



ENERGY ASSURANCE DAILY

Thursday Evening, September 27, 2007

Major Developments

Experiment Showed Grid Vulnerable to Cyber Attack - Flaws Fixed

A dramatic video of a test that simulated a cyber attack on a power generation facility shows a generator reacting violently to erroneous commands sent to it in a simulated attack by hackers. The unit, an industrial turbine, shudders and smoke pours fourth before the unit stops. The test was produced for the Department of Homeland Security and the video was obtained on September 26 by the Associated Press. The test demonstration named "Aurora Generator Test" was conducted in March 2007 to investigate system vulnerabilities connected with supervisory control and data acquisition (SCADA) systems. Subsequent to the test, the programming flaws have been fixed and further, utilities have been urged by equipment manufacturers to institute protective measures. Industry experts cautioned that intruders would not only need specialized knowledge to carry out an attack, but would also need to be able to disable warning systems.

<http://ap.google.com/article/ALeqM5jqb09di8rLIZGdutxhTCk2A6uang>

<http://edition.cnn.com/2007/US/09/26/power.at.risk/index.html>

http://news.yahoo.com/s/ap/20070927/ap_on_go_ca_st_pe/hacking_the_grid

<http://www.washingtonpost.com/wp-dyn/content/article/2007/09/26/AR2007092602170.html>

Electricity

Update: Calpine's 264 MW Sutter Unit in California Shut September 26

The unit at the 525 MW Sutter Gas-Fired Generating Station was shut down for unplanned reasons.

<http://www.caiso.com/unitstatus/data/unitstatus200709261515.html>

Entergy's 966 MW River Bend Nuke Unit 1 in Louisiana Shut September 27

According to the Nuclear Regulatory Commission, the unit was operating at 100 percent on September 26. The unit shut during night testing during the night. According to a Bloomberg News story, the company did not know the reason for the shutdown nor when the unit would resume normal operation.

Bloomberg News, 12:41 September 27, 2007

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2007/20070926ps.html>

Update: CEC Approves Calpine's 600 MW Russell City Energy Center in Hayward, California September 26 – FAA Sees Acceptable Risk for Aviation

The California Energy Commission approved the construction plans for the 600 MW facility to be located in the East Bay area. Earlier this month, the Commission was set to approve the center when the Federal Aviation Administration (FAA) intervened citing safety considerations with respect to a nearby general aviation airport. However, according to a Reuters story, an FAA official says that although low flying aircraft should avoid the plant's exhaust plume, if they do not, it would not be a significant hazard to the aircraft.

Reuters 16:08 September 26, 2007

<http://www.reuters.com/article/marketsNews/idUKN2629759320070926?rpc=44&sp=true>

PG&E, FPL Group, and Ausra Commit to Develop or Purchase 2,500 MW of Solar Power Over 20 Years

The companies announced a commitment at the annual meeting of the Clinton Global Initiative to develop 1,000 MW of solar thermal power. In addition, PG&E made a commitment to acquire 1,000 MW of solar power over the next five years and the FPL Group agreed to develop an additional 500 MW.

Reuters, 12:30 September 27, 2007

Alberta Scraps Limit on Wind Generation to Spur Development

Alberta will remove the 900 MW limit on wind power developments in the province in order to stimulate the development aimed at increasing the amount of wind power generation from approximately four percent of the total generation capacity in the province to between 10 and 15 percent.

Reuters, 19:10 September 26, 2007

Update: OPG's 494 MW Lambton Coal-fired Unit 3 Back in Service September 27

Reuters, 08:30 September 27, 2007

TransAlta's 353 MW Sundance Coal-fired Unit 3 in Alberta Shut September 26

Reuters, 08:52 September 27, 2007

Petroleum

ConocoPhillips to Expand its 76,000 b/d Rodeo, California Refinery

Following approval by local officials, the company announced plans to boost capacity at the refinery by 30 percent, approximately 24,000 b/d.

<http://www.kcbs.com/pages/1004718.php>

Bloomberg News, 05:24 September 27, 2007

Platte Crude Oil Pipeline Running at Reduced Rate

Reuters cites a company representative as saying the 164,000 b/d capacity line has been operating at about 80 percent of normal rates following an order from the U.S. Pipeline and Hazardous Materials Administration (PHMSA) to reduce pressure in the line because of a spill that occurred on September 6. PHMSA also directed the company to perform a number of tests that will determine whether additional action needs to be taken. The company did not provide information as to any impact on the volume of oil actually shipped on the line.

Reuters, 13:17 September 27, 2007

Power Outage Shuts 500,000 b/d Hovensa Refinery in St Croix – All Units Except 150,000 b/d FCC Unit Restarted

As the 150,000 b/d fluid catalytic cracking unit (FCC) was being shut so that repair work on the wet gas scrubber connected with the FCC could be performed, the refinery lost power. The company, a joint venture between Hess and PdVSA, reports that all units except for the FCC unit have been restarted. There was no indication when the FCC unit would be restarted.

Reuters, 13:50 September 27, 2007

Reuters, 12:08 September 27, 2007

ConocoPhillips Reports Flaring Incident at its 139,000 b/d Carson, California Refinery September 25-26

According to a report filed with state regulators, the unplanned incident began late on September 25 and ended shortly before 04:00 local time on September 26.

Reuters, 18:54 September 26, 2007

Natural Gas

Gill Ranch Storage LLC and Pacific Gas & Electric Co to Build 20 Bcf Storage and 25-mile Pipeline in California

Gill Ranch Storage LLC and Pacific Gas & Electric Co (PG&E) have announced plans to develop a 20 Bcf underground natural gas storage facility at the Gill Ranch in Madera and Fresno counties. The project involves the construction of a 25-mile underground natural gas pipeline leading from the storage site to PG&E's gas transmission system. PG&E and Gill Ranch expect to file a joint application with the PUC as well as an environmental review in second quarter 2008. The estimated \$200 million project is to be completed by 2010 once the regulatory and permitting process is cleared.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5CfkprooxZUIh%27%40%3E%20bfem%5Ev>

Worsham-Steed Pipeline to Begin Flowing this Weekend

The pipeline's in-service date will only be one month behind schedule if it begins flowing this weekend as expected. Falcon Gas Storage Co. Inc.'s Worsham-Steed Pipeline will tap into Barnett Shale production and serve customers in the western portion of the North Texas/Barnett Shale market area.

<http://intelligencepress.com/>

Baard Energy's Ohio River Clean Fuels Project Acquires License from Shell to Use Shell Coal Gasification Process

Baard Energy's proposed \$5 billion coal-to-liquid fuel (CTL) Ohio River Clean Fuels (ORCF) project located in Columbiana County, Ohio to produce over 50,000 barrels per day of jet and diesel fuel has recently acquired a technology license from Shell U.S. Clean Coal Energy Inc to use the Shell Coal Gasification Process in the gasification portion of the proposed project. Shell will provide technical information and services for installation at the ORCF project.

http://www.downstreamtoday.com/News/Articles/200709/Shell_Licenses_Gasification_Technology_f_6194.aspx

Other News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
September 27, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	82.86	83.85	62.91
\$/Barrel			
NATURAL GAS			
Henry Hub	6.38	6.02	4.35
\$/Million Btu			

Source: Reuters

Energy Notes

Kazakhstan's Parliament Passes Law Allowing Government to Break Contracts with Foreign Companies – Could Affect Agip Contract with Large Kashagan Oilfield

<http://news.bbc.co.uk/2/hi/business/7015361.stm>

Shell and Russia's Tatneft Sign Agreement for Heavy Oil Development in Tatarstan

<http://www.platts.com/Oil/News/8275333.xml?p=Oil/News&sub=Oil>

Bloomberg News, 09:28 September 27, 2007

ENI Reports One Worker Killed, Two Missing from Facility in Nigeria

Reuters, 12:40 September 27, 2007

Statoil States Concerns Over Proposed Nitrogen Limits for Regasified LNG to be Carried by Algonquin Pipeline

<http://www.energycurrent.com/index.php?id=3&storyid=5538>

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>.

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