



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

ENERGY ASSURANCE DAILY

Thursday Evening, September 30, 2010

Electricity

Storms Knock Out Power to More than 90,000 Customers along U.S. East Coast September 30

Storms flooded parts of North Carolina and knocked out power to more than 90,000 customers across four states and Washington, D.C. on September 30, news and company sources reported. The following table lists peak and current outage figures, based on latest available data.

U.S. East Coast Customer Power Outages September 30, 2010			
Electric Utility	State	Peak	Latest Reported
Baltimore Gas and Electric	MD	34,944	18,243
Pepco	MD/DC	11,615	10,486
Dominion Virginia Power	VA	22,496	17,084
Progress Energy	NC	14,858	996
Atlantic City Electric	NJ	11,209	3,462
TOTAL *		95,122	50,271

*Total outages only represent electric utilities listed in this table.

Sources:

Baltimore Gas and Electric: <http://www.bge.com/portal/site/bge/menuitem.42d31413f80c584606370f10d66166a0/>

Pepco: <http://www.pepco.com/home/emergency/maps/stormcenter/>

Dominion Virginia Power: <http://www.dom.com/storm-center/dominion-electric-outage-summary.jsp>

Progress Energy: <http://progress-energy.com/shared/outages/car/default.aspx>

Atlantic City Electric: <http://www.atlanticcityelectric.com/home/emergency/maps/stormcenter/>
<http://www.google.com/hostednews/ap/article/ALeqM5gBcLEb37mbeAUo6WfUYvss0KTKUQD9IIB6800?docId=D9IIB6800>

Elk Hills Power's 552 MW Elk Hills Gas-Fired Unit in California Shut by September 29

According to the California Independent System Operator, the unit reported an unplanned outage by September 29.
<http://www.caiso.com/unitstatus/data/unitstatus201009291515.html>

Update: AES's 336 MW Alamitos Gas-Fired Unit 4 in California Returns to Service by September 29

According to the California Independent System Operator, the unit reported a return from an unplanned outage.
<http://www.caiso.com/unitstatus/data/unitstatus201009291515.html>

AES's 225 MW Huntington Beach Gas-Fired Unit 3 in California Reduced by September 29

According to the California Independent System Operator, the unit reported an unplanned curtailment of 134 MW by September 29.
<http://www.caiso.com/unitstatus/data/unitstatus201009291515.html>

Update: TVA Opens 550 MW Lagoon Creek Gas-Fired Power Plant in Tennessee by September 29

The Tennessee Valley Authority (TVA) began commercial operations at its 550 MW Lagoon Creek combined cycle gas-fired power plant in Tennessee, the company said on September 29.
http://www.tva.com/news/releases/julsep10/lagoon_creek.html

OPG to Shutter Approximately 2,000 MW of Coal-Fired Power Capacity on October 1

Ontario Power Generation (OPG) plans to shutter four coal-fired power units on October 1 – Lambton Units 1 and 2 and Nanticoke Units 3 and 4 – in a bid to curb harmful emissions, the province's Minister of Energy said. The units can each generate about 500 MW of power. Ontario aims to phase out its entire 6,400 MW coal-fired power fleet by 2014. Since 2003, the province has added more than 8,000 MW of new power generation, including 1,400 MW of renewable-based capacity, as well as more than 3,100 miles of new and upgraded transmission and distribution electricity lines, according to the Energy Ministry.

<http://af.reuters.com/article/energyOilNews/idAFN2924846520100929>

Update: ATCO Electric Energizes 78-Mile, 240 kV Transmission Line in Alberta, Canada September 30

ATCO Electric energized a new 78-mile, 240 kV transmission line in the Peace River area of northwest Alberta on September 30, completing the second of three phases within the company's Northwest Transmission Development Project. The line runs from Wesley Creek to Meikle. ATCO also upgraded existing substations in Wesley Creek and Hotchkiss, and constructed of a new switching substation in Meikle. The company completed the project's first phase – a 140-mile, 240 kV transmission line from Brintnell to Wesley Creek – earlier in 2010. The project's third phase is in the consultation phase; it would involve a 144 kV transmission line from Arcenciel to Ring Creek.

http://www.atcoelectric.com/About_Us/News/2010/ATCO_Electric_Northern_Transmission.pdf

Petroleum

Salazar Announces Regulations to Strengthen Drilling Safety, Reduce Risk of Human Error on Offshore Oil and Gas Operations September 30

The Department of the Interior today announced two new rules that it said would help improve drilling safety by strengthening requirements for safety equipment, well control systems, and blowout prevention practices on offshore oil and gas operations, and improve workplace safety by reducing the risk of human error. The Drilling Safety Rule, effective immediately upon publication, prescribes proper cementing and casing practices and the appropriate use of drilling fluids in order to maintain well bore integrity. It also strengthens oversight of mechanisms designed to shut off the flow of oil and gas, primarily the Blowout Preventer (BOP) and its components, including Remotely Operated Vehicles (ROVs), shear rams and pipe rams. Operators must also secure independent and expert reviews of their well design, construction and flow intervention mechanisms. The second regulation, known as the Workplace Safety Rule, requires offshore operators to have clear programs in place to identify potential hazards when they drill, clear protocol for addressing those hazards, and strong procedures and risk-reduction strategies for all phases of activity, from well design and construction to operation, maintenance, and decommissioning. Specifically, it requires operators to have a Safety and Environmental Management System (SEMS), which is a comprehensive safety and environmental impact program designed to reduce human and organizational errors as the root cause of work-related accidents and offshore oil spills. The Workplace Safety Rule makes mandatory American Petroleum Institute (API) Recommended Practice 75, which was previously a voluntary program to identify, address and manage safety hazards and environmental impacts in their operations.

<http://www.doi.gov/news/pressreleases/Salazar-Announces-Regulations-to-Strengthen-Drilling-Safety-Reduce-Risk-of-Human-Error-on-Offshore-Oil-and-Gas-Operations.cfm>

BP Contains Leak at 467,720 b/d Texas City, Texas Refinery September 30

The leak occurred along a line leading to a crude oil tank, a company spokeswoman said. It was not clear if there was any impact on production.

<http://www.myfoxboston.com/dpp/news/local/100930-leak-at-texas-city-bp-contained>

Leak Leads to Flaring at Valero's 100,000 b/d Three Rivers, Texas Refinery September 29

A leak in a "containment pan at railcar loading rack" led to flaring at Valero's 100,000 b/d Three Rivers, Texas refinery on September 29, the company said in a filing with state regulators. The spilled substance "was contained and free liquids were vacuumed up," according to the filing. It was not clear if the incident had any impact on production.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=145476>

Enbridge Plans 1 Million Barrel Storage Expansion at Existing Terminal in Edmonton, Alberta

Enbridge Inc., through a subsidiary, plans to expand the tankage of its mainline terminal in Edmonton, Alberta by 1 million barrels, the company said on September 29. The project would be conducted over two phases. It would involve the construction of four tanks in the facility's North Terminal and the installation of a short pipeline segment and related infrastructure. Phase I is expected to be in service in the third quarter of 2012 and Phase II in the fourth quarter of 2012.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2010&id=1327203>

Unit Snag Leads to Flaring at Hovensa's 500,000 b/d St. Croix, U.S. Virgin Islands Refinery September 30

A processing unit snag led Hovensa to burn off heavy oil on September 30 at its 500,000 b/d St. Croix, U.S. Virgin Islands refinery, a facility spokesman said. It was not clear which unit was affected or whether the incident had any impact on production.

http://www.canadianbusiness.com/markets/market_news/article.jsp?content=D9IICUQG0

USDG Begins Operations at 65,000 b/d St. James Crude Oil Rail Terminal in Louisiana by September 29

U.S. Development Group LLC (USDG) has begun receiving and offloading shipments of crude oil via unit train at its 65,000 b/d St. James Rail Terminal along the Gulf Coast in Louisiana, the company said on September 29. The facility is connected by pipeline to an adjacent crude oil/condensate storage terminal.

http://www.us-dev.com/news_092910.htm

Weather Causes Shutdowns at Two Mexican Oil Ports in Gulf of Mexico September 28 – One Up, One Still Down on September 30

Bad weather forced offline Mexico's 1,006,000 b/d Cayo Arcas and 113,000 b/d Dos Bocas oil ports in the Gulf of Mexico on September 28, but the nation reopened the Dos Bocas facility on September 30. Cayo Arcas remained down, as of latest reports.

Reuters, 11:32 September 30, 2010

Boiler Issue Forces Offline PdVSA's 130,000 b/d Petroanzoategui Oil Upgrader in Venezuela September 27

A boiler problem led to the shutdown of PdVSA's 130,000 b/d Petroanzoategui oil upgrader in Venezuela on September 27, but PdVSA hoped to restart the facility over the weekend, a company source said. The source expected on-site supplies to prevent any disruption to exports.

Reuters, 17:27 September 29, 2010

Striking Workers Continue to Disrupt Terminal Operations and Threaten Refinery Production in France September 30

Striking workers were keeping 37 ships – 15 refined oil tankers, nine crude oil tankers, eight gas tankers, four chemical products tankers, and one barge – from offloading at the Fos-Lavera oil terminal in France on September 30, according to a port spokeswoman. An average of about 1.2 to 1.3 million barrels of oil passes through the terminal on a daily basis. The strike continued to threaten operations at seven or eight refineries that represented as much as 1 million b/d of oil processing capacity. Sources conflicted as to whether the strike had actually impacted production; one trader said it had not impacted utilization rates, as of latest reports. The head of France's oil industry body, however, said six facilities were operating at lower or minimum rates. He said that if the strike lasted one to two weeks, it could force offline some refineries; if it lasted two to three weeks, he said it could lead to fuel shortages. A union official said the strike would remain in effect until at least Monday.

<http://online.wsj.com/article/BT-CO-20100930-703352.html>

<http://www.forexyard.com/en/news/French-port-strike-disrupts-trade-gas-oil-rises-2010-09-30T133932Z-UPDATE-2>

<http://af.reuters.com/article/energyOilNews/idAFLDE68S2C920100929>

DJN, 11:44 September 30, 2010

Reuters, 09:44 September 30, 2010

Natural Gas

Update: Cameron LNG to Postpone Expansion Plans at Existing 1.5 Bcf/d LNG Terminal in Louisiana

Citing market conditions, Sempra Energy's Cameron LNG LLC plans to postpone by four years plans to expand capacity by 1.15 Bcf/d at its existing 1.5 Bcf/d Cameron LNG terminal in Hackberry, Louisiana, according to Natural Gas Intelligence.

<http://intelligencepress.com/>

<http://www.sempralng.com/Pages/Terminals/Cameron/default.htm>

<http://www.sempralng.com/Pages/Terminals/Cameron/expansion.htm>

TexStar Plans to Expand Existing Natural Gas Pipeline, Construct New Oil-and-Gas Pipelines in Texas

TexStar Midstream Services LP plans to expand its existing 4.2 MMcf/d, 125-mile natural gas pipeline in Texas to more than 30 MMcf/d, according to its website. The company plans to open over 40 miles of gathering lines by the end of 2010. It also expects to construct an oil pipeline from its dedicated acreage to the Three Rivers area, and a natural gas export pipeline to the Three Rivers area.

<http://www.texstarms.com/current.aspx>

<http://sanantonio.bizjournals.com/sanantonio/stories/2010/09/27/daily25.html>

United States Imports Less Natural Gas as Domestic Production Rises in 2009

Imports accounted for just 12 percent of U.S. natural gas consumption in 2009, the lowest level since 1994, the U.S. Energy Information Administration said. The reduced figure came as the United States consumed less gas than in 2008, and continued to ramp up gas production from unconventional sources.

http://www.rigzone.com/news/article.asp?a_id=99452

Other News

Update: Pacific Ethanol Aims to Restart 60 MMGalYr. Stockton, California Ethanol Plant during Fourth Quarter of 2010

The plant has been shut since early 2009 due to weak market conditions, Platts said previously.

http://ethanolproducer.com/article.jsp?article_id=7017

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/HeadlineNews/Petrochemicals/8906736/>

Energy Prices

U.S. Oil and Gas Prices September 30, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	79.60	73.36	69.33
NATURAL GAS Henry Hub \$/Million Btu	3.81	4.02	3.30

Source: Reuters

Update: White Stallion Energy Center Receives TCEQ Air Permit for Plans to Construct 1,200 MW Coal-Fired Power Plant in Matagorda County, Texas

<http://www.google.com/hostednews/ap/article/ALeqM5gsRn9I4vA2b6a8jjMznevOPWbOCwD9IHS6PG0?docId=D9IHS6PG0>

Update: California Energy Commission Approves Tessera Solar Subsidiary's Plans for 709 MW Imperial Valley Solar Power Project in California September 29

http://www.energy.ca.gov/releases/2010_releases/2010-09-29_genesis-imperial_valley.html

Update: California Energy Commission Okays NextEra Energy Subsidiary's Plans for 250 MW Genesis Solar Power Project in California September 29

http://www.energy.ca.gov/releases/2010_releases/2010-09-29_genesis-imperial_valley.html

Edison Mission Group to Open 80 MW Wind Power Project near Broken Bow, Nebraska by Year-End 2012

<http://www.1011now.com/news/headlines/103999739.html>

APS Plans 18 MW Solar Photovoltaic Plant in Gila Bend, Arizona – Company to Break Ground in Early 2011, Open Facility in November 2011

http://www.aps.com/main/news/releases/release_622.html

EPA and US. Justice Department Say BP Has Agreed to Pay \$15 Million Penalty for Releases of Hazardous Pollutants at 467,720 b/d Texas City, Texas Refinery - Settlement Addresses Violations Stemming to Two Fires in 2004 and 2005 and Leak in 2005

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/564d19d4596f72f4852577ae005249b9!OpenDocument>

Oil Tanker Truck Overturms, Catching Fire and Spilling about 200 Barrels of Oil in Mandaree, North Dakota September 27

<http://www.minotdailynews.com/page/content.detail/id/543343.html?nav=5010>

Update: Suncor Says 35 Barrels of Low-Sulfur Diesel Spilled into St. Lawrence Seaway near 130,000 b/d Montreal, Canada Refinery September 28 - Spill Contained by September 29

Reuters, 15:38 September 29, 2010

CJX, 09:51 September 30, 2010

Technip to Construct 30 MMcf/d Hydrogen Plants at Valero's 195,000 b/d Memphis, Tennessee and 170,000 b/d McKee, Texas Refineries

<http://www.technip.com/en/press/technip-awarded-two-hydrogen-plant-contracts-united-states>

<http://www.valero.com/OurBusiness/OurLocations/Refineries/Pages/Memphis.aspx>

<http://www.valero.com/OurBusiness/OurLocations/Refineries/Pages/McKee.aspx>

Alliance AutoGas to Install 115 Propane Fueling Stations in Indiana

<http://www.prnewswire.com/news-releases/alliance-autogas-to-build-americas-largest-statewide-propane-autogas-fueling-network-104013028.html>

Xcite Energy Launches Pilot Drilling at Bentley Oilfield in U.K. North Sea – Field Contains Estimated 160 Million Barrels of Oil

<http://www.proactiveinvestors.co.uk/companies/news/21564/xcite-energy-starts-operations-at-bentley-oil-field-pilot-well-in-uk-north-sea-21564.html>

Core BioFuels to Open \$100 Million Ethanol Plant in Texas by End of 2012 – Facility Would Process Wood Chips

http://www.biofuels-news.com/industry_news.php?item_id=2656

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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