



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

# ENERGY ASSURANCE DAILY

Thursday Evening, August 27, 2009

## ***Electricity***

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### **PG&E's 1,087 MW Diablo Canyon Nuke Unit 2 in California Reduced to 77 Percent by August 27**

The Nuclear Regulatory Commission reported that on the morning of August 26 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/2009/>

### **Update: Exelon's 619 MW Oyster Creek Nuke Unit in New Jersey Reduced to 50 Percent by August 27**

Exelon reduced the unit to fix a leaking pipe, a spokesman said. The company said it contained the leak—which contained tritium—and that the incident posed no threat to employees or the public. The Nuclear Regulatory Commission reported that on the morning of August 26 the unit was operating at 78 percent.

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN2627711520090826>

[http://www.pressofatlanticcity.com/news/top\\_three/article\\_ebddb4fc-9249-11de-ab1e-001cc4c002e0.html](http://www.pressofatlanticcity.com/news/top_three/article_ebddb4fc-9249-11de-ab1e-001cc4c002e0.html)

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

### **Garland Municipal Power's 75 MW Ray Olinger Gas-fired Unit 1 in Texas Shuts August 26**

The unit shut due to a boiler tube rupture, according to a filing with state regulators. The filing did not indicate when the unit might return to service.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=128669>

### **Update: TVA's 1,118 MW Browns Ferry Nuke Unit 3 in Alabama Ramped Up to 23 Percent by August 27**

The unit shut after low pump suction pressure forced offline two of three condensate booster pumps on August 24, the Nuclear Regulatory Commission (NRC) said in a previous report. The NRC reported that on the morning of August 26 the unit was not operating.

<http://in.reuters.com/article/oilRpt/idINN2729461420090827>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

### **Bruce's 750 MW Bruce Nuke Unit 4 in Ontario Shut on August 26**

The unit's capacity and output first showed a reduction on the hourly generator report released by the IESO for Ontario at 2:00 pm August 26. By 4:00 pm August 26 the unit's capacity was reported as zero.

[http://reports.ieso.ca/public/GenOutputCapability/PUB\\_GenOutputCapability\\_20090826.xml](http://reports.ieso.ca/public/GenOutputCapability/PUB_GenOutputCapability_20090826.xml)

### **Update: Northwestern Energy to Break Ground on Planned 150 MW Mill Creek Gas-fired Generating Station in Montana August 27**

Northwestern Energy expects to break ground today on three 50 MW natural-gas fired turbines at its proposed Mill Creek Generating Station in Montana, it said in a press release. The company plans to complete the facility by the end of 2010. It may add a fourth 50 MW generator, depending on need.

<http://www.northwesternenergy.com/OurCompany/NewsCenter/displaynews.aspx?Article=6836&item=20>

## **Update: TVA Denies Reports that it Plans to Shut or Reduce Output at 1,629 MW Coal-fired Widows Creek Fossil Plant in Alabama**

The Tennessee Valley Authority (TVA) does not expect to shut or reduce output at its 1,629 MW coal-fired Widows Creek Fossil Plant in Alabama, contrary to recent media reports, a company official said. A federal judge directed TVA to upgrade pollution controls at both the Widows Creek facility and the 712 MW John Sevier power plant in Tennessee. Recent sources, however, suggested that owing to cost considerations, TVA might instead shut the John Sevier facility and close down the six-oldest of Widows Creek's eight power units. A TVA source this week confirmed the possibility of a shutdown at John Sevier, but said he did not "have any information that any options are being considered at Widows Creek."

<http://www.tva.gov/sites/widowscreek.htm>

<http://www.thedailysentinel.com/story.lasso?ewcd=1bacfded1df9128b>

## **BP, Rio Tinto Plan 350 MW Carbon-Capture Power Plant in California**

The facility would gasify petroleum coke from nearby oilfields, and use the resulting hydrogen to produce 250 MW of electricity. The project would also include a 100 MW peaking gas-fired generator. California's Energy Commission said yesterday it would begin a year-long certification process. Pending approval, BP and Rio Tinto's joint venture, "Hydrogen Energy International," expects to break ground in 2011 and complete the plant in 2014.

[http://www.bloomberg.com/apps/news?pid=20601081&sid=ac0eCNG4Ve\\_U](http://www.bloomberg.com/apps/news?pid=20601081&sid=ac0eCNG4Ve_U)

<http://www.centralvalleybusinesstimes.com/stories/001/?ID=12915>

## ***Petroleum***

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### **Update: ExxonMobil Fully Restarts Unspecified "Major" Unit at 150,000 b/d Torrance, California Refinery by August 27**

ExxonMobil said the unit "was fully operational" following an August 25 malfunction, a source reported. Reuters, 12:01 August 27, 2009

### **Indonesia Says it May Take ExxonMobil to Court if Company Does not Produce 15,000 b/d of Oil by Month's end at Cepu Oil Block**

If Exxon Mobil cannot raise Cepu's oil output to 15,000 b/d by August's end, Indonesia's oil watchdog might take the company to arbitration court, a spokesman said on August 27. Exxon Mobil opened Cepu, which is in central Java in Indonesia, in December 2008, with initial production rates around 800 b/d. Pipeline issues forced the block offline temporarily in March 2009. A news source did not indicate current output figures. Cepu is slated to produce 165,000 b/d of oil in 2012, at its peak.

<http://www.reuters.com/article/rbssEnergyNews/idUSJAK47562820090827>

### **Lukoil Eyes December Commissioning for Planned 46,000 b/d Yuri Korchagin O&G Field in Caspian Sea**

The field, offshore Russia in the Caspian Sea, holds an estimated 570 million barrels of oil equivalent. Lukoil expects it to produce, at its peak, 46,000 b/d of oil and gas condensate.

[http://www.rigzone.com/news/article.asp?a\\_id=79670](http://www.rigzone.com/news/article.asp?a_id=79670)

### **Tesoro Opens 81-mile PTP Crude Oil Pipeline in Panama**

Tesoro opened its newly-reversed, 81-mile Petroterminal de Panama (PTP) trans-Panamanian pipeline, the company announced on August 27. The line runs from Panama's Atlantic to Pacific coast, and will supply Tesoro's Pacific Rim refining system. The company expects to process PTP's first shipment at its California refineries.

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?ResLibraryID=32076&GoTopage=1&BzID=1537&Category=1571&a=>

### **Russia Opens Planned 510,000 b/d Vankor Oil Field August 21**

Russian Prime Minister Vladimir Putin opened the Vankor oilfield in the Russian Arctic at an August 21 ceremony, a news source reported. The field, property of state-owned Rosneft, is slated to reach peak capacity of 510,000 b/d in 2014. Russia expects to deliver the oil to China along the East Siberia-Pacific Ocean pipeline.

<http://in.reuters.com/article/oilRpt/idINLL71428720090821?pageNumber=2&virtualBrandChannel=0>

<http://www.russiatoday.com/Business/2009-08-21/vankor-rosneft-oil-production.html>

### National Fuel Gas Launches Open Season for 500,000 Dth/d, 82-mile Natural Gas Pipeline in Pennsylvania August 26

National Fuel Gas Supply Corporation launched a binding open season for a planned 500,000 Dth/d, 82-mile natural gas pipeline from the Marcellus Shale in Pennsylvania, the company said in a release. Pending shipper requests, the company said it might build the project in two phases. The first phase would involve a 200,000 Dth/d, 32-mile pipeline from the Marcellus Shale to the Leidy hub. It would begin service in November 2011. The second phase would add at least 300,000 Dth/d of capacity, and extend the line by about 50 miles, terminating at the company's Line K in Pennsylvania. That section would come online in November 2012. The open season began yesterday, August 26, and is slated to end on Thursday, October 8.

<http://www.nationalfuelgas.com/news/Open%20Season%20WEB8262009-15759.pdf>

### EPA Discovers Harmful Chemicals near Natural Gas Drilling Locations in Wyoming

The Environmental Protection Agency (EPA) found potentially-cancer-causing chemicals in water wells near natural gas drilling sites in Wyoming, the EPA said in an August report. The EPA discovered the chemicals in 11 of 39 wells, it said, during tests in March and May of 2009. While it did not definitively blame the contamination on any one source, the EPA did list natural gas drilling as a potential cause. Opponents of the drilling method "hydraulic fracturing" have said that the technique releases dangerous substances into groundwater.

Reuters, 12:53 August 27, 2009

### Nine-Month Long Soku Gas Plant Shutdown Forces Offline Equivalent of 80 LNG Cargoes in Nigeria, Industry Source Says

Nigeria shut the plant for repairs in November 2008, a news source said, after thieves damaged associated pipelines. The nation has, since then, lost what amounts to 80 liquefied natural gas (LNG) cargoes, an industry source said.

Reuters, 08:13 August 27, 2009

## Other News

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### Citing Economy, Dakota Minnesota & Eastern Railroad Corp. Shelves Plans to Deliver Wyoming Coal through South Dakota and Minnesota

The Dakota Minnesota & Eastern Railroad postponed plans to build a rail line to move coal out of the Powder River Basin in Wyoming through South Dakota and Minnesota, citing "significant changes in the economic climate."

[http://www.google.com/hostednews/ap/article/ALeqM5ihWc\\_Gr3QZOShkORp3QZqUnQQphwD9AASE480](http://www.google.com/hostednews/ap/article/ALeqM5ihWc_Gr3QZOShkORp3QZqUnQQphwD9AASE480)

### Fire Strikes Massey Energy Coal Preparation Plant in West Virginia

A fire struck the Bandmill coal preparation plant near a Massey Energy coal mining facility on August 27, slowing associated rail shipments, the company said. Massey said it expected "to minimize disruptions in service to our customers by utilizing idled assets elsewhere on the CSX rail system." An analyst said the incident would not impact coal production.

Reuters, 11:49 August 27, 2009

## Energy Prices

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| U.S. Oil and Gas Prices<br>August 27, 2009                           |       |          |          |
|--|-------|----------|----------|
|  | Today | Week Ago | Year Ago |
| <b>CRUDE OIL</b><br><b>West Texas Intermediate U.S.</b><br>\$/Barrel | 70.81 | 71.98    | 117.65   |
| <b>NATURAL GAS</b><br><b>Henry Hub</b><br>\$/Million Btu             | 2.76  | 3.03     | 8.54     |

Source: Reuters

**Minnesota Power Plans 22-mile Transmission Line to Link Proposed 76 MW Wind Farm with North Dakota Electric Grid**

<http://finance.yahoo.com/news/Utility-plans-ND-power-line-apf-1749290244.html?x=0&.v=1>

**Tri-Valley Electric Cooperative to Revamp, Restart 50 MW Coal-fired Power Plant in Alaska**

<http://www1.platts.com/Coal/News/6495633.xml?p=Coal/News&sub=Coal>

**Biomass Gas & Electric Plans 42 MW Northwest Florida Renewable Energy Center—Facility Would Burn Wood, Forest Materials and Grass**

<http://www.biggreenenergy.com/Default.aspx?tabid=4314>

<http://www.newsherald.com/news/plant-76938-dissent-port.html>

**NRC Recommends Computer-based Fire Detection Systems at U.S. Nuclear Power Facilities**

[http://www.nytimes.com/2009/08/26/science/earth/26nuke.html?\\_r=2&em](http://www.nytimes.com/2009/08/26/science/earth/26nuke.html?_r=2&em)

**Update: NRC Issues Early-site Permit for Southern's Proposed Two New Nuclear Reactors at Vogtle Power Facility in Georgia**

<http://www.ajc.com/business/federal-permit-clears-way-124628.html>

**Update: Environmental Groups File Protest with State Regulators over SWEPCO's Planned 600 MW Coal-fired Power Plant in Arkansas**

<http://www.chron.com/dispatch/story.mpl/ap/business/6588505.html>

**Westway Terminal Company Breaks Ground on Expansion at Port Allen Storage Facility in Louisiana—Project to add Four, One-Million Gallon Storage Tanks**

[http://news.prnewswire.com/DisplayReleaseContent.aspx?ACCT=ind\\_focus.story&STORY=/www/story/08-26-2009/0005083384&EDATE=](http://news.prnewswire.com/DisplayReleaseContent.aspx?ACCT=ind_focus.story&STORY=/www/story/08-26-2009/0005083384&EDATE=)

**Turbine Shuts Briefly at Goldsmith Gas Plant in Texas August 26**

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=128697>

**Flaring at Rock Creek Gas Plant in Texas August 26**

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=128695>

**EIA Report to Show 100 Bcf Boost to U.S. Natural Gas Storage Capacity—Despite Increase, Source Suggests Low Prices Might Still Force Offline some Production**

<http://intelligencepress.com/>

**Minnesota Project Study Highlights Progress in Cellulosic Ethanol and Corn-based Ethanol Research**

[http://www.mnproject.org/pdf/TMP\\_Transportation-Biofuels-Update\\_Aug09.pdf](http://www.mnproject.org/pdf/TMP_Transportation-Biofuels-Update_Aug09.pdf)

[http://ethanolproducer.com/article.jsp?article\\_id=5928](http://ethanolproducer.com/article.jsp?article_id=5928)

**City Council Approves Request to Seek Funds for Ethanol Plant Supply Facility in Nevada—Project Would Deliver Waste from Recycling Plant to Ethanol Production Site**

<http://www.rgj.com/article/20090827/NEWS/908270321/1321/NEWS>

**California Plans \$100 Million 2010-2011 Budget to Boost Alternative-Fuel Vehicle Use**

<http://intelligencepress.com/>

## Update: Australia Gives Environmental Okay for Chevron's Proposed Gorgon LNG Project August 26

[http://www.nytimes.com/reuters/2009/08/26/business/business-uk-gorgon.html?\\_r=1](http://www.nytimes.com/reuters/2009/08/26/business/business-uk-gorgon.html?_r=1)

### Links

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***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](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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