line-5-to-sarnia-ontario.html>

Update: BP Conducts Pressure Test at Site of Blown-Out Well in Gulf of Mexico August 12

BP conducted a four-hour pressure test last night on the blown-out MC252 well in the Gulf of Mexico, the company said in a release. The aim was to determine the condition of the well's annulus, according to retired Coast Guard Admiral Thad Allen, the federal official in charge of the response. The federal science team was expected to make recommendations to Admiral Allen by this morning on how to proceed. From that point, Allen said it would be about four days before BP would begin drilling into the annulus.

<http://app.restorethegulf.gov/go/doc/2931/859219/>

Update: Storms, Rough Seas Cause Oily Material to Wash Up along Beaches at Gulf State Park in Alabama August 11

<http://app.restorethegulf.gov/go/doc/2931/859215/>

Update: Companies Report No Storm-Related Shutdowns of Oil and Gas Production in Gulf of Mexico: BOEM

Companies reported no shutdowns of oil and gas production related to the recently-dissipated tropical depression in the Gulf of Mexico, the Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEM) said by August 13. Companies did, however, evacuate workers from several locations. Among the affected companies, Shell said on August 12 that it planned to begin returning workers to the Nautilus Rig and Fairway field. Reuters, 11:08 August 13, 2010

http://www.shell.us/home/content/usa/aboutshell/media_center/storm_center/storm_updates/2010/td_5/

Valero Reduces Unit after Fire at 245,000 b/d Texas City, Texas Refinery August 13

Valero reduced a gas oil hydrotreater after a fire at its 245,000 b/d Texas City, Texas refinery on August 13, but the rest of the refinery was not impacted, a company spokesman said. The fire occurred in Complex 3, but was doused within 45 minutes, according to a filing with state regulators.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=143488>

<http://www.reuters.com/article/idUSN1317594920100813>

DJN, 11:07 August 13, 2010

BP Reports Ultracracker Snag at 467,720 b/d Texas City, Texas Refinery August 12

An "ultracracker experienced an upset of a unit subsystem" at BP's 467,720 b/d Texas City, Texas refinery on August 12, the company said in a filing with state regulators. The incident triggered flaring from the ultracracker and a desulfurization unit, and operators "initiated site wide fuel gas shed" to halt the emissions, according to the filing. The incident lasted about 9 hours. It was not clear if there was any impact to production.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=143487>

<http://english.capital.gr/news.asp?id=1028968>

Flint Hills to Shut FCC at 288,126 b/d Corpus Christi, Texas Refinery August 13

Flint Hills Resources planned to shut and decommission portions of a gasoline-making fluid catalytic cracking unit (FCC) "to perform urgent maintenance on some heat exchangers," it said in a filing with state regulators. The shutdown was slated to occur at the west plant of Flint Hills' 288,126 b/d refinery in Corpus Christi, Texas. The company expected to start curtailing feed rates on August 12, and planned to shut the unit's feed on August 13. It aimed to keep online portions of the unit – the CO Boiler and Wet Gas Scrubber – throughout the shutdown.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=143470>

<http://af.reuters.com/article/energyOilNews/idAFWEN878520100812>

PetroChina Says July/August Storms Forced Offline 730,801 of Chinese Oil Output

Heavy rains that began on July 19 had, by August 8, forced offline 2,019 Chinese oil wells and a combined 730,801 of oil production, PetroChina said on August 13. The company restarted 4,259 b/d of capacity at the 241,000 b/d Liaohe oilfield in Liaoning province. It was not clear how much production remained shut-in.

http://www.rigzone.com/news/article.asp?a_id=97342

Natural Gas

NiSource, UGI Plan 500,000 Dth/d Natural Gas Pipeline to Serve Producers in Marcellus Shale, Pennsylvania

NiSource Inc. and UGI Corporation subsidiaries plan to construct an estimated 500,000 Dth/d natural gas pipeline that would connect producers in the Marcellus Shale with multiple pipelines in Pennsylvania and New York, the companies said on August 12. The line would also link up with UGI's Meeker and Tioga natural gas storage facilities in Pennsylvania. The companies expect to file preliminary plans with the Federal Energy Regulatory Commission (FERC) and hold an open season by the end of 2010. They plan to open the project in the fourth quarter of 2012. UGI, separately, plans to invest about \$300 million over the next two years on midstream projects to support the development of natural gas infrastructure in the Marcellus Shale region. Aside from the pipeline with NiSource, the company aims to enhance the delivery options from its Meeker and Tioga storage fields in Pennsylvania by drilling additional storage wells and adding dehydration and compression capacity. UGI expects to complete that project in 2013. The company also plans to construct gathering facilities and purchase gas from Marcellus producers. That, in turn, would allow it to provide natural gas to Pennsylvania and interstate markets during 2012.

<http://ir.nisource.com/releasedetail.cfm?ReleaseID=498924>

<http://investor.shareholder.com/ugi/ReleaseDetail.cfm?ReleaseID=498927>

Renewable Energy Group Begins Production at 60 MMGal/Yr. Biodiesel Refinery in Seneca, Illinois August 12

Renewable Energy Group, Inc. began production on August 12 at its 60 MMGal/Yr. REG Seneca, LLC biodiesel refinery in Seneca, Illinois. The facility can process soy oil, animal fat, canola oil, corn oil, and other materials, according to the company's website.

<http://mywebtimes.com/archives/ottawa/display.php?id=410962>

<http://www.regfuel.com/constructionsites.asp?wsunq=21>

Sunrise Coal Seeks to Explore Potential for Coal Mine in Vermilion County, Illinois

Sunrise Coal, LLC aims to explore 17,000 acres in Vermilion County, Illinois and decide by the end of 2010 if it wants to pursue a coal mining project at the site. Should the company opt to proceed, the permit process would last 18-24 months.

<http://www.chicagotribune.com/news/chi-ap-il-illinois-coalmine.0.7278181.story>

Federal Task Force Sends Recommendations to President on Overcoming Barriers to Deployment of Carbon Capture and Storage

President Obama's Interagency Task Force on Carbon Capture and Storage (CCS), co-chaired by the U.S. Environmental Protection Agency (EPA) and the Department of Energy (DOE), delivered a series of recommendations to the president yesterday on overcoming the barriers to the widespread, cost-effective deployment of CCS within 10 years. The report concludes that CCS can play an important role in domestic greenhouse gas (GHG) emissions reductions while preserving the option of using coal and other abundant domestic fossil energy resources.

<http://www.energy.gov/news/9340.htm>

Update: EPA Proposes Rules to Help Ensure That Power Plants, Refineries, and Other Industrial Facilities Obtain Clean Air Act Permits that Address Their GHG Emissions

The U.S. Environmental Protection Agency (EPA) is proposing two rules intended to ensure that businesses planning to build new, large facilities or make major expansions to existing ones will be able to obtain Clean Air Act permits that address their greenhouse gas (GHG) emissions, the agency said on August 12. In the spring of 2010, EPA finalized the GHG Tailoring Rule, which specifies that beginning in 2011, projects that will increase GHG emissions substantially will require an air permit. The rules proposed yesterday are meant to help ensure that those sources will be able to get those permits, regardless of where they are located. The Tailoring Rule covers large industrial facilities like power plants and oil refineries.

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/708bd315d348b5568525777d0060c5da!OpenDocument>

Energy Prices

U.S. Oil and Gas Prices			
August 13, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	75.44	80.88	71.17
NATURAL GAS Henry Hub \$/Million Btu	4.42	4.84	3.36

Source: Reuters

Storms Knock Out Power to About 20,000 Ameren Customers in Missouri and Illinois August 12

http://www.stltoday.com/news/local/stcharles/article_53f878d9-75b0-5a88-ae1f-f6068344e162.html

Storms Knock Out Power to 11,448 Xcel Energy Customers in Minnesota August 12

http://www.twincities.com/ci_15762943?nclick_check=1

Substation Copper Theft Knocks Out Power to almost 1,200 Delmarva Power Customers in Delaware August 13

<http://www.delawareonline.com/article/20100813/NEWS/100813026/Copper+thieves+blamed+for+power+outage+in+New+Castle+area>

Update: State PUC Authorizes Power Purchase Agreement for Deepwater Wind, LLC's Proposed 28.8 MW Block Island Wind Project Offshore Rhode Island August 11

<http://www.google.com/hostednews/ap/article/ALeqM5goGLXmR3zPAHW1EILE-bWBO8qoNwD9HHHIA80>
<http://dwwind.com/block-island/block-island-project-overview>

Update: County Officials Okay Permit for Proposed 75 MW Teanaway Solar Reserve in Washington August 12

<http://www.prnewswire.com/news-releases/washington-state-future-home-to-one-of-the-worlds-largest-photovoltaic-solar-projects-100566844.html>

South Mississippi to Install New Scrubbers at 400 MW Coal-Fired R.D. Morrow Power Plant in Mississippi

<http://www.hattiesburgamerican.com/article/20100813/NEWS01/8130349>

Update: EPA and NOAA Look to Boost Coordination among Federal, State, and Local Officials in Tracking BP Oil Spill

http://www.ogj.com/index/article-display/1349024976/articles/oil-gas-journal/general-interest-2/hse/2010/08/epa-noaa_seek_to/QP129867/cmpid=EnlDailyAugust122010.html

Update: Alabama Attorney General Sues BP and Other Companies, Claiming Companies Showed "Negligent or Wanton Failure to Adhere to Recognized Industry Standards"

<http://www.cnn.com/2010/US/08/13/alabama.bp.lawsuit/>
http://www.google.com/hostednews/ap/article/ALeqM5j1xfHd_za_eOfXQcbkNiUTNhdZOwD9HIEJUO0

Update: After September 11 Attacks, U.S. Coast Guard's Focus Has Shifted Away from Oil Industry, Toward Terrorism-Related Tasks – Changed Priorities Have Stretched Coast Guard Resources and Led to Dated Regulations

<http://www.washingtonpost.com/wp-dyn/content/article/2010/08/12/AR2010081206550.html?hpid=topnews>

Officials Say Deliberate Act to Blame for Approximately 4,000-Gallon Diesel Spill into Black River in Vermont by August 12

<http://www.burlingtonfreepress.com/article/20100812/NEWS07/8120311/State-says-large-fuel-release-into-river-was-intentional#ixzz0wTcxejtx>

Four Liquid Propane-Carrying Train Cars Derail in Pascagoula, Mississippi August 10 – Cars Were Carrying 120 Gallons of Propane, but Did not Leak Any Product

<http://www.wxvt.com/Global/story.asp?S=12956176>

Brazil's National Petroleum Agency Forces Petrobras to Shut 20,000 b/d P-33 Platform in Marlim Field, Offshore Brazil, Citing Safety Concerns

<http://www.automatedtrader.net/real-time-dow-jones/11557/-petrobras-platform-shutdown-underscores-safety-concerns>

Global Oil Demand to Rise by 1 Million b/d in 2010, Led by Increases in China and Other Asian Countries: OPEC

http://www.rigzone.com/news/article.asp?a_id=97341

Floating Oil Storage Dips Globally in July 2010 as Iran Accounts for Vast Majority of Current Floating Storage Capacity – Only 27 VLCCs Employed for Storage in July, Compared to 47 in May, Shippers Say

<http://www.platts.com/RSSFeedDetailedNews.aspx?xmlpath=RSSFeed/HeadlineNews/Oil/6302118.xml>

Despite Sanctions, Turkey to Keep Delivering Gasoline to Iran

<http://www.cnsnews.com/news/article/71046>

Inlet Gas Line Pushes “High Levels of Liquids” into East Vealmoor Gas Plant in Texas, Forcing Shut Facility August 12-14

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=143496>

Range Resources Corporation Discloses Hydraulic Fracturing Additives to State Regulators in Pennsylvania – Information Covers Three Natural Gas Wells in Marcellus Shale

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?ResLibraryID=39893&GoTopage=1&Category=1956&BzID=790>

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.

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

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