



ENERGY ASSURANCE DAILY

Wednesday Evening, September 01, 2010

Major Developments

Update: After Hurricane Earl, More than 50,000 Families Remain without Power across Puerto Rico September 1

More than 50,000 Puerto Rican families remained in the dark on September 1, but an official with the Autoridad de la Energía Eléctrica said he expected the company to restore service to all affected customers by the end of the day. The storm knocked out power to 200,000 customers in Puerto Rico, according to a previous source. Electricity was also restored to numerous locations across the U.S. Virgin Islands, a news source said on September 1. Earl cut power to approximately 90 percent of the U.S. Virgin Islands, but those outages were largely “preventive,” according to an earlier article.

<http://www.google.com/hostednews/epa/article/ALeqM5h-8fuqNcvGwFDg-v0dXZ5w91GR4Q>

http://www.travelweekly.com/article3_ektid219944.aspx

<http://www.marketwatch.com/story/earl-now-a-category-3-east-coast-could-take-hit-2010-08-30?dist=afterbell>

<http://www.bloomberg.com/news/2010-08-31/hurricane-earl-puts-u-s-east-coast-on-evacuation-alert-should-path-shift.html>

Electricity

Update: Delta Energy Center, LLC's 880 MW Delta Energy Center Gas-Fired Unit in California Ramps up by August 31

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 300 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201008311515.html>

Update: AES's 179 MW Redondo Gas-Fired Unit 5 in California Ramps up by August 31

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 134 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201008311515.html>

Update: TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama at Full Power by September 1

The Nuclear Regulatory Commission reported that on the morning of August 31 the unit was operating at 87 percent.

Information derived from the NRC Power Reactor Status Reports:

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

After Brief Shutdown, Luminant Restarts 793 MW Martin Lake Coal-Fired Unit 3 in Texas August 31

Luminant's 793 MW Martin Lake coal-fired Unit 3 in Texas “tripped while at load due to a loss of power to the generator voltage regulator,” but the company restarted the unit later in the day, it said in a filing with state regulators.

<http://www.l1.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=144253>

San Miguel Electric Coop to Restart 410 MW San Miguel Coal-Fired Power Plant in Texas August 31

San Miguel Electric Coop expected to restart its 410 MW San Miguel coal-fired power plant in Texas on August 31 “after the Unit was tripped due to loss of service air,” the company said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=144222>

Update: Judge Postpones Hearing on Whether DTE Modified Boiler at 3,000 MW Monroe Coal-Fired Power Plant in Michigan without Appropriate Federal Authorization

A federal judge postponed by 90 days a hearing on whether DTE Energy modified the Unit 2 boiler at its 3,000 MW Monroe Power Plant without receiving appropriate federal authorization. The company requested the delay, citing time constraints. In the interim, the judge ordered DTE to operate the facility at its pre-modification capacity. A company spokesman, however, said that would not be an issue: “We didn’t increase the capacity of the plant during the work, so we’ll be running it like we did before.”

<http://www.monroenews.com/apps/pbcs.dll/article?AID=/20100831/NEWS01/708319983>

<http://www.freep.com/article/20100831/BUSINESS06/100831005/1002/BUSINESS/Judge-delays-hearing-limits-use-of-DTE-Energy-power-plant>

PPL Electric Utilities to Construct 10 Substations in 2011-2011 across Eastern and Central Pennsylvania

<http://www.pplweb.com/newsroom/newsroom+quick+links/news+releases/PPL+Electric+Utilities+plans+10+new+electric+substations+for+2010-11+090110.htm>

Westar Energy Energizes Second Phase of 345 kV Transmission Line in Kansas August 28

Westar Energy completed the second phase of its 345 kV Wichita-to-Salina transmission line in Kansas on August 28, the company said in a release yesterday. The first phase, completed in late 2008, ran from the Gordon Evans Energy Center near Wichita to the Reno County Substation, northeast of Hutchinson. The second phase extended the line from the Reno County Substation to the Summit Substation, southeast of Salina.

[http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/2010-8-31/\\$File/2010-8-31.pdf?openelement](http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/2010-8-31/$File/2010-8-31.pdf?openelement)

Petroleum

Update: Enbridge Reports no Leaks after Hydrostatic Testing along 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B August 31

Hydrostatic testing failed to uncover any leaks along a 13-mile stretch of Enbridge’s still-shut, 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B, the company said on August 31. The news came more than one month after the line ruptured and spilled about 19,000 barrels of oil into a creek near a Marshall, Michigan pump station. Federal regulators were expected to review the results of the test before they ruled on the company’s proposal to restart the line. That proposal, according to the company, included a plan to run the line at 80 percent of its pre-shutdown pressure.

<http://response.enbridgeus.com/response/main.aspx?id=13193>

<http://www.bloomberg.com/news/2010-09-01/enbridge-says-pipeline-pressure-tests-show-no-leaks-update1-.html>

<http://michiganmessenger.com/41372/feds-say-enbridge-pipeline-may-never-restart>

<http://www.calgaryherald.com/technology/Enbridge+begins+tests+repaired+pipeline/3462890/story.html>

<http://www.foxbusiness.com/markets/2010/08/30/enbridge-starts-pressure-test-pipeline/>

Update: Weather Permitting, BP to Resume Efforts to Remove and Replace Failed BOP in Gulf of Mexico in 24 to 36 Hours

Weather permitting, BP expected to resume within 24 to 36 hours its efforts to replace the failed blow out preventer (BOP) on the Macondo well in the U.S. Gulf of Mexico, National Incident Commander and retired Coast Guard Admiral Thad Allen said on September 1. Rough seas forced BP to halt the work on August 30. Under the new timeframe, the company expected to remove the old BOP by September 4 or 5, according to Admiral Allen.

<http://af.reuters.com/article/energyOilNews/idAFN0112476920100901>

<http://www.businessweek.com/news/2010-09-01/bp-s-gulf-well-work-may-resume-tomorrow-allen-says.html>

<http://www.bp.com/extendedsectiongenericarticle.do?categoryId=9034427&contentId=7063885>

<http://app.restorethegulf.gov/go/doc/2931/889843/>

BP to File Report on Response to Deepwater Horizon Oil Spill in U.S. Gulf of Mexico September 1

BP planned to file a report today with the U.S. Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) on “the key equipment, facilities, and planning tools that were successfully deployed in responding to the spill,” the company said. The report was not expected to explore the causes of the Deepwater Horizon incident, evaluate the industry’s pre-spill response capabilities, or offer any plan for future responses. Instead, it was intended to help BOEMRE assess “the capabilities that are now available to respond to oil spills in the Gulf of Mexico region.”

http://www.rigzone.com/news/article.asp?a_id=98153

Refiners Monitor Hurricane Earl along U.S. East Coast and Canada August 31 – No Disruptions, as of Latest Reports

Refiners along the U.S. East Coast and Canadian East Coast were monitoring the path of Hurricane Earl on August 31, but the storm had not disrupted any operations, as of latest reports. The storm was projected to hit Pennsylvania and New Jersey, followed by the Canadian coast, over the weekend.

<http://www.reuters.com/article/idUSN3125780520100901>

Reuters, 22:51 August 31, 2010

Maintenance-Induced Shutdown Reduced Average Oil Production by More than 40,000 b/d at Canadian Natural’s Horizon Oil Sands Project in Alberta, Canada during August

Canadian Natural Resources Limited shut its Horizon oil sands project in Alberta, Canada for an unspecified period of time in August 2010 “to address localized pipe wall thinning limited to the amine unit,” it said on September 1. The company moved forward planned maintenance to coincide with the other, presumably unscheduled work. As it worked to restart the facility, operators encountered operational difficulties in the Ore Preparation Plant (OPP). Those issues kept offline one of two wet trains in the OPP for much of the month. Due to the problems, the site produced an estimated 49,000-50,000 b/d of oil for the month, compared to about 93,300 b/d in July. The company expected Horizon to produce at its design capacity for the rest of 2010.

http://www.cnrl.com/upload/media_element/345/02/0901_horizon-oil-sands-production.pdf

Hess Aims to Receive 168 Million Gallons/Year of Bunker Fuel at North Charleston Terminal in South Carolina, or Quadruple Current Rates

Hess has applied with the South Carolina Department of Health and Environmental Control for approval to receive up to 168 million gallons/year of bunker fuel at its North Charleston, South Carolina terminal. The 168 million gallons/year figure would be four times larger than current rates. The project would involve minor pipe alterations, according to a Hess spokeswoman.

<http://www.postandcourier.com/news/2010/sep/01/hess-seeks-to-add-to-fuel-oil-stock/>

MEG Energy Plans nearly 300,000 b/d of New Oil Sands Production in Alberta, Canada

MEG Energy expects to expand capacity by 185,000 b/d at its existing 26,400 b/d Christina Lake oil sands project, and plans to produce up to 100,000 b/d of oil in the Surmont area of Alberta, Canada, according to its website. The company plans to break ground on a 35,000 b/d Phase 2B expansion at Christina Lake in early 2011, and eventually boost the site’s capacity by another 150,000 b/d. The expansions, combined, would increase total production at Christina Lake to 210,000 b/d. The company, separately, aims to file an application in 2011 to produce up to 100,000 b/d at Surmont.

<http://www.megenergy.com/christinalake.html>

<http://www.megenergy.com/surmont.html>

<http://www.petroleum-economist.com/default.asp?page=14&PubID=46&ISS=25678&SID=726853>

Update: After Weekend Shutdown, Flows Resume along Iraq-to-Turkey Oil Pipeline by September 1

Flows resumed along the Kirkuk, Iraq-to-Ceyhan, Turkey oil pipeline by September 1, officials said, after technical issues forced shut the line for four days. The line was delivering about 450,000 b/d of oil, as of latest reports.

<http://www.earthtimes.org/articles/news/342080.oil-pipeline-turkey-restored.html#>

Natural Gas

Enterprise Products Partners Plans 350,000 b/d, 140-Mile Oil Pipeline in Eagle Ford Shale, Texas

Enterprise Products Partners L.P. plans to construct an approximately-350,000 b/d, 140-mile pipeline in the Eagle Ford Shale, South Texas, the company said on September 1, as part of a deal to serve EOG Resources, Inc.'s crude oil and associated liquids-rich natural gas production in the area. The line would extend from northwestern Karnes County to Enterprise's existing crude oil system in Austin County, Texas; there, it would connect to the existing Sealy Station. Enterprise expects to complete the project in the first quarter of 2012. As part of the same deal, Enterprise plans to provide firm natural gas transportation and processing, as well as NGL transportation and fractionation services to EOG. Enterprise expects to construct 52 miles of additional pipeline laterals to complement its previously-announced Eagle Ford rich natural gas mainline project. It also plans to open a 600 MMcf/d cryogenic gas processing facility in mid-2012, and intends to transport NGLs from that site to a proposed NGL fractionators in Mont Belvieu.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1465314&highlight=>

Other News

Update: EPA Disapproves Components of TCEQ's Air Permitting Program August 31

The U.S. Environmental Protection Agency (EPA) disapproved on August 31 aspects of the Texas Commission on Environmental Quality's (TCEQ) clean-air permitting program that the agency said did not meet federal Clean Air Act requirements. Specifically, the EPA took issue with TCEQ's proposed revisions to the New Source Review (NSR) program of the Clean Air Act. The NSR program requires, among other things, that state-of-the-art emission control technology be installed at new plants or existing plants undergoing a major modification.

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/91f7018c5ca54bf185257790006d8803!OpenDocument>

Update: Enkema Breaks Ground on Planned 10 MMGal/Yr. Waste-to-Biofuels Facility in Edmonton, Alberta August 31

The company expects to open the facility toward the end of 2011.

http://www.enkem.com/assets/files/Enkem_EdmontonCeremony_August31_2010.pdf
<http://cnews.canoe.ca/CNEWS/Environment/2010/09/01/15207071.html>

Government of Canada Releases Final Regulations for Renewable Fuel Content in Gasoline September 1

The Government of Canada today announced that regulations requiring an average renewable fuel content of five per cent in gasoline have been finalized and will come into effect starting December 15, 2010.

<http://news.gc.ca/web/article-eng.do?crtr.sj1D=&mthd=tp&crtr.mnthndVI=&nid=557159&crtr.dpt1D=&crtr.tp1D=1&crtr.lc1D=&crtr.yrStrtVI=&crtr.kw=&crtr.dyStrtVI=&crtr.aud1D=&crtr.mnthStrtVI=&crtr.yrndVI=&crtr.dyndVI=>

Energy Prices

U.S. Oil and Gas Prices			
September 1, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	74.00	70.97	69.09
NATURAL GAS Henry Hub \$/Million Btu	3.80	4.07	2.42

Source: Reuters

Energy Notes

Pole Fire Suspected as about 20,000 Avista Customers Lose Power in Spokane, Washington, August 31 – Company Restores Power to Approximately 75 Percent of Customers in about 20 Minutes

<http://www.spokesman.com/stories/2010/aug/31/avista-power-outages-20000/>

State Regulators Okay PNM's Plans to Install 22 MW of Solar Power in New Mexico – Company Expects to Complete Construction by End of 2011

<http://www.pnmresources.com/press/releasedetail.cfm?ReleaseID=503980>

Update: Beacon Power Corporation Expects to Complete 20 MW Flywheel Energy Storage Plant in Stephentown, New York by End of First Quarter 2011

<http://phx.corporate-ir.net/phoenix.zhtml?c=123367&p=irol-newsArticle&ID=1465001&highlight=>

Update: PG&E Forms Advisory Group to Review Impact of Smart Meter Program on Customers, Help Utility as it Rolls out Program throughout Service Area

http://www.pge.com/about/newsroom/newsreleases/20100831/pgampe_forms_new_advisory_group_to_ensure_that_smartmeterm_program_follows_best_practices_for_customers.shtml

Update: West Virginia PSC Rejects Allegheny Energy and AEP's Request to Postpone Decision on Proposed 765 kV, West Virginia-to-Maryland PATH Transmission Line – PSC Seeks Clarification over Different Regulatory Timetables in West Virginia, Maryland and Virginia

<http://statejournal.com/story.cfm?func=viewstory&storyid=85325>

Update: CEC Staff Issues Preliminary Assessment in Support of Hydrogen Energy International, LLC's Proposed 250 MW Integrated Gasification, Combined-Cycle, Hydrogen Energy California Project in Kern County, California

http://www.energy.ca.gov/releases/2010_releases/2010-08-31_hydrogen_energy.html

Update: FutureGen Alliance Supports Government's Revamped FutureGen 2.0 Carbon Capture and Storage Project in Illinois

<http://online.wsj.com/article/BT-CO-20100831-714716.html>

Update: Massachusetts Supreme Judicial Court Upholds State Regulator's Decision to Award State and Local Permits for Proposed 420 MW Cape Wind Offshore Wind Project by September 1

http://www.nawindpower.com/e107_plugins/content/content_lt.php?content.6468

Blower Malfunction at D/R Hydro Company's Hydroelectric Power Facility along the Youghiogheny River in Pennsylvania Kills almost 1,200 Fish: U.S. Army Corps of Engineers

http://www.pittsburghlive.com/x/valleynewsdispatch/s_697072.html

Update: Federal Judge Denies Obama Administration's Request to Dismiss Lawsuit against Government-Imposed Moratorium on Deepwater Drilling by September 1

<http://www.bloomberg.com/news/2010-09-01/judge-denies-u-s-request-to-dismiss-challenge-to-government-drilling-ban.html>

Update: Alyeska Still Unsure What Led to Technical Error and Subsequent Spill in May 2010 along Trans-Alaska Oil Pipeline

<http://www.adn.com/2010/08/31/1433747/spill-probe-uncovers-troubling.html>

Update: Citing Accidental Sales of Below-Grade Gasoline in Canada, Irving Oil to Test Gasoline after Loading onto Trucks

<http://www.cbc.ca/consumer/story/2010/09/01/nb-irving-oil-regulator-610.html>

Update: Citing Repeated Odor Releases, Judge Directs Heartland Petroleum and State to Select an Independent Expert to Perform “Comprehensive Maintenance Review” at Company’s Oil Recycling Refinery in Ohio,

http://www.dispatch.com/live/content/local_news/stories/2010/09/01/judge-gives-offending-refinery-one-more-chance.html?sid=101

Mobil Producing Nigeria Resumes Normal Operations after Protest-Induced Disruption at Qua Iboe Oil Terminal in Nigeria August 30-September 1

http://234next.com/csp/cms/sites/Next/Home/5613828-146/mobil_terminal_resumes_operation_after.csp

KOC Aims to Increase Northern Kuwaiti Oil Production by 1 Million b/d by 2015

http://www.ogi.com/index/article-display/2272611934/articles/oil-gas-journal/drilling-production-2/2010/08/contract-let_for_kuwaiti/QP129867/cmpid=EnlDailyAugust312010.html

U.S.-Led Sanctions Take Effect as Turkey Cuts Gasoline Exports to Iran by 74 Percent in July 2010

<http://www.reuters.com/article/idUSLDE6801FP20100901>

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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