



# ENERGY ASSURANCE DAILY

Wednesday Evening, October 21, 2009

## *Electricity*

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### **Update: DTE Continues Work on Downed 1,089 MW Fermi Nuke Unit 2 in Michigan by October 20**

DTE Energy Co. is “working to pinpoint” a hydrogen leak that forced offline its 1,089 MW Fermi nuke unit 2 in Michigan by October 1, a spokesman said by October 20. The company has found the leak’s general location, he said. He did not say when the unit might return to service.

Bloomberg News, 13:38 October 20, 2009

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: PSE&G's 1,049 MW Hope Creek Nuke Unit 1 in New Jersey at Full Power by October 21**

Public Service Enterprise Group Inc. (PSE&G) reduced the unit for pump repairs by October 21, a news source said. The Nuclear Regulatory Commission reported that on the morning of October 20 the unit was operating at 50 percent.

<http://in.reuters.com/article/oilRpt/idINN2147641120091021>

Information also derived from the NRC Power Reactor Status Reports:

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

### **Calpine Opens 600 MW Gas-fired Otay Mesa Energy Center in California October 3**

Calpine began commercial operations at its 600 MW, gas-fired Otay Mesa Energy Center in California on October 3, the company said in an October 21 press release.

<http://phx.corporate-ir.net/phoenix.zhtml?c=103361&p=RssLanding&cat=news&id=1344493>

### **Wind Industry Installs 1,649 MW of New Wind Power Capacity in Third Quarter 2009—AWEA**

The U.S. wind energy industry installed 1,649 MW of new capacity in the third quarter of 2009, marking an increase from the previous quarter and the same quarter in 2008, the American Wind Energy Association (AWEA) said in a report. The industry has added more than 5,800 MW of new capacity in 2009. Despite the increase, the AWEA said wind turbine manufacturing was still operating below 2008 levels. To read the AWEA’s report, click on the first link below.

[www.awea.org/publications/reports/3Q09.pdf](http://www.awea.org/publications/reports/3Q09.pdf)

[http://www.awea.org/newsroom/releases/10-20-09\\_AWEA\\_Q3\\_market\\_report.html](http://www.awea.org/newsroom/releases/10-20-09_AWEA_Q3_market_report.html)

### **U.S. Utilities Promise to Meet Increased Electric Demand from Rise of Plug-in Cars**

U.S. utilities promised today to ensure that electric supply will meet the expected rise in plug-in vehicle use, the Edison Electric Institute said. The utilities said they would work with policy makers to implement tax rebates and other customer incentives, and to simplify the process of recharging electric cars.

Reuters, 10:00 October 21, 2009

### **Michigan DEQ Says State's Coal-fired Power Units must Slash Mercury Emissions 90 Percent by 2015**

The Michigan Department of Environmental Quality (DEQ) mandated the state’s 19 coal-fired power plants to reduce mercury emissions 90 percent by 2015, the organization said on October 19.

<http://www.michigan.gov/deq/0,1607,7-135--224487--,00.html>

<http://michiganmessenger.com/28456/state-gives-coal-plants-6-years-to-reduce-mercury-emissions>

## **Local Council Passes Emergency Resolution, Citing Blackout Concerns, after Turbine Failure in Rochester, Minnesota**

The Rochester City Council passed an emergency resolution to fix a downed power turbine at the city's Cascade Creek gas plant, citing a local utility's concern that the disruption could trigger rolling blackouts, a news source said. The turbine shut due to a malfunctioned bearing, and a Rochester Public Utilities (RPU) official warned its shutdown had significantly hampered electric reliability.

[http://www.postbulletin.com/newsmanager/templates/localnews\\_story.asp?z=2&a=421705](http://www.postbulletin.com/newsmanager/templates/localnews_story.asp?z=2&a=421705)

## **ATC Sees Need for \$2.5 Billion in Transmission Upgrades for U.S. Midwest Grid**

The American Transmission Co.'s (ATC) U.S. Midwest electric grid needs \$2.5 billion in improvements over the next 10 years, the company said in its annual electric transmission system assessment. The enhancements would include 131 miles of new transmission lines, upgrades to more than 399 miles of existing lines, 21 new transformers and 29 new capacitor banks. The ATC owns, operates, builds and maintains a high-voltage electric transmission system in parts of Wisconsin, Michigan, Minnesota and Illinois. To read ATC's "10-year Assessment," click on the first link below.

<http://www.atc10yearplan.com/>

<http://www.atcllc.com/documents/TYA-10.21.09.pdf>

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## **Petroleum**

### **Tanker Collision Causes 18,000 Gallon Oil Spill Offshore Texas October 20**

The 820-foot Liberian-flagged Krymsk tanker ship collided with the 166-foot AET Endeavor offshore supply vessel, spilling about 18,000 gallons of oil in the Gulf of Mexico on October 20, the Coast Guard said in a news release. The incident occurred about 40 miles southeast of Galveston, Texas. The collision damaged a fuel tank aboard the Krymsk ship, but the crew took steps to transfer oil from that tank to a separate, undamaged unit, according to the Coast Guard. The leak was secured and no injuries were reported, and the Coast Guard said it was responding to and investigating the event. A cash crude trader did not expect the incident to impact Gulf Coast tanker traffic.

<http://www.piersystem.com/go/doc/425/359547/>

<http://www.reuters.com/article/topNews/idUSTRE59K3F420091021>

### **ExxonMobil to Start Unscheduled Work at 238,600 b/d Joliet, Illinois Refinery October 21**

ExxonMobil is slated to start three weeks of unscheduled maintenance on a vacuum distillation unit at its 238,600 b/d Joliet, Illinois refinery on October 21, trade sources said. A news source did not say if the traders expected the incident to have any impact to production.

Reuters, 12:03 October 21, 2009

### **Oil Prices Hit One-Year High on Surprise Dip in U.S. Gasoline Stockpiles October 21**

Crude oil futures reached \$80.64 on the New York Mercantile Exchange—a one-year high—after the Department of Energy reported a 2.21 million barrel decline in U.S. gasoline inventories on October 21, a news source said. The 2.21 million drop more than doubled analysts' forecasts, according to the source.

Bloomberg News, 12:14 October 21, 2009

### **StatoilHydro Eyes 2011 Start-Date for Planned 100,000 Boe/d Peregrino Oilfield Offshore Brazil**

StatoilHydro expects to launch drilling in the first half of 2010, produce its first oil in early 2011, and reach plateau production of 100,000 boe/d within one year at its Peregrino heavy oilfield offshore Brazil, the company said on October 21. The field holds an estimated 300-600 million barrels of recoverable oil reserves, a news source said.

[http://www.rigzone.com/news/article.asp?a\\_id=81628](http://www.rigzone.com/news/article.asp?a_id=81628)

### **OPEC Nations Restart 1.2 Million b/d in Delayed Oil Projects as Economic Conditions Improve**

OPEC nations re-started seven oil drilling projects in recent weeks—representing a combined 1.2 million b/d in capacity—as demand conditions improved, the group's chief said on October 20.

[http://www.rigzone.com/news/article.asp?a\\_id=81617](http://www.rigzone.com/news/article.asp?a_id=81617)

## **Zadco Plans 250,000 b/d Boost at Existing 500,000 b/d Upper Zakum Oilfield in United Arab Emirates**

State-owned Zakum Development Co. (Zadco) plans to raise production to 750,000 b/d at the United Arab Emirate's existing 500,000 b/d Upper Zakum oilfield by 2015, a company official said on October 20. The company expects to maintain that production level for 25 years.

[http://www.rigzone.com/news/article.asp?a\\_id=81574](http://www.rigzone.com/news/article.asp?a_id=81574)

## **Natural Gas**

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### **Update: Gazprom Sees North America as Primary Market for Planned 4 Bcf/d Shtokman Natural Gas Project in Arctic**

Gazprom expects North American markets to purchase 80-to-90 percent of the natural gas from its planned 4 Bcf/d Shtokman project in the Russian Barents Sea, a company official said. The company plans to begin production in 2014, at a rate of 1 Bcf/d, ramp output up to 3 Bcf/d in about 2016, and reach 4 Bcf/d in 2018, he said. It expects to deliver to terminals along the U.S. Gulf and East Coasts. Gazprom, more broadly, plans to account for 10 percent of the U.S. natural gas market—or 6 Bcf/d—within 10 years, according to the same company official.

<http://www.bloomberg.com/apps/news?pid=20601087&sid=a9RMdt4zxmCw>

<http://www.reuters.com/article/americasPrivateEquityNews/idUSTRE59J5R620091020>

## **Other News**

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### **Update: Guardian Energy Plans October 26 Start-Date for 110 MMGal/Yr. Janesville, Minnesota Ethanol Plant**

Guardian Energy plans to begin production on October 26, assuming weather conditions allow, at its recently-acquired 110 MMGal/Yr. Janesville, Minnesota ethanol plant, a company official said. VeraSun Energy, the facility's initial owner, declared bankruptcy in 2008.

<http://ethanol-news.newslib.com/story/6938-33724/>

<http://www.wasecacountynews.com/news.php?viewStory=3985>

[http://www.mankatofreepress.com/local/local\\_story\\_293215700.html](http://www.mankatofreepress.com/local/local_story_293215700.html)

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b> October 21, 2009			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	80.89	74.95	70.37
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.60	4.03	6.98

Source: Reuters

## **Energy Notes**

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### **NRC Says Entergy Properly Monitors Groundwater for Radioactivity at Indian Point Nuclear Power Plant in New York**

[http://www.midhudsonnews.com/News/2009/October09/20/IP\\_insp-20Oct09.html](http://www.midhudsonnews.com/News/2009/October09/20/IP_insp-20Oct09.html)

**NRC to Investigate Nuclear Fuel Services' Tennessee Plant after Nitrous Oxide Fumes Caused Pipe Problems on October 13**

[http://www2.tricitie.com/tri/news/local/article/nrc\\_investigating\\_inflated\\_levels\\_at\\_tenn\\_plant/34465/](http://www2.tricitie.com/tri/news/local/article/nrc_investigating_inflated_levels_at_tenn_plant/34465/)

**Update: NRC Issues Positive Safety Evaluation Report for Proposed 20-Year License Renewal at Northern States Power Co.'s Prairie Island Nuclear Power Units 1 and 2 in Minnesota**

[http://nuclear.energy-business-review.com/news/nrc\\_issues\\_final\\_safety\\_evaluation\\_report\\_for\\_prairie\\_island\\_nuclear\\_power\\_plant\\_license\\_renewal\\_091016/](http://nuclear.energy-business-review.com/news/nrc_issues_final_safety_evaluation_report_for_prairie_island_nuclear_power_plant_license_renewal_091016/)

**Natural Gas Leak Causes Fire at Asphalt Plant in Nebraska October 19**

<http://www.ketv.com/news/21335272/detail.html>

**Propane Truck Leak Triggers Local Evacuations in New Jersey October 19**

[http://www.nj.com/news/local/index.ssf/2009/10/propane\\_leak\\_prompts\\_evacuatio.html](http://www.nj.com/news/local/index.ssf/2009/10/propane_leak_prompts_evacuatio.html)

**North Dakota Produces Record 231,252 b/d of Oil in August 2009—State Could Set Yearly Output Record, According to State and Industry Sources**

<http://www.google.com/hostednews/ap/article/ALeqM5gIULLl6gefV6TgOzQj23r9YlsAD9BF3V801>

**BLM to Hold Lease Auction for more than 21,000 Acres in New Mexico, Oklahoma, Texas and Kansas October 21—Agency Withholds Access to Several Areas on Environmental Concerns**

<http://intelligencepress.com/>

<http://www.chron.com/dispatch/story.mpl/ap/tx/6675481.html>

**Global Natural Gas Vehicle Fleet to Reach 17 Million by 2015, up from 9.7 Million in 2008—Pike Research**

<http://www.pikeresearch.com/newsroom/17-million-natural-gas-vehicles-will-be-on-the-road-by-2015>

**Denmark Okays Nord Stream, Turkey Okays South Stream, Russia's Planned Pipelines to Move More Natural Gas to Europe**

<http://online.wsj.com/article/SB125605250259596613.html>

**Turkmenistan's Yoloten-Osman Gas Field Holds 494 Tcf of Natural Gas, or Fourth-Largest Reserves in World—Gaffney, Cline & Associates**

[http://www.rigzone.com/news/article.asp?a\\_id=81587](http://www.rigzone.com/news/article.asp?a_id=81587)

**DCP Extends Shutdown at Fullerton Gas Plant in Texas, Citing Needed Furnace Repairs October 20-November 14**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=130963>

**Some Biofuels Lead to Net Reduction in Carbon Emissions, but Others Lead to Net Increases, —UN Report Sees Need for More Refined Approach to Biofuels Production and Use**

<http://www.guardian.co.uk/environment/2009/oct/20/un-report-biofuel-policies>

## **Links**

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*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](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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