



ENERGY ASSURANCE DAILY

Thursday Evening, August 30, 2007

Electricity

CAISO Expects to Issue Stage One Emergency, Sees Stage Two “Likely” August 30

According to a press release from the California Independent System Operator Corporation (CAISO), a stage one electrical emergency is expected to be issued at 14:00 (PDT). A regional heat wave has increased strain on the electricity grid. Yesterday, CAISO issued a stage one emergency. According CAISO’s website, it is considered “Critical” that consumers conserve energy during peak hours. While a Stage Two Electrical Emergency will likely be called this afternoon to ease the strain on the power grid, CAISO was not forecasting blackouts.

<http://www.caiso.com/outlook/SystemStatus.html>

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Storms and Grid Constraints Cause Scattered Power Outages in California August 30

This morning, portions of downtown Los Angeles were without power, Los Angeles Department of Water and Power officials did not know whether heat related grid constraints caused the outage. In addition, PG&E reported that 10,000 customers and Southern California Edison reported 1,000 customers without power this morning due to lightning.

http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2007-08-30T135108Z_01_N30415898_RTRIDST_0_UTILITIES-CALIFORNIA-POWER.XML

Progress Energy Plans to Increase Solar Energy Capacity in Florida

According to a company press release, Progress Energy plans to install solar energy systems at schools throughout its 35-county service area.

<http://www.progress-energy.com/aboutus/news/article.asp?id=17002>

AEP Will Not Pursue New Nuclear Plants

AEP CEO Michael Morris cited potential court delays and equipment procurement difficulties as reasons why AEP will not consider constructing new nuclear power plants. He believes that no new nuclear power plant will be built in the U.S. before 2020.

http://www.tulsaworld.com/common/printerfriendlystory.aspx?articleID=070829_5_E1_spanc05761

23,000 MID Customers Lose Power in California August 29

Elevated temperatures caused a high-voltage power line to sag into a tree. Coupled with an outage at a nearby substation some 23,000 Modesto Irrigation District customers lost power.

<http://www.modbee.com/local/story/54907.html>

NRG’s 335 MW El Segundo Gas-fired Unit 3 Restarted in California August 29

Bloomberg, 19:45 August 29, 2007

CDWR’s 225 MW Pine Flat Hydro Unit Shut August 29

Reuters, 20:28 August 29, 2007

Update: TXU’s 750 MW Martin Lake Coal-fired Unit 3 in Texas Back Online August 29

Reuters, 19:38 August 29, 2007

OPG's 535 MW Lennox Oil and Gas-fired Unit 4 Shut in Ontario August 30

A spokesman for OPG considered the outage long term and provided no restart date.

Reuters, 13:05 August 30, 2007

Southern's 888 MW Farley Nuke Unit 1 Returned to Full Power in Alabama August 30

The unit was reduced in order to replace a cooling system motor.

Bloomberg, 11:45 August 30, 2007

Duke's 846 MW Oconee Nuke Unit 2 Reduced to 73 Percent in South Carolina August 30

The unit was reduced in order to replace a high-pressure injection pump. According to a company spokesperson the unit should be back at full power in a "couple of days."

Reuters, 7:18 August 30, 2007

Bloomberg, 13:09 August 30, 2007

FPL's 162 MW High Winds Energy Wind Power Facility Reduced in California August 29

According to reports filed to the California ISO, the unit had idled 117 MW of capacity.

Bloomberg, 19:08 August 29, 2007

Update: AEP's 1,048 MW Cook Nuke Unit 1 Ramps Up in Michigan August 30

The unit was closed on August 28 due to a low steam-generator water level. The unit was reportedly running at 70 percent this morning.

Bloomberg, 10:01 August 30, 2007

Petroleum

Heavy Autumn Maintenance Planned for Midwest Refineries: Tight Supplies Foreseen – Survey

According to a survey conducted by Reuters, fuel supplies are expected to tighten as an unusually heavy level of maintenance is performed by Midwest refineries. Many Midwest refineries have not been taken down for maintenance since before Hurricane Katrina. The survey indicates that as much as 351,000 b/d of capacity is expected to be out of service in September.

Reuters, 08:50 August, 30 2007

EPA Issues Waiver for North Dakota to Import Non-Spec Gasoline from Canada

The 20-day waiver allows the use of Canadian gasoline that does not meet summer tail pipe emission standards until September 15 when the winter standards go into effect. The waiver was granted due to tightened supplies of gasoline in the Midwest due to refinery upsets.

Reuters, 18:16 August 29, 2007

Update: Wet Gas Compressor Restarted at Total's 232,000 b/d Port Arthur, Texas Refinery August 29

According to reports filed with state regulators, a main blower experienced an interruption August 28 during the initial restart of the unit which had been shut following a lightning strike on August 27. A wet gas compressor was shut on August 29 and was back online six hours later.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=96786>

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=96623>

USGS Report Lowers Estimates of Oil Resources in Greenland

USGS lowered its estimates for crude oil in Greenland, but increased its estimates for natural gas and natural gas liquids. The USGS reduced its estimate of crude oil from 47 billion bbls to 9 billion bbls; the estimate for natural gas was increased from 81 Tcf to 86 Tcf and the volume of natural gas liquids was increased from 4 billion bbls to 8 billion bbls. The report updated data from a study conducted in 2000.

<http://www.usgs.gov/newsroom/article.asp?ID=1750>

Longhorn Pipeline Shut to Repair "Anomalies" August 30

A company spokeswoman provided no planned restart date.

Reuters, 13:49 August 30, 2007

Domestic Gasoline Supplies at Record Low

The current supply of gasoline is equivalent to twenty days worth of consumption. This is the lowest supply on record when the level of demand is accounted for.

Reuters, 13:05 August 29, 2007

Upset Reported at Valero's 260,000 b/d Port Arthur, Texas Refinery

According to a report filed with state regulators, the plant experienced an instrument malfunction leading the unit to flare.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=96834>

Bloomberg, 12:33 August 30, 2007

Natural Gas

BP To Begin Controlled Restart of CATS North Sea Pipeline This Week

BP anticipates restarting the system ahead of schedule following repairs. Normal throughput is expected to be reached by mid-September ConocoPhillips, which was also affected by the closure, is set to resume shipments of oil and gas from its J-Block Field in the North Sea.

Reuters, 3:36 August 30, 2007

Bloomberg, 5:30 August 30, 2007

Update: Florida Gas Extends Shipper Alert as Hot Weather Continues August 30

Reuters, 11:48 August 30, 2007

Colorado on Track to Break Record for Permits Granted to Drill for Natural Gas

<http://intelligencepress.com/>

Other News

DOE Official Highlights New Initiatives to Secure Energy Infrastructure

Newly appointed Assistant Secretary for the Office of Electric Delivery and Energy Reliability Kevin Kolevar highlighted the Bush Administration's efforts to increase the utilization of advanced technologies in power distribution at a speech in Louisiana.

<http://www.energy.gov/news/5342.htm>

Energy Prices

U.S. Oil and Gas Prices			
August 30, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	73.37	69.57	70.10
\$/Barrel			
NATURAL GAS			
Henry Hub	5.54	5.73	6.40
\$/Million Btu			

Source: Reuters

Energy Notes

Storms Knock Out Power to 25,000 DTE and Consumers Customers in Michigan August 29

<http://www.freep.com/apps/pbcs.dll/article?AID=/20070830/NEWS05/70830025/0/SPORTS16>

Electrical Transformer Fire Causes Blackout in Downtown St. Louis, Missouri August 29

<http://www.news-leader.com/apps/pbcs.dll/article?AID=/20070830/NEWS01/708300373/1007>

Update: AltaGas Suspends Canadian Noel Pipeline Project and Pouce Coupe Expansion

http://www.altagas.ca/pdf/2007/Noel%20deferral%20release_070828.pdf

ConocoPhillips Chairman Warns of World Natural Gas Problem

http://www.energyintel.com/PublicationHomePage.asp?publication_id=10

Thunderstorms Knock Out Power to 16,000 Hydro One Customers in Ontario August 29

<http://www.thepeterboroughexaminer.com/webapp/sitepages/content.asp?contentid=673435&catname=Local%20News&classif=News%20Alert>

Ruptured Gas Line Closes Portions of Downtown Bozeman, Montana August 30

http://www.montanasnewsstation.com/Global/story.asp?S=7003379&nav=menu227_7

Strong Winds Knock Out Power to 10,500 Ameren Customers in Missouri August 29

<http://www.stltoday.com/stltoday/news/stories.nsf/stlouiscitycounty/story/6FEE6DA12A0D0F5A8625734700074083?OpenDocument>

U.S. Electricity Production Year to Date Up 1.9% from Last Year

Reuters, 13:06 August 29, 2007

Venezuelan Orinoco Takeover Talks With ExxonMobil and ConocoPhillips to be Completed in “Coming Weeks” –State Official

Reuters, 15:53 August 29, 2007

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/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov