



ENERGY ASSURANCE DAILY

Thursday Evening, August 26, 2010

Electricity

Duke Energy's 846 MW Oconee Nuclear Unit 3 in South Carolina Reduced to 20 Percent by August 26

The Nuclear Regulatory Commission reported that on the morning of August 25 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

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

Update: Duke Energy's 510 MW Moss Landing Gas-Fired Unit 1 in California Ramps up by August 25

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

<http://www.caiso.com/unitstatus/data/unitstatus201008251515.html>

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramped up to 94 Percent by August 26

Entergy slowed the unit to 55 percent on August 23 to perform condenser tube work, a company spokeswoman said earlier. The Nuclear Regulatory Commission reported on the morning of August 25 that the unit was operating at 84 percent.

Reuters, 07:51 August 26, 2010

Information also derived from the NRC Power Reactor Status Reports:

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

Two Manhole Explosions Trigger Local Evacuations, Cut Power and Natural Gas Service to Businesses along First Avenue, New York August 24 – Natural Gas Deliveries Restored in About One Hour

<http://www.dnainfo.com/20100824/midtown/twin-manhole-explosions-wreak-havoc-on-first-avenue>

ACC Backs TEP's Plans to Purchase 150 MW of Renewable-Based Power in Arizona and New Mexico

The Arizona Corporation Commission (ACC) has expressed its support for Tucson Electric Power's (TEP) plan to purchase the output of 10 renewable power projects in Arizona and New Mexico, TEP said on August 25. Among the projects are eight solar power systems – representing a combined capacity of 97 MW – in the Tucson, Arizona area, a 2.2 MW biogas generator at a landfill in Pima County, Arizona, and a 50 MW wind farm near TEP's existing gas-fired Luna Energy Generating Station in Deming, New Mexico. The project developers hope to begin production in 2011 or 2022. The ACC's endorsement allows them to proceed with efforts to finalize financing, secure land rights, and clear other hurdles, according to TEP.

<http://www.tucsonelectric.com/Company/News/PressReleases/ReleaseTemplate.asp?idRec=330>

Poor Economy, New Technologies Drove U.S. Energy Consumption Downward in 2009: LLNL

The United States consumed an estimated 94.6 quadrillion BTUs of energy in 2009, or about 5 percent less than the estimated 99.2 quadrillion BTUs it used in 2008, according to data from the Lawrence Livermore National Laboratory (LLNL). An LLNL analyst credited the dip to a weak economy and more-efficient technologies. The data also showed, however, that the country consumed far less coal and petroleum in 2009, compared to 2008, and considerably more wind-derived energy. Wind electricity surged about 25 percent, from 0.51 quadrillion BTUs in 2008 to 0.70 quadrillion BTUs in 2009. The same LLNL analyst said the wind increase was the result of incentives and technological improvements.

<http://www.csmonitor.com/Science/2010/0825/Americans-using-less-energy-thanks-to-recession-technology>

Petroleum

Update: Enbridge Preparing for Pressure Verification Tests along 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B

Enbridge expected to perform pressure verification tests along its still-offline, 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B by Monday, August 30, pending approval from federal regulators, the company said on August 25. Operators shut the damaged line in late July after it spilled about 19,000 barrels of oil into a creek near a Marshall, Michigan pump station. The line remained down, as of latest reports. The company was not expected to receive federal approval to restart throughput until it completed hydrostatic testing, according to Reuters. Cleanup work, however, continued along Talmadge Creek and the Kalamazoo River, Enbridge said on August 25. More than 166,302 feet of absorbent and containment boom had been deployed at 41 sites, and there were more than 1,516 onsite personnel. The U.S. Environmental Protection Agency (EPA) said by August 25 that workers had found trace levels of mercury and nickel along the Kalamazoo River.

<http://response.enbridgeus.com/response/main.aspx?id=13152>

<http://response.enbridgeus.com/response/main.aspx?id=13153>

<http://michiganmessenger.com/41294/epa-announces-trace-levels-of-mercury-and-nickel-found-in-calhoun-county-oil-spill-area>

Reuters, 18:23 August 25, 2010

Update: Hydrates Push Back BP's Plans to Replace BOP on Blown-Out Well in Gulf of Mexico

BP was forced to flush out hydrates from the blowout preventer (BOP) and a capping stack on the MC252 well in the Gulf of Mexico, pushing back its plans to replace the blown-out well's BOP, National Incident Commander Thad Allen said by August 25. The company had planned to replace the BOP on August 26, but the flush-out was expected to delay that effort by at least 24 to 36 hours.

http://www.ogj.com/index/article-display/6725336702/articles/oil-gas-journal/general-interest-2/hse/2010/08/hydrates-slowed_removal/QP129867/cmpid=EnlDailyAugust252010.html

Tesoro Reports Equipment Failure, Leak at 166,000 b/d Golden Eagle Refinery in Martinez, California August 25

Less than 1 barrel of a light gasoline blend stock leaked into a containment area at Tesoro's 166,000 b/d Golden Eagle refinery in Martinez, California, the company said in a filing with state regulators. The same filing reported an equipment failure, but it was not clear how the two issues were related, or if there was any impact to production.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/74b3e86381dfd32d8825778a00672fe2?OpenDocument>

Unit Upset Triggers Flaring at ConocoPhillips' 146,000 b/d Borger, Texas, Refinery August 25

A "unit upset" led to flaring at ConocoPhillips' 146,000 b/d Borger, Texas refinery on August 25, but the incident lasted less than one hour and it was not clear if there was any impact to production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=144009>

Valero Shuts 36,000 b/d Hydrocracker at 144,000 b/d Benicia, California Refinery August 25

Valero shut a 36,000 b/d hydrocracker to fix a valve leak at its 144,000 b/d Benicia, California refinery on August 25, it said on August 26. The outage was expected to be "very short," according to a spokesman. It "should not result in a material impact on production," he said.

Reuters, 09:57 August 26, 2010

Citing Weak Market, ExxonMobil to Shut "Redundant Processing Units" at 196,000 b/d Chalmette, Louisiana Refinery

ExxonMobil plans to shut "redundant processing units" but maintain current capacity at its 196,000 b/d Chalmette, Louisiana refinery, it said by August 26, citing economic conditions. The company also planned to shut "other facilities that we do not expect to be economic for the foreseeable future," a spokesman said.

<http://www.reuters.com/article/idUSN2618802320100826>

Update: Enbridge Launches Open Season for Proposed 145,000 b/d Bakken Expansion Program in North Dakota and Saskatchewan August 26

Enbridge Energy Partners L.P. and Enbridge Income Fund launched a binding open season on August 26 for its proposed Bakken Expansion Program, a series of projects intended to expand crude oil pipeline capacity in North Dakota and Saskatchewan. The projects would serve producers in the Williston Basin. They would provide 145,000 b/d of incremental pipeline capacity from new receipt locations in the Bakken and Three Forks formations in North Dakota to interconnections with other existing Enbridge systems. The open season began today, August 26, and was expected to end on October 29.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2010&id=1310063>

Enbridge Plans 30-Inch, 59-Mile Wood Buffalo Oil Pipeline in Alberta, Canada

Enbridge has entered into an agreement with Suncor Energy to build a 30-inch, 59-mile oil pipeline in Alberta, Canada, Enbridge said on August 26. The Wood Buffalo pipeline would connect Enbridge's Athabasca Terminal – adjacent to Suncor's oil sands plant – to the Cheecham Terminal. The Cheecham Terminal is the origin point of Enbridge's Waupisoo Pipeline, which sends oil from numerous oil sands projects to the Edmonton mainline hub. The Wood Buffalo Pipeline will run parallel to Enbridge's existing Athabasca Pipeline. Enbridge plans to open the line by mid-2013.

<http://www.enbridge.com/MediaCentre.aspx>

Piceance Basin Oil Shale in Colorado Contains an Estimated 1.5 Trillion Barrels of Oil in Place: USGS

The Piceance basin oil shale in Western Colorado contains an estimated 1.5 trillion barrels of oil in place, the U.S. Geological Survey (USGS) said in an assessment by August 24. The 1.5 trillion figure marks a 50 percent increase from the USGS's previous estimate. The USGS attributed the rise largely to "new areas being assessed that had too little data in the previous assessment," and "new intervals being assessed that were not assessed previously." The report does not attempt to estimate the amount of recoverable oil from the basin.

http://www.ogj.com/index/article-display/3573486040/articles/oil-gas-journal/exploration-development-2/reserves/2010/08/piceance-basin_oil-shale/QP129867/cmpid=EnIEDAugust262010.html

Natural Gas

Citing Economic Issues, 4Gas Drops Plans for 750 MMcf/d Maple LNG Project in Nova Scotia

4Gas abandoned plans to construct the 750 MMcf/d Maple LNG terminal in Goldboro, Nova Scotia, citing low natural gas prices and supply/demand concerns, the project's general manager said on August 24. The terminal had been slated to begin production in 2012, according to its website.

<http://www.ctv.ca/generic/generated/static/business/article1683599.html>

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

DOE National Laboratory Breakthrough Could Enhance Use of Domestic Natural Gas, Methane Hydrate Resources: NETL

Researchers at the U.S. Department of Energy's (DOE) National Energy Technology Laboratory (NETL) have developed a method for rapidly forming methane hydrate, along with specialized nozzles to facilitate the process, the NETL said on August 25. The developments could lead to significant reductions in the cost of storing and transporting natural gas, potentially increasing utilization of domestic resources and enhancing U.S. energy security, according to NETL.

http://www.netl.doe.gov/publications/press/2010/10039-DOE_National_Laboratory_Breakthrou.html

Other News

MSHA Says More Mining Operations are Undergoing Enhanced Inspections – Agency Reports “Egregious Violations” at Numerous Locations

The U.S. Department of Labor's Mine Safety and Health Administration (MSHA) found numerous violations during inspections at four underground coal mines in Tennessee, Kentucky, and West Virginia, and planned to continue performing enhanced inspections at mines where “unsafe practices and conditions are suspected,” it said on August 24. Among the violations was a failure to follow an approved ventilation plan, inadequate roof support, and accumulation of combustible materials. One federal official said it was “appalling that our inspectors continue to find such egregious violations, especially with the explosion at Upper Big Branch still fresh in everyone's mind.”

<http://www.msha.gov/MEDIA/PRESS/2010/NR100824.asp>

Energy Prices

U.S. Oil and Gas Prices			
August 26, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	73.57	74.17	70.83
NATURAL GAS Henry Hub \$/Million Btu	3.99	4.35	2.85

Source: Reuters

Energy Notes

Update: Shell Restarts Oil Flow at Cawthorne Channel Field in Nigeria by August 26, but Force Majeure on Bonny Light Exports Remains in Effect for August and September – Attempted Oil Thieves Damaged Pipeline and Forced Shut Field for More than Five Days

<http://www.automatedtrader.net/real-time-dow-jones/13605/oil-flow-at-nigeria-cawthorne-field-restored-sat-shell>

Venezuelan Oil Exports Fall 16 Percent in Second Quarter of 2010, Compared to Previous Quarter, as Country Diverts More Oil for Domestic Power Production: Central Bank

<http://www.ogj.com/index/article-display/1627842727/articles/oil-gas-journal/general-interest-2/economics-markets/2010/08/venezuela-s-oil-exports/QP129867/cmpid=EnlDailyAugust252010.html>

Coyanosa Plant Shutdown Causes Flaring at Estes Booster Station in Texas August 25

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=144012>

FERC Okays Enterprise Products Partners' Plan to Expand Capacity at Existing 16.6 Bcf Petal Natural Gas Storage Facility in Mississippi by August 26

<http://intelligencepress.com/>

<http://www.epplp.com/operations/natGasStorage.htm>

Tropical Storm Earl Expected to Avoid Major Oil and Gas Regions in Gulf of Mexico: NHC

Reuters, 07:16 August 26, 2010

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.

ENERGY ASSURANCE DAILY

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

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