



ENERGY ASSURANCE DAILY

Tuesday Evening, October 06, 2009

Electricity

Exelon's 1,022 MW Clinton Nuke Unit in Illinois Reduced to 83 Percent by October 6

The Nuclear Regulatory Commission reported that on the morning of October 5 the unit was operating at 95 percent. Information derived from the NRC Power Reactor Status Reports:

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

Constellation's 565 MW Nine Mile Point Nuke Unit 1 in New York Shut by October 6

Constellation shut the unit due to apparent high water levels in a water-supply system, a spokeswoman said. She did not say when the unit might return to service. The Nuclear Regulatory Commission reported that on the morning of October 5 the unit was operating at full power.

Bloomberg News, 08:26 October 6, 2009

Information also derived from the NRC Power Reactor Status Reports:

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

PG&E's 407 MW Helms Hydro Unit 1 in California Shut by October 5

According to the California Independent System Operator, the unit reported an unplanned outage by October 5.

<http://www.caiso.com/unitstatus/data/unitstatus200910051515.html>

Duke's 150 MW Southbay Gas-fired Unit 2 in California Shut by October 5

According to the California Independent System Operator, the unit reported an unplanned outage by October 5.

<http://www.caiso.com/unitstatus/data/unitstatus200910051515.html>

Update: TVA's 1,118 MW Browns Ferry Nuke Unit 2 in Alabama Ramped Up to 92 Percent by October 6

The Nuclear Regulatory Commission reported that on the morning of October 5 the unit was operating at 37 percent. Information derived from the NRC Power Reactor Status Reports:

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

Update: AES's 498 MW Alamitos Gas-fired Unit 5 in California Returns to Service by October 5

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200910051515.html>

Update: AES's 175 MW Redondo Gas-fired Unit 6 in California Returns to Service by October 5

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200910051515.html>

Update: Citgo Postpones Restart of Explosion-Downed Alkylation Unit at Corpus Christi, Texas Refinery

Citgo postponed the restart of an explosion-downed alkylation unit amid safety concerns, a news source said. An explosion forced shut the unit on July 19. The company had expected to begin restarting the unit on October 18 or 19, but the United Steel Workers Union (USW) protested the plans. "The local union and the international union are very concerned about the safety of the workers and are concerned for the citizens of Corpus Christi outside the gates, the USW said in a letter to the Occupational Health and Safety Administration (OSHA). "If this accelerated pace and disregard of regulations continues, we fear another worst-case scenario," it said.

<http://online.wsj.com/article/BT-CO-20091006-705719.html>

Update: Tesoro Eyes Mid-October Restart for Fire-Downed Coker at 100,000 b/d Wilmington, California Refinery

Tesoro expects to resume normal rates by mid-October at its fire-slowed, 100,000 b/d Wilmington, California refinery, the company said on October 6. The September 25 fire forced shut a coking unit, Tesoro said. The incident also exposed 60,000 square feet of "asbestos-containing debris," which workers began cleaning at the end of September, according to a spokesman with the South Coast Air Quality Management District.

Bloomberg News, 11:48 October 6, 2009

Reuters, 09:35 October 6, 2009

Update: Total Delays Planned 200,000 b/d Joslyn Oil Sands Project in Alberta, Canada, Citing Prices

Total delayed approval of its planned, 200,000 b/d Joslyn oil sands project in Alberta, Canada, saying current oil prices were too low to justify production. The company said it would make its investment decision by the end of 2011; it had expected to make that assessment in 2010. The site could come online between 2016 and 2018, Total's chief executive said. The Joslyn project is slated to enter service in two, 100,000 b/d phases, according to Total's website. The first phase, or "North Mine," would begin production four years ahead of the second phase, or "South Mine," the website said.

<http://www.reuters.com/article/GCA-Oil/idUSTRE5945K420091005>

<http://www.total-ep-canada.com/joslyn/joslyn.html>

Update: Citing Market, Kuwait Pushes Back Plans to Increase Oil Production by Decade

Kuwait postponed plans to increase its oil production capacity to 4 million b/d, from the current estimated 3 million b/d, citing weak market conditions, its oil minister said on October 6. The nation had expected to add the new production by 2020, but said it would delay that expansion until 2030.

http://www.boston.com/business/articles/2009/10/06/kuwait_delays_plan_to_boost_oil_capacity_to_2030/

Update: Chevron Boosts Production to 250,000 b/d at Agbami Oilfield Offshore Nigeria in August 2009

Chevron produced 250,000 b/d of oil at its Agbami oilfield offshore Nigeria in August 2009, reaching peak production four months ahead of schedule, a spokesman said last week. The field holds an estimated 900 million barrels of recoverable oil reserves. Chevron began production in July 2008, a news source said.

http://www.rigzone.com/news/article.asp?a_id=81017

Natural Gas

Comstock Produces an Average 15.6 MMcf/d of Natural Gas during Testing at Seven Haynesville Shale Wells in Louisiana

Comstock produced an average 15.6 MMcf/d of natural gas at each of seven Haynesville shale wells in DeSoto Parish, North Louisiana, the company said on October 5. Three of the wells were in the company's Toledo Bend North field, three were in its Logansport field, and one was in its Mansfield field, Comstock said.

<http://phx.corporate-ir.net/phoenix.zhtml?c=101568&p=irol-newsArticle&ID=1338727&highlight=>

NASEO, DOE Hold 2009/2010 Winter Fuels Outlook Conference October 6

The National Association of State Energy Officials (NASEO) hosted the 2009-2010 Winter Fuels Outlook Conference on October 6. The U.S. Department of Energy's (DOE) Office of Electricity Delivery and Energy Reliability (OE) sponsored the event. The speakers were as follows:

- Jeff Genzer, General Counsel of NASEO, and Pat Hoffman, Acting Assistant Secretary of OE, gave opening remarks.
- Pat Hoffman, Acting Assistant Secretary, Office of Electricity Delivery and Energy Reliability, U.S. Department of Energy, discussed plans for implementing funds under the American Recovery and Reinvestment Act for \$4.5 billion as investments to modernize the national electric grid, enhance security of U.S. energy infrastructure and ensure reliable electricity delivery to meet growing demand.
- Michael Halpert, Deputy Director of the Climate Prediction Center at the National Oceanic & Atmospheric Administration (NOAA) presented the weather forecast. He said that, due to a weak El Niño, NOAA expected the winter to be about normal.
- Guy Caruso, Senior Energy Advisor for the Energy and National Security Program at the Center for Strategic & International Studies, predicted world oil consumption to recover in 2010.
- Richard G. Newell, Administrator at the Energy Information Administration (EIA), said U.S. heating bills should decline 8 percent in 2009/2010, year-on-year, due to lagging fuel prices and an expected slightly-milder winter. He also discussed the EIA's recently-launched "Energy and Financial Markets Initiative," a program designed to improve market transparency and enhance understanding of movements in energy prices.
- Ron Gist, Senior Principal at Purvin & Gertz, Inc. said that U.S. propane stocks had reached record high levels due to increased domestic production. Residential and commercial propane demand was low in 2009, he said, but waterborne exports were high.
- Mark Wolfe, Executive Director, National Energy Assistance Directors' Association and Energy Programs Consortium, delivered the keynote address in which he discussed the findings of the recent report, "Bringing Residential Energy Efficiency to Scale." The report details the issues that need to be addressed in developing a national residential energy efficiency retrofit program.
- Alice Lippert, Senior Technical Adviser, Office of Electricity Delivery and Energy Reliability, U. S. Department of Energy, moderated a panel discussion "Is the Northeast Region Ready for the Upcoming Winter? – Prior Season Perspectives and Outlook for the Upcoming Season." Her opening remarks detailed the convergence of factors that led to problems with propane in the northeast last winter. The panelists included:
 - David Williams, Manager of Propane Services, TEPPCO Partners, outlined how propane is moved from the Gulf Coast to the northeast and described both the flexibilities and constraints on the system.
 - Vivek Motha, Director, Energy Markets, Massachusetts Department of Energy Resources, detailed the steps taken last year by the State in planning for the winter and what is being done to better prepare for the upcoming season including working with OE on tracking supply and working with industry over a longer time scale.
 - Robert Miller, Field Administrator, Federal Motor Carrier Safety Administration, U.S. Department of Transportation, detailed the requirements, process and implications involved in issuing waivers regarding trucking safety regulations
 - James Hall, Disaster Operations Specialist – Region 1, Federal Emergency Management Agency discussed the legal aspects, chain of command and the need for clear communication among all sectors of the industry to determine the facts to enable a response.
- Sara Banaszak, Senior Economist at the American Petroleum Institute, discussed heating oil supply and demand and the impact of changing regulations on the industry.
- Kevin Petak, Vice President of Gas Market Modeling at ICF International, said natural gas inventories would reach a record 3.8 Tcf at the start of the winter season. He predicted natural gas demand to rebound by the end of 2009 and stabilize in 2010. He expected prices to hold at around \$5-to-\$6 next year.
- Alice Lippert, closed by thanking the speakers and participants.

For a list of speakers and presentations, click on the link below.

<https://www.naseo.org/events/winterfuels/2009/agenda.htm>

Fire Slows Production at GTL Resources' 100 MMGal/Yr. Ethanol Plant in Illinois by October 6

A small fire disrupted operations at GTL Resources' 100 MMGal/Yr. ethanol plant in Illinois, the company said on October 6. The fire was quickly extinguished, and "more than half of the plant's production capacity was unaffected," according to a news source. It was not clear if the remaining portion of the facility was offline. GTL said it was assessing the extent of the damage. The site is operated by Illinois River Energy LLC, a GTL Resources subsidiary.

http://www.gtlresources.com/ethanol_projects.htm

<http://online.wsj.com/article/BT-CO-20091006-701335.html>

EIA Releases Short-Term Energy and Winter Fuels Outlook October 6

The average U.S. household will spend \$960 on space-heating fuels in the winter of 2009-2010, or \$84 less than last year, due to lagging energy prices and a slightly milder climate, the Energy Information Administration said in its Short-Term Energy and Winter Fuels Outlook. Temperatures should increase 1 percent, year-on-year, across the lower-48 states, according to the National Oceanic and Atmospheric Administration (NOAA). U.S. Electricity consumption is slated to drop by 3.3 percent in 2009, but increase by 1.3 percent in 2010 on improved economic conditions, EIA said. Crude oil prices will average about \$70 barrel during the winter, or \$19 higher than last year, the EIA predicted. Energy prices, however, are still volatile and difficult to forecast, according to EIA. The EIA also said natural gas inventories should reach a new record high at the end of the injection season, on October 31, topping 3.8 Tcf. Henry Hub natural gas prices should jump from an average \$3.85 per Mcf in 2009 to \$5.02 in 2010, the EIA forecast.

<http://www.eia.doe.gov/emeu/steo/pub/contents.html>

Dow Chemical Company Unveils Photovoltaic Solar Panels in the Form of "Solar Shingles"

Dow Chemical Company unveiled its DOW POWERHOUSE Solar Shingle, a photovoltaic solar panel that it said could be installed at the same time as conventional roofing shingles. The company said roofing contractors could install the panels without any specialized skills or knowledge of solar array equipment. It said the product cost 10 percent less, per watt, than installed rooftop solar panels, and 40 percent less than more-expensive, specially-tailored solar shingles. Sales could total \$5 billion by 2015 and \$11 billion by 2020, according to the company.

http://news.dow.com/dow_news/corporate/2009/20091005b.htm

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=ay9qAE1ac3Ac>

Energy Prices

U.S. Oil and Gas Prices			
October 6, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	71.41	66.47	88.90
NATURAL GAS Henry Hub \$/Million Btu	2.89	3.54	7.16

Source: Reuters

Energy Notes

Locals Say Upgrades at SCE's San Onofre Nuclear Power Plant in California Should Halt until Public Learns More about Disaster Plans and Emergency Testing—Company is Performing Upgrades to Site's Steam Generators

http://www.nctimes.com/news/local/oceanside/article_b0d24029-50a9-5f01-abb8-8d1666e1a9b4.html

Duke Energy, UNC Plan Demonstration Wind Turbines in Pamlico Sound, North Carolina—Would be Nation's First Water-Based Wind Turbines

PRN, 10:01 October 6, 2009

Xcel Energy, Abengoa Solar Plans 4 MW Demonstration Solar Power Facility at Cameo Coal-fired Power Facility in Colorado—Solar Plant Expected to Increase Efficiency at Associated Coal-fired Site

http://www.solarindustrymag.com/e107_plugins/content/content_lt.php?content.4084

Update: TVA Expects Cleanup to Stretch Three Years after December 2008 Fly Ash Spill at Kingston Coal-fired Power Plant in Tennessee

<http://www.newsinferno.com/archives/13220>

France's Entrepouse Contracting, Kazakhstan Plan Yeskene-Kuryk Oil Pipeline to Deliver Crude from Kazakhstan's Proposed Kashagan Oilfield to Caspian Sea Export Port

<http://www.reuters.com/article/marketsNews/idUSL654063420091006>

<http://www.kt.kz/index.php?lang=eng&uin=1133435534&chapter=1153499289>

North Sea Oil Production to Dip by Approximately 300,000 b/d in 2009-2010, to Total Below 4 Million b/d, News Source Says

http://www.rigzone.com/news/article.asp?a_id=81076

Sulfur Upset Triggers Flaring at Bryans Mill Gas Plant in Texas October 5-6

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=130298>

Enerkem Plans 9.5 MMGal/Yr. Trash-to-Ethanol Plant in Alberta, Canada

<http://greeninc.blogs.nytimes.com/2009/10/05/quebec-company-turns-trash-into-fuel/>

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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