



ENERGY ASSURANCE DAILY

Monday, October 16, 2006

Major Developments

Earthquake Knocks Out Power to Hawaii's Big Island, Maui and Oahu October 15

Around 7 a.m. local time on October 15, a 6.7 magnitude earthquake hit about 10 miles off of Hawaii's Big Island. It was followed by several strong aftershocks, including one measuring a magnitude of 5.8. Shortly after the earthquakes, a power outage affected the entire Big Island, which has about 167,000 residents. On Oahu, 291,000 customers lost power after the quake. Customers on Maui also experienced outages but Kauai was not affected. Today FEMA officials report that power has been restored to most of the Big Island and Maui but 50 percent of Oahu customers remain without power. The Hawaii State government said that it would take a while to get the power back on in Oahu because the grid is much larger than on the other islands. The power outages were largely due to power plants turning off automatically when built-in seismic monitors were triggered by the earthquake. All electricity systems needed to be rebooted, which was expected to take several hours in more populated areas.

Reuters, 21:36 October 15, 2006

<http://www.thehawaiichannel.com/news/10084413/detail.html>

<http://www.cbsnews.com/stories/2006/10/16/ap/national/mainD8KPNSD80.shtml>

http://www.usatoday.com/news/nation/2006-10-16-hawaii_x.htm?csp=34

<http://www.cbsnews.com/stories/2006/10/16/national/main2092455.shtml>

<http://www.cnn.com/2006/WORLD/europe/10/16/monday/index.html>

Power Outage Shuts Hawaii's Two Oahu Refineries October 15

The power outage following yesterday's undersea earthquake cut power to Hawaii's two refineries, forcing them to shut. Both refineries - the 94,000 b/d Kapolei Refinery and the Tesoro Ewa Beach Refinery - are located on the island of Oahu, near Honolulu. Tesoro said it was restarting the refinery but it would take a few days for it to get back up.

Reuters, 13:27 October 16, 2006

<http://www.platts.com/Oil/News/9459437.xml?p=Oil/News&sub=Oil>

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-10-16T174814Z_01_N16386722_RTRIDST_0_ENERGY-TESORO-HAWAII-UPDATE-1.XML&rpc=66&type=qcna

More Than 226,000 Customers Remain Without Power in Western New York October 16 Some Customers Will be Without Power for One Week

State Government Delivering Electricity Generators to Buffalo

A total of over 390,000 customers lost power in western New York due to a severe snow storm on October 13. As of October 16, more than 226,000 customers remain without power, including about 160,000 National Grid customers and 66,000 New York State Electric & Gas (NYSEG) customers. According to a company press release, NYSEG anticipates restoration of power to all customers by October 17. A press release from National Grid indicates that the company will restore power over a period of about one week. New York Governor George Pataki has declared a State of Emergency in the affected areas and is delivering generators to Buffalo anticipating that some homes and business won't have power back on until sometime next week.

http://www.nationalgridus.com/niagaramohawk/non_html/Buffalo_Outage10166am.pdf

[http://www.nyseg.com/nysegweb/webcontent.nsf/Lookup/wnystormatt/\\$file/lancstorm10161r.pdf](http://www.nyseg.com/nysegweb/webcontent.nsf/Lookup/wnystormatt/$file/lancstorm10161r.pdf)

http://www.13wham.com/news/local/story.aspx?content_id=f01e1b64-3177-4cd7-92b4-d8aa5195c8ac&rss=102

Electricity

CDWR's 933 MW Hyatt-Therm Hydro Unit in California Shut October 16

Reuters, 9:38 October 16, 2006

AEP's 528 MW Welsh Coal-fired Unit in Texas to Restart October 16

Reuters, 9:38 October 16, 2006

OPG's 515 MW Pickering Nuke Unit 1 in Ontario Shut October 16

Reuters, 9:38 October 16, 2006

EPRCOR's 384 MW Genesee Coal-fired Unit in Alberta Shut October 16

Reuters, 9:38 October 16, 2006

GenPower and First Reserve to Develop 695 MW Coal-Fired Longview Plant in West Virginia

GenPower and First Reserve have formed a joint venture to develop and operate the proposed 695 MW coal-fired Longview plant in Madsville, West Virginia. The companies hope to begin construction in January 2007 and bring the plant into service in late 2010.

<http://www.platts.com/Electric%20Power/News/6305138.xml?p=Electric%20Power/News&sub=Electric%20Power>

Petroleum

Update: Prudhoe Bay Oilfield Returning to Normal Output Over October 14-15 Weekend

On Friday, BP Exploration Alaska President Steve Marshall said that BP's Prudhoe Bay oil production would return to normal over the weekend and rise above 400,000 b/d for the first time since August after workers finish emergency maintenance on the power distribution system. Marshall said that Prudhoe Bay was producing at 25 percent on Friday. Production has been below normal levels since August, when BP shut Prudhoe Bay's Eastern Operating Area due to severe pipeline corrosion problems.

Reuters, 19:20 October 13, 2006

Alon Shuts Crude Unit at 70,000 B/d Big Springs, Texas Refinery Late October 13 Will Restart Crude Unit Late October 16

The unit was shutdown late Friday night to make repairs to the crude charge line. Alon expects the unit to restart late Monday night after the repairs are complete. The unit shut was probably the gasoline-making fluid catalytic cracking unit, since Alon reported that it was running at reduced rates today.

Reuters, 10:01, 10:02, 10:16 October 16, 2006

Processing Unit Trips at Pasadena Refining's 117,000 b/d Pasadena, Texas Refinery October 16

According to a report on the Texas Natural Resource Commission website, a fluid catalytic cracker unit was one of the sources of the event.

Reuters, 08:40 October 16, 2006

Exxon Mobil Shuts Naphtha Unit at 563,000 b/d Baytown, Texas Refinery October 13

According to a filing with Texas regulators, the company shut the naphtha fractionation unit after a discharge line ruptured during routine maintenance. A flare gas recovery compressor was also shut after the rupture.

Reuters, 19:38 October 13, 2006

Update: Rainbow Oil Pipeline Will Restart Operations in Alberta October 16 at Reduced Capacity

Imperial, the operator of the pipeline in northern Alberta was planning to resume operations on Saturday, but delayed the restart until later on Monday October 16. The pipeline will not reach its full 200,000 bpd capacity immediately. Imperial did not say how large the reduction would be or how long it would last.
Reuters, 10:58 October 16, 2006

Ohio EPA Approves Sunoco's 140,000 b/d Toledo Refinery Expansion

Ohio Environmental Protection Agency (EPA) has approved Sunoco's proposal to expand its 140,000 b/d refinery in Toledo, Ohio. According to the Ohio EPA's recent press release, Sunoco plans to modify two crude units and the fluid catalytic cracking unit to increase production of petroleum products while adding air pollution control equipment.

<http://www.epa.state.oh.us/pic/nr/2006/october/Sunoco.html>

<http://www.platts.com/Oil/News/6305542.xml?p=Oil/News&sub=Oil>

Update: Shell Gets Permission to Restart Production at Draugen Field in North Sea October 16

Shell had shut in around 80,000 b/d of North Sea production on Friday due to concerns about the safety of lifeboats for the platforms.

Reuters, 12:38 October 16, 2006

Natural Gas

Millennium Pipeline Project Receives Environmental Approval from FERC

On October 13, the Federal Energy Regulatory Commission (FERC) issued a final supplemental environmental approval for a Northeast natural gas pipeline project that would supply natural gas to markets in New York, New Jersey, and New England. Collectively known as the Northeast-07 Project, it entails modifications to construction and operation of the Millennium Pipeline Project in the Northeast. .

<http://intelligencepress.com/subscribers/daily/news/d20061016f.html>

<http://www.platts.com/Natural%20Gas/News/6305533.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
October 16, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	59.88	59.55	62.61
NATURAL GAS			
Henry Hub \$/Million Btu	5.13	4.41	12.80

Source: Reuters

Energy Notes

U.S. Electricity Demand to Rise 3 Times Faster Than Supply During Next Decade – NERC Report

Bloomberg News, 11:06 October 16, 2006

Schwarzenegger Executive Order to Link California to “Cap and Trade” Pollution Credit System

Bloomberg News, 12: 45 October 16, 2006

Russia Threatens Shell with Environmental Sanctions Over Sakhalin-2 Project

Reuters, October 16, 2006

Iraq’s Northern Pipeline Pumped 1.5 Million Barrels to Turkey Last Week But Halts Again on Friday

Reuters, 6:06 October 16, 2006

Avista Utilities to Launch Demand Response Programs in Idaho, Oregon, Washington

<http://intelligencepress.com/subscribers/daily/news/d20061016i.html>

Ormat Technologies Completes 22 MW Waste Heat Generation Plants in North, South Dakotas

<http://intelligencepress.com/subscribers/daily/news/d20061016k.html>

U.S. Coal-Fired Plants Pose Environmental, Economic Concerns

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7279323

Con Edison Releases Northwest Queens Blackout Report

<http://www.coned.com/newsroom/news/pr20061012.asp>

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

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