



ENERGY ASSURANCE DAILY

Wednesday Evening, November 12, 2008

Electricity

Ameren's 1,125 MW Callaway Nuke Unit in Missouri Shut by November 12

Operators shut the after low lube-oil pressure caused a feed pump trip. At the time of the incident, the unit was returning from a planned outage and operating at 97 percent capacity.

Bloomberg News, 08:28 November 12, 2008

Information also derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

AEP Shuts 692 MW Oklaunion Coal-fired Power Plant in Texas by November 12

A software malfunction caused a boiler trip and forced the unit offline, the company said in a filing with state regulators. It is not clear when the unit will return to service.

Bloomberg News, 16:20 November 12, 2008

POWEREX's 428 MW Dynamic Resource Various Units in California Reduced November 11

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 229 MW on November 11.

<http://www.caiso.com/unitstatus/data/unitstatus200811111515.html>

AES's 332 MW Alamosa Gas-fired Unit 3 in California Reduced November 11

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 122 MW on November 11.

<http://www.caiso.com/unitstatus/data/unitstatus200811111515.html>

Reliant's 320 MW Etiwanda Gas-fired Unit 3 in California Shut by November 10

Reuters, 7:53 November 11, 2008

San Miguel Electric Cooperative Restarts 400 MW Coal-fired Christine Power Plant in Texas November 11

Operators shut the unit to repair a tube leak, but restarted the unit yesterday November 11.

Bloomberg News, 13:36 November 12, 2008

Delta Power's 240 MW Crockett Cogen Gas-fired Unit in California Returns to Service November 11

According to the California Independent System Operator, the unit returned from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200811111515.html>

Calpine's 135 MW Gilroy Cogen Aggregate Gas-fired Unit in California Returns to Service November 11

According to the California Independent System Operator, the unit returned from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200811111515.html>

OPG's 494 MW Lambton Coal-fired Unit 1 in Ontario Shut by November 12

Reuters, 8:18 November 12, 2008

Enmax's 250 MW Calgary Gas-fired Unit in Alberta Shut by November 10

Reuters, 7:53 November 11, 2008

Update: OPG Restarts 500 MW Pickering Nuke Unit 1 in Ontario by November 11

The company shut the unit for maintenance on October 26.

Bloomberg News, 08:54 November 11, 2008

Exelon Repairing Small Drywell Blister at 641 MW Oyster Creek Nuclear Power Station in New Jersey—Work Does not Present any Threat to Public, Company Says

<http://www.reuters.com/article/marketsnews/idINN0742603820081107?rpc=33>

Update: T. Boone Pickens Delays Plans for 4,000 MW Wind Farm in Texas

T. Boone Pickens postponed plans to build the facility, saying decreased natural gas prices made the project uneconomical.

<http://www.star-telegram.com/business/story/1033086.html>

Update: PSCW Rejects WPL's Bid to Build 300 MW Coal-and-Biomass-fired Nelson Dewey Unit 3 in Wisconsin

The Public Service Commission of Wisconsin (PSCW) rejected Wisconsin Power and Light's (WPL) proposal to expand its existing Nelson Dewey Generating Station in Wisconsin, WPL said in a release. The PSCW said the unit would not be the lowest cost option for customers, and expressed concern about its potential environmental impact.

<http://www.alliantenergy.com/docs/groups/public/documents/pub/p017043.hcsp>

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN1153747420081111>

OPPD Plans Expansion of 320 MW Gas-fired Power Plant in Nebraska

The Omaha Public Power District (OPPD) plans to expand a 320 MW gas-fired plant in Cass County, Nebraska by 210 MW. The plant, which currently operates as a peaking facility, will be upgraded to an intermediate plant; under that designation, it will operate about 30 to 40 percent of the time. OPPD expects to begin construction in 2010, and open the facility by 2014.

http://www.istockanalyst.com/article/viewiStockNews+articleid_2789807.html

Maryland Public Service Commission Issues Order Requiring Utilities to Submit Energy Reliability Proposals

Maryland consumes about 30 percent more power than it produces, and the state's Public Service Commission has issued an order requiring utilities to help ease the squeeze. Investor-owned utilities must submit proposals by December 1, the order said, and offer plans to secure the state's electric reliability.

http://www.times-news.com/local/local_story_316083546.html

Update: U.S. Electric Utilities Cite Reliability, Maturing Workforce and Infrastructure as Primary Concerns

U.S. electric utilities "face increasingly dire projections of electricity supply falling short of demand in the near future, the threat of massive expense resulting from potential carbon legislation... aging infrastructure and workforces, and pressure to make massive investments in new technology," according to a survey from Black and Veatch. The results were based on responses collected during the summer of 2008, and therefore did not reflect any potential effects of the credit crisis.

<http://www.platts.com/Electric%20Power/News/6018455.xml?p=Electric%20Power/News&sub=Electric%20Power>

Petroleum

Update: Offshore Oil Output Continues to Climb in Gulf of Mexico after Hurricanes Gustav and Ike, MMS Reports November 12

An estimated 245,032 b/d of oil production remained shut in the Gulf of Mexico November 12, according to the Minerals Management Service (MMS). That total accounts for about 18.9 percent of the region's output. Based on data from offshore operator reports submitted as of 11:30 a.m. CST November 12, personnel remain evacuated from a total of 62 production platforms, equivalent to 8.9 percent of the 694 manned platforms in the Gulf of Mexico. Offshore oil and gas operators continued to reboard platforms and restore production.

<http://www.mms.gov/oc/press/2008/press1112.htm>

Hydrocracker Shutdown at Valero's 289,000 b/d Port Arthur, Texas Refinery

The company "depressured the unit to flare" during unplanned work on November 7, according to a filing with state regulators. The flaring lasted 19 hours. Operators restarted the unit, and a spokesman said the incident did not significantly affect production.

<http://www1.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116483>

Bloomberg News, 17:28 November 11, 2008

Bloomberg News, 15:45 November 11, 2008

ConocoPhillips Slows Output at 152,000 b/d Borger, Texas Refinery November 11

The company said it is performing maintenance on a crude oil heater, necessary to "clean the heater tubes." It expected the work to stretch as long as two days, and result in emissions.

Bloomberg News, 12:20 November 11, 2008

Valero Shuts FCC at 83,000 b/d Houston, Texas Refinery by November 11

The company shut the gasoline-processing fluid catalytic cracker (FCC) to fix a wet gas compressor, it said. A spokesman expected the unit back online within a "few days."

Bloomberg News, 16:21 November 11, 2008

Chevron Begins Production at Blind Faith Project in U.S. Gulf of Mexico November 12

The project is expected to have initial output of approximately 30,000 b/d of oil and 30 MMcf/d of natural gas.

DJN, 14:22 November 12, 2008

Update: Iraq Resumes Oil Exports along Pipeline to Turkey November 12

Iraq halted shipments early November 10, but restarted the line later in the day. It was operating at about 200,000 b/d yesterday and approximately 300,000 b/d today. A shipper said it may increase further later today. Prior to the disruption, the line had been moving about 432,000 b/d.

Reuters, 11:56 November 10, 2008

Declining Production Could Result in Mexico Having to Stop Oil Exports in Four Years—Former Energy Official

Mexico's lagging oil industry is struggling to keep pace with domestic demand, and the nation could have to stop exporting crude in four years, said the former head of Mexico's federal electricity commission. Mexican oil demand has grown, in recent years, even as output—particularly from the massive Cantarell field—dips far below peak figures.

<http://www.chron.com/disp/story.mpl/headline/biz/6107671.html>

U.S. to Send 50,000 Tons of Heavy Fuel Oil to North Korea by December

The move is part of an international nuclear disarmament agreement. China, Korea, Russia, and the United States have, together, given 500,000 tons of energy assistance to North Korea, a State Department spokesman said.

Assuming the 50,000 ton shipment goes through by next month, the U.S. will have sent 200,000 tons of heavy fuel oil to North Korea.

DJN, 13:59 November 12, 2008

Natural Gas

Update: Restoration to Offshore Natural Gas Production in Gulf of Mexico Continues Following Hurricanes Gustav and Ike, MMS Reports November 12

An estimated 2,062 MMcf/d of natural gas output remained shut in the Gulf of Mexico November 12, according to the Minerals Management Service (MMS). That total accounts for about 27.9 percent of the Federal offshore gas production in the Gulf. Offshore oil and gas operators continued to reboard platforms and restore production.

<http://www.mms.gov/ooc/press/2008/press1112.htm>

SRU Shut Down at Fullerton Gas Plant in Texas November 11

A sulfur recovery unit (SRU) shut “due to a leak on the main burner of the Reaction Furnace,” according to a filing with state regulators. The shutdown caused an over pressure, and also triggered flaring.

<http://www1.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116489>

Downeast Pipeline Holds Open Season for Proposed 500 MMcf/d, 30-inch, 30-mile Natural Gas Pipeline in Maine

The line would connect the planned Downeast LNG receiving terminal with Maritimes and Northeast Pipeline’s interstate pipeline system at an existing compressor station. It would have deliverability of up to 500 MMcf/d, and peaking capacity of 625 MMcf/d. Its targeted in-service date is the winter season of 2012. Downeast filed an application with the Federal Energy Regulatory Commission (FERC) for authorization to build and operate the line, and announced a non-binding Open Season, to run from November 3 until December 2.

http://www.downeastlng.com/docs/open_season_announcement.pdf

Pecan Pipeline Plans Prairie Rose Natural Gas Pipeline in North Dakota

The line would connect Pecan Pipeline’s processing plant in North Dakota to the Alliance Pipeline. The interconnection facility would enter service in mid-2009. The gas would support producers in the Bakken formation.

http://www.minotdailynews.com/page/content_detail/id/520994.html?nav=5010

Update: Haddington, GE Open First Cavern at Planned 15.6 Bcf Bobcat Natural Gas Storage Facility in Louisiana November 1

Haddington Energy Partners III LP and General Electric opened the nearly 5.4 Bcf salt cavern on November 1, the companies said. A second cavern should enter service during the third quarter of 2009, and the companies expect the facility to reach 15.6 Bcf capacity by 2009’s end.

Reuters, 12:29 November 12, 2008

Update: Sempra Energy Says it May Have to Cancel Liberty Gas Storage Project in Louisiana

Sempra Energy said it might have to cancel the project if it can’t resolve an engineering issue. The company also said cost jumps and delays have been affecting two other large gas and power projects.

<http://intelligencepress.com/>

Alaskan Ice Formations Could Hold 85.4 Tcf of Natural Gas—USGS

Alaskan ice formations, offshore and beneath its frozen subsoil, contain 85.4 trillion cubic feet of natural gas, the Interior Department’s U.S. Geological Survey (USGS) said in a November 12 report. That total would be enough to supply more than 100 million homes for more than 10 years.

Bloomberg News, 14:28 November 12, 2008

El Paso’s Elba Island LNG Terminal in Georgia not Accepting LNG Cargoes during Nearly Month-Long Expansion Work

El Paso planned to perform expansion work from October 29 to November 23, and said it would not receive LNG cargoes during that span.

Reuters, 14:57 November 12, 2008

StatoilHydro Halts Output at Snorre Oilfield Platform in North Sea by November 12

The company stopped production due to a flaring system leak, but did not say how much capacity was affected. The incident also forced a slowdown at the close-by Vigdis field. StatoilHydro produced about 50,000 boe/d from the Snorre field in the third quarter of 2008.

Reuters, 08:34 November 12, 2008

Other News

Fire at Greater Ohio Ethanol’s 54 Million Gallon/Year Lima, Ohio Ethanol Plant

Grain dust caused a fire in a corn dryer, but the company will be able to continue production at a separate dryer, a spokesman said. A news source indicated that the facility is not operating at full capacity, and a spokesman did not say whether it would resume normal production.

Bloomberg News, 11:19 November 12, 2008

Energy Prices

U.S. Oil and Gas Prices November 12, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	55.98	65.72	96.24
NATURAL GAS Henry Hub \$/Million Btu	6.65	6.79	6.59

Source: Reuters

Energy Notes

Puget Sound Energy Plans Expansion at 229 MW Wild Horse Wind and Solar Facility in Washington—to Raise Capacity to 269 MW

<http://www.pse.com/newsarchive/Pages/NewsWildHorseExpansion.aspx?navpath=/InsidePSE/newsroom>

Higher Pressure Causes Flaring at Fuel Gas System Shared by Valero's 289,000 b/d Port Arthur, Texas Refinery

Bloomberg News, 05:51 November 11, 2008

Boiler Upset Triggers Flaring at Valero's 182,200 b/d Delaware City, Delaware Refinery, Company Reports November 10

Bloomberg News, 17:19 November 10, 2008

Valero Reports Flaring at 83,000 b/d Houston, Texas Refinery November 11-12

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116482>

TCEQ Receives Money from EPA to Investigate, Respond, Remediate, and Assess Underground Storage Tank Leaks

http://www.downstreamtoday.com/News/Articles/200811/TCEQ_To_Target_UST_Corrective_Action_wit_13724.aspx

Oil Demand has Peaked in Developed World – Set to Fall by 800,000 b/d to 45.7 Million b/d in 2015 down from 2007's Demand of 46.5 Million b/d, IEA Says

<http://www.platts.com/Oil/News/8169574.xml?p=Oil/News&sub=Oil>

Update: Regency Energy Partners Changes Plans for Haynesville Pipeline Expansion in Louisiana from Original 1.45 Bcf/d of Increased Capacity to 1 Bcf/d Increased Capacity due to Volatile Capital Markets

<http://ir.regencygas.com/phoenix.zhtml?c=194063&p=irol-newsArticle&ID=1224239&highlight=>

Equipment Shutdowns at Chap Booster Station in Texas November 11

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116481>

Turbine Shutdown at Goldsmith Gas Plant in Texas November 11

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116491>

Backhoe Incident Sorts Out Transformer at Asau Compressor Station in Texas November 11-12

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=116479>

India's Reliance Petroleum Could Begin Exports to U.S. and Europe from 580,000 b/d Refinery in April 2009

http://www.downstreamtoday.com/News/Articles/200811/Reliance_May_Begin_Exports_from_New_Refi_13727.aspx

Pemex Looks to Phase-in 6 Percent Ethanol to Gasoline in Three Major Cities by 2012 – Guadalajara, Monterrey and Mexico City

<http://www.platts.com/Oil/News/6018174.xml?p=Oil/News&sub=Oil>

Chavez Says Lengthy Dip in Oil Prices Would Impact Venezuela

Bloomberg News, 16:02 November 12, 2008

Iraq Oil Minister Signs 110,000 b/d Deal with Chinese National Oil Company CNPC to Help Develop al-Ahdab Oil Field in Iraq's Wasit Province

<http://english.people.com.cn/90001/90776/90883/6530931.html>

Nigeria to Take "Drastic Action" to Repel Militants if They Continue to Assault Army and Navy Positions, Particularly at O&G Infrastructure—Military Spokesman

Bloomberg News, 12:21 November 11, 2008

Nigerian Rebel Group MEND Threatens to Wage Another 'Oil War' on Oil Infrastructure if Nigeria's Military Carries out Planned Raid on Group's Camps

<http://www.platts.com/Oil/News/8165148.xml?p=Oil/News&sub=Oil>

Venerex Plans 50,000 b/d Phase 1 Project at Libyan Oilfield—Company Expects to Begin Output in 2011

http://www.rigzone.com/news/article.asp?a_id=69276

Study Says REX East Pipeline Opening Will Reduce Capacity Constraints in U.S. Northeast

<http://www.bentekenergy.com/Bentek/NewsM.aspx>

Update: Companies Seek to Increase Security around Pipelines After Recent British Columbia Attacks

<http://www.financialpost.com/news/story.html?id=947700>

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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