



ENERGY ASSURANCE DAILY

Thursday, November 16, 2006

Electricity

Heavy Rains Knock Out Power to 210,000 B.C. Hydro Customers in Canada November 15

A powerful Pacific storm hit British Columbia yesterday, knocking out power to an estimated 210,000 B.C. Hydro customers. Yesterday, the company said they would restore power throughout the day but stop at 10 p.m. due to safety reasons. The said they would continue restoring power at first light this morning.

Current Outages: <http://www.bchydro.com/outages/>

<http://www.cbc.ca/canada/british-columbia/story/2006/11/15/bc-storm.html>

Update: FERC Approves Final Rule to Allow Government Approval of Sites for Transmission Lines

On November 16, the Federal Energy Regulatory Commission (FERC) approved a final rule stating that if a state agency rejects a power line project or fails to act on a project (to be built in important transmission corridors designated by the U.S. Department of Energy) within one year, FERC may step in and use eminent domain to approve the transmission line. Energy companies seeking construction permits for major power line projects may not submit formal applications or pre-file documents with FERC during the first year of a state's review proceeding. Reuters, 11:27 November 16, 2006

Waste-to-Energy Projects Gain Momentum in the United States

A large number of projects are now underway throughout the United States to convert waste into electricity. Most projects are using methane generated either by landfills or by anaerobic digesters, devices that use anaerobic bacteria to break down organic substances. Follow the link below to visit the Energy Efficiency and Renewable Energy news page to read more about projects currently underway.

http://www.eere.energy.gov/news/enn.cfm?id_10404

Regulators Approve TransCanada's Proposed 683 MW Gas-fired Power Plant in Ontario

The Ontario Power Authority (OPA) has awarded a 20-year Clean Energy Supply contract to the company to build, own and operate the new plant near Halton Hills, Ontario. The company expects to begin service at the plant in the second quarter of 2010.

http://www.marketwire.com/mw/release.html_b1?release_id=185486

TXU's 575 MW Big Brown Coal-fired Unit 2 in Texas Planned for Restart November 16

The unit is planned for restart on November 16 after shutting November 14 to fix a boiler tube leak.

Reuters, 09:29 November 16, 2006

TXU's 750 MW Martin Lake Coal-fired Unit 1 in Texas Returned to Service November 15

The unit was shut November 11 due to a trip of a 138-kilovolt line.

Reuters, 09:33 November 16, 2006

Constellation's 840 MW Calvert Cliffs Nuke Unit 2 in Maryland Shuts November 16

The unit was idled this morning after a turbine shut. A company spokesperson declined to say when the reactor might return to full power.

Bloomberg News, 12:55 November 16, 2006

Dominion's 917 MW and 925 MW North Anna Nuke Units 1 and 2 in Virginia Shut

Dominion's North Anna nuclear reactor Unit 1 was shut over the weekend for repair to two water leaks. Unit 2 shut automatically this morning because only a limited amount of water was going into a steam generator. A company spokesperson declined to say when the reactors might return to full power.

Bloomberg News, 11:23 November 16, 2006

Entergy's 971 MW Indian Point Nuke Unit 2 in New York Ramps Up November 16

The unit shut yesterday because of a malfunction in a power circuit. The unit ramped up to 30 percent power today after the completion of repairs to the circuit associated with the main generator.

Bloomberg News, 10:33 November 16, 2006

Petroleum

Crude Oil Prices Drop 4.4 Percent Due to Natural Gas Inventory Build

Crude oil prices fell the most since August 2005 after a report released by the U.S. Department of Energy (DOE) showed that U.S. inventories of natural gas had climbed. Today's crude oil price fell about 4.4 percent from yesterday's price, from \$58.69 yesterday to \$56.23 today. Crude oil prices fall when natural gas prices are high because they are competing fuels and some users switch between oil-based fuels and natural gas depending on the cost. In addition, crude oil inventories also rose last week according to the DOE report, leaving stockpiles 12 percent higher than the five-year average.

Bloomberg News, 14:36 November 16, 2006

Update: Louisiana Offshore Oil Port Resumes Offloading November 16

Crude oil loadings have resumed at the Louisiana Offshore Oil Port (LOOP) after being delayed since Tuesday due to stormy weather conditions. A LOOP spokesperson said that three oil tankers are in line to offload and the port is expected to catch up with its offloading schedule quickly this week.

Reuters, 13:52 November 16, 2006

Citgo's 156,000 b/d Corpus Christi Refinery Unit in Texas Accidentally Idled by Worker November 15

The fluid catalytic cracker and a boiler stack were idled November 15 when a worker struck a shutdown switch with a pipe, which broke through a protective cover on the switch. A Citgo spokesman declined to comment on how much production was affected.

Bloomberg News, 11:19 November 16, 2006

Reuters, 09:22 November 16, 2006

Shell's 67,000 b/d FCC at Deer Park Refinery in Texas to Remain Shut Until End of November

Shell has delayed the restart of its 67,000 b/d fluid catalytic cracker (FCC) at its Deer Park, Texas, refinery until the end of November. The unit was shut November 4 due to a problem in the unit's regeneration section. An alkylation unit was also shut and crude runs were reduced slightly at the refinery, which can process 340,000 barrels/day.

Reuters, 09:10 November 16, 2006

Exxon's 155,000 b/d Torrance Refinery in California Running Normally After Incident November 15

Normal operations have resumed at Exxon Mobil Corporation's refinery in Torrance, California, after a "minor power supply issue" in a sulfur recovery unit resulted in the release of sulfur dioxide on November 15.

Bloomberg News, 13:00 November 16, 2006

Venezuela Plans to Build New 800,000 b/d Extra Heavy Oil Upgrader Complex

PdVSA has announced plans to construct the complex to upgrade extra heavy crude oil produced by new development projects in Venezuela's Orinoco oil belt. The first phase of the project calls for building a 200,000 b/d upgrader by 2011. The company said that 100,000 b/d of the upgrader's lighter crude output will be processed by a new 200,000 b/d refinery that PdVSA and Petrobras are planning to build jointly in Brazil, while the rest will be processed at Venezuelan refineries for export. Exports will mostly likely go to Asian markets through a deepwater port to be built on Venezuela's Atlantic coast. In 2005, Venezuela supplied about 11.7 percent of total U.S. oil imports.

Oil Daily, November 16, 2006

Husky Boosts Reserve Estimate for White Rose Oilfield Off Newfoundland's Coast

Husky Energy Inc. has increased its recoverable reserve assessment of the White Rose oilfield by 190 million barrels, saying a recent discovery will encourage more production efforts. Husky currently produces about 110,000 b/d from the field using the SeaRose floating production, storage and offloading vessel and a new well is expected to come online later this month, increasing output to 125,000 b/d.

<http://www.theglobeandmail.com/servlet/story/RTGAM.20061116.whuskyenergy1116/BNStory/Business/home#>
<http://www.huskyenergy.ca/operations/canadaseastcoast/projects/whiterose.asp>

Natural Gas

Update: Wyoming Interstate Co. Pipeline to Restart Today

The 2 Bcf/d pipeline that exploded over the weekend in Wyoming will return to service today, a day later than previously expected due to welding delays. El Paso Corp., the pipeline's operator, said that the line was carrying 770 MMcf at the time of the explosion. The pipeline transports to market natural gas produced in western Wyoming and the Powder River Basin. Customers have not been affected by the incident due to alternate pipeline routes and natural gas in storage.

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-15T170815Z_01_N15432764_RTRIDST_0_ENERGY-ELPASO-BLAST-UPDATE-1.XML&rpc=66&type=qcna

FERC Approves 130 MMcf/d Big Sandy Pipeline Project in Kentucky

The U.S. Federal Energy Regulatory Commission (FERC) has approved the 20-inch diameter Big Sandy pipeline project proposed by Equitrans. The new line will extend 68 miles from the proposed Big Sandy compressor station to an interconnection with Tennessee Gas Pipeline's Broad Run lateral. The new line will help ease pipeline capacity constraint problems in eastern Kentucky that has led to natural gas production being shut in over the past two years. This is the second pipeline project in eastern Kentucky that FERC has approved in the last two months.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BjqmfhhpZTjg%22EN%26bfe%5Dv>
<http://www.platts.com/Natural%20Gas/News/8739125.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Enterprise to Hold Open Season on 10 Bcf Storage Site in Mont Belvieu, Texas

Enterprise Products Partners has announced that it will hold a non-binding open season to test market interest in new natural gas storage capacity at a storage cavern in Mont Belvieu, Texas. The company is considering converting the cavern, which currently holds natural gas liquids, to provide up to 10 Bcf of firm natural gas storage capacity. Subject to customer interest and pending regulatory approval, the site would begin service in the second half of 2008.

Oil Daily, November 16, 2006

Other News

NRC Releases Final Rulemaking Package on Design Basis Threat

The Nuclear Regulatory Committee (NRC) released its final rulemaking package to revise the design basis threat (DBT). The DBT defines the minimum characteristics and capabilities that reactor licensees must use to devise defensive strategies for protecting nuclear power plants. The rule making package is available on the NRC's ADAMS document system under the accession number ML062130289.

ADAMS: <http://adamswebsearch.nrc.gov/scripts/securelogin.pl>
<http://www.platts.com/Nuclear/News/7879493.xml?p=Nuclear/News&sub=Nuclear>

Marathon Joint Venture to Build 110 Million Gallon/Year Ethanol Plant in Ohio

Marathon Oil Corp. and The Andersons Inc. are set to begin construction on the new ethanol plant in Greenville, Ohio. The facility could be operational as soon as the first quarter of 2008.

<http://biz.yahoo.com/bizj/061116/1377304.html?v=1>

Reuters, 07:16 November 16, 2006

Bloomberg News, 07:18 November 16, 2006

Broin to Build New 60 Million Gallon Ethanol Plant in Indiana

Broin Companies has announced plans to build a 60 million gallon per year ethanol plant in Wells County, Indiana. Construction for the Broin's plant is scheduled for spring 2007, with operations expected to begin in spring 2008.

Source: (EIN STAFF: 11/14) 2006 EIN Publishing, Inc. 40 Washington Street, Wellesley, MA 02481

High Corn Prices Pushing Ethanol Refiners to Raise Prices or Cut Some Production

The price of corn has risen almost 50 percent in the last two months due after hot, dry weather in July damaged the U.S. corn crop and ethanol production rose to a record. One consultant said that high corn prices were forcing ethanol refiners to either raise prices or cut some production.

Source: (EIN STAFF: 11/13) 2006 EIN Publishing, Inc. 40 Washington Street, Wellesley, MA 02481

Energy Prices

U.S. Oil and Gas Prices			
November 16, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	56.23	61.18	57.85
NATURAL GAS Henry Hub \$/Million Btu	7.59	7.35	11.03

Source: Reuters

Energy Notes

Tribal Groups Urge FERC Not to Relicense Four Pacific Klamath River Dams in Oregon

http://www.newsregister.com/news/story.cfm?story_no=215077

U.S. Military to Issue First Buy Tender for Synthetic Jet Fuel to 'Jump Start' Industry

<http://www.platts.com/Oil/News/8739121.xml?p=Oil/News&sub=Oil>

Industry Observers Say Taxes on Greenhouse Gases Could Force Technology Shift

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7419396

Oil Majors Say They Will Continue Growing Output in Africa

<http://www.platts.com/Oil/News/7877951.xml?p=Oil/News&sub=Oil>

Local California Panel Opposes EPA Exemption of Clean Air Rules for Proposed Offshore Cabrillo LNG Import Terminal

http://www.mercurynews.com/mld/mercurynews/news/breaking_news/16018548.htm

Transcanada To Build 683 MW Ontario Power Plant; Expected Service Date is 2010

Reuters, 09:03 November 16, 2006

Ghana National Petroleum Corp. Encourages Foreign Companies to Explore For Oil

Reuters, 10:43 November 16, 2006

Nigeria Charges Two People with Kidnapping of Foreign Oil Workers in Niger Delta in August

Reuters, 06:41 November 16, 2006

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/index.aspx>.

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