



ENERGY ASSURANCE DAILY

Wednesday, November 22, 2006

Major Developments

Update: Valdez Tanker Loadings Resume Late November 21

Alyeska Will Decide Whether to Increase Trans-Alaska Pipeline Flow Soon

According to the U.S. Coast Guard, a crude oil tanker loaded at and departed the Valdez Marine Terminal last night and another tanker entered the facility and was loading today. The first tanker's loading had been delayed for several days due to high winds at the port. Crude oil loadings at Valdez have been intermittent since bad weather began last week. On Monday, the loading problems and storage tanks nearing capacity at the Port of Valdez forced Alyeska Pipeline Service Company to reduce flow on the Trans-Alaska Pipeline System (TAPS). Yesterday, Alyeska officials said that TAPS flow was at 300,000 b/d, down from a normal throughput of over 800,000 b/d. Today, Alyeska officials said they would wait for Valdez storage tank capacity to fall to 70 percent of capacity before making a decision on lifting curtailment on the pipeline. This afternoon the company said inventories were down to the "mid-70 percent range" and they expect capacity to reach the 70 percent level within a few hours. The Valdez disruptions have forced oil producers on the Alaska North Slope to reduce output to 25-35 percent. Yesterday, the U.S. Department of Energy said that it was monitoring the Alaska disruption but added that there were adequate supplies to meet high travel demand during the Thanksgiving holiday.

http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-11-22T181042Z_01_N22190077_RTRIDST_0_ENERGY-ALYESKA-DECISION-URGENT.XML

<http://www.adn.com/front/story/8430203p-8324484c.html>

Reuters, 12:56 November 22, 2006

Reuters, 10:24 November 22, 2006

Reuters, 17:13 November 21, 2006

Electricity

Canada Doubles Wind Energy Output in 2006 –Wind Industry Group

According to the Canadian Wind Energy Association, Canada has nearly doubled its wind energy capacity in 2006, adding 657 megawatts to bring total installed wind energy to 1,341 megawatts. Canada's largest wind farm, the 189 megawatt Prince Wind Energy Project in northern Ontario opened on Wednesday.

Reuters, 12:37 November 22, 2006

Great River Energy to Build 160 MW Peaking Plant in Minnesota

The simple-cycle natural gas fired project will be located in Elk River, Minnesota and is expected to be available by 2009, pending regulatory approvals.

<http://www.platts.com/Electric%20Power/News/8748747.xml?p=Electric%20Power/News&sub=Electric%20Power>

Update: Entergy's 967 MW River Bend Nuke Unit in Louisiana Back at Full Power November 20

The company reduced power output to 74 percent of capacity at the plant on November 13 so that workers could repair a condenser that converts steam into water.

Bloomberg News, 15:14 November 21, 2006

ATCO's 378 MW Sheerness Coal-fired Unit 1 in Alberta Shut November 22

Reuters, 13:00 November 22, 2006

TransAlta's 399 MW Wabamum Coal-fired Unit 4 in Alberta Shut November 21

Reuters, 13:00 November 22, 2006

TransAlta's 399 MW Sundance Coal-fired Unit 6 in Alberta Shut November 20

Reuters, 13:00 November 22, 2006

Petroleum

Fire at Chemical Plant Briefly Shuts Houston Ship Channel November 21

According to the U.S. Coast Guard, the Houston Ship Channel was shut for two hours Tuesday night when a fire broke out at a railroad tank at an Albemarle Corp. chemical plant along waterway. No ships needed to transit the channel during the closure and the incident had no affect on refineries in the area.

Reuters, 08:07 November 22, 2006

Reuters, 19:18 November 22, 2006

Militant Attack Shuts 50,000 b/d Oilfield Off Nigeria's Coast November 22

Gunmen in speedboats kidnapped seven expatriate oil workers during a raid on an Eni offshore oil production vessel November 22, forcing the company to shut down production at the 50,000 b/d Okono/Okpoho oilfield. The facility, located 34 miles off the coast of the Niger Delta, is a Floating Production, Storage and Offloading vessel, a stationary tanker with crude oil and gas processing facilities on top with a loading buoy attached.

Reuters, 11:17 November 22, 2006

OPEC President Admits Lack of Compliance with Output Cut

OPEC President Edmund Daukrou has said that some OPEC members weren't complying with a planned 4 percent cut in crude oil production. On October 20, OPEC members agreed to cut output by 1.2 million b/d. The cuts were to come from all OPEC members except for Iraq. Earlier this week the U.S. Energy Information Administration said that it expected OPEC to cut output by 800,000 b/d, two-thirds of the announced cut.

http://www.rigzone.com/news/article.asp?a_id=38368

Natural Gas

Nothing to report.

Other News

Broin Companies to Build 125 Million Gallon Per Year Cellulosic Ethanol Plant in Iowa

Broin Companies has said it plans to build a cellulosic ethanol production facility in Emmetsburg, Iowa. The plant is expected to be complete in 2009.

Oil Daily, November 22, 2006

Southridge to Build 10 Million Gallon Per Year Ethanol Plant in Mississippi

The company announced that it is rapidly moving forward with plans to build a new ethanol plant at its existing facility in Quitman Coutny, Mississippi. Initial production will be 10 million gallons per year but the company hopes to eventually expand output to 60 million gallons per year.

Reuters, 16:25 November 21, 2006

Biofuels Investment is Due for Crash, Production Model Not Sustainable – Kellogg Co.

According to Kellogg Co., the largest U.S. cereal maker, rapidly growing investment in the ethanol and biodiesel industries is headed for a significant "market correction." Kellogg says that the model of producing ethanol form a number of local plants spread throughout the United States is not sustainable, arguing that a centralized model of large-scale biofuels facilities would be more profitable. Kellogg also said that second-generation biofuels produced from organic waste would be more profitable than ethanol produced from corn feedstock.

Bloomberg News, 12:28 November 22, 2006

Energy Prices

U.S. Oil and Gas Prices			
November 22, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	56.79	58.79	58.30
NATURAL GAS Henry Hub \$/Million Btu	7.57	7.45	10.31

Source: Reuters

Energy Notes

Transformer Fire Knocks Out Power to 15,000 Xcel Energy Customers in Denver

http://insidedenver.com/drmn/local/article/0.1299.DRMN_15_5162085.00.html

Production Restarts at Marathon's Brae Alpha Oil Platform in the North Sea November 21 After Gas Alert

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-22T115119Z_01_L22928698_RTRIDST_0_ENERGY-MARATHON-NSEA.XML&rpc=66&type=qcna

October Mexican Oil Production Falls 85,000 b/d from September

Oil Daily, November 22, 2006

TVA Reports False Alarm for Coolant Leak at Watts Bar Nuclear Plant in Tennessee

<http://www.topix.net/content/ap/3902586114309613524432720570870080652824>

Dominion Receives Early Site Permit for New Nuclear Reactors at Lake Anna Plant

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7448292

Black Hills to Begin Work on 230 kV Transmission Line in Northeast Wyoming

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7448529

Update: Local Environmental Groups and Politicians Continue to Oppose Proposed Broadwater LNG Terminal in Long Island Sound Despite Preliminary FERC Approval

<http://www.theglobeandmail.com/servlet/story/LAC.20061121.RLNG21/TPStory/Business>

Federal Judge Dismisses Lawsuit Against Proposed Quoddy Bay LNG Terminal in Maine

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8kowu%5D%5BkidmuppXUgc%22EN%26bfe1%5Dv>

Utah Supreme Court Rules Sierra Club Can Challenge Permits for Two New Coal-fired Power Plants in Southern Utah

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7448493

Iraq to Set Up Regional Oil Companies – Oil Ministry

<http://www.upi.com/Energy/view.php?StoryID=20061121-120641-3760r>

PdVSA Accuses IEA and EIA of Miscalculating Venezuela's Oil Production

<http://www.upi.com/Energy/view.php?StoryID=20061121-073543-7328r>

MIT Engineers Develop Math Model to Help Energy Companies Produce Natural Gas More Efficiently

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=7446125

New Report Touts Benefits of Using Cellulosic Biomass to Produce Ethanol

Oil Daily, November 22, 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

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>.

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