



ENERGY ASSURANCE DAILY

Friday Evening, December 10, 2010

Electricity

NRG to Shut 813 MW Limestone Coal-Fired Unit 2 in Texas December 9-17

NRG planned to shut the unit on December 9-17 to fix a hydrogen leak, it said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148321>

Luminant Reduces 593 MW Big Brown Coal-Fired Unit 1 in Texas December 9

Luminant reduced the unit on December 9 after the "baghouse 1-2 variable drive control" malfunctioned, the company said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148311>

Update: Wolf Creek's 1,165 MW Wolf Creek Nuclear Unit 1 in Kansas Ramped Up to 72 Percent by December 10

Wolf Creek began shutting the plant on December 6 because a snag prevented it from restarting an emergency diesel generator (EDG) within the required time frame, it said in a previous filing with the Nuclear Regulatory Commission (NRC). The company shut the generator for scheduled work on November 29; it was required by rule to restart the generator "within 7 days AND 10 days from discovery of failure to meet LCO," according to the filing. On December 6, however, Wolf Creek discovered an issue that required "a clearance order and maintenance repair." It planned to complete the work within hours. The NRC reported that on the morning of December 9 the unit was operating at 6 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101207en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

FPL's 693 MW Turkey Point Nuclear Unit 4 in Florida Shut by December 10

FPL shut the unit on December 9 "after indications of a condenser tube leak," the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of December 9 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101210en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Reduced to 25 Percent by December 10

The Nuclear Regulatory Commission reported that on the morning of December 9 the unit was operating at 53 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: NextEra Restarts 493 MW Blythe Gas-Fired Power Plant in California by December 9

According to the California Independent System Operator, the unit reported a return from an unplanned outage by December 9. The unit went offline by December 8.

<http://www.caiso.com/unitstatus/data/unitstatus201012091515.html>

AES's 226 MW Huntington Beach Gas-Fired Unit 2 in California Reduced by December 9

According to the California Independent System Operator, the unit reported an unplanned curtailment of 116 MW by December 9.

<http://www.caiso.com/unitstatus/data/unitstatus201012091515.html>

Entergy's 730 MW Palisades Nuclear Unit in Michigan Reduced to 82 Percent by December 10

The Nuclear Regulatory Commission reported that on the morning of December 9 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: Indiana-Michigan Power's 1,060 MW D.C. Cook Nuclear Unit 2 in Michigan at Full Power by December 10

Indiana-Michigan Power shut the unit in early-October for refueling; during the outage, the company discovered and repaired damaged baffle plates, according to an earlier local news source. The Nuclear Regulatory Commission reported that on the morning of December 9 the unit was operating at 90 percent.

<http://www.wsjm.com/Cook-Plant-Unit-Two-Back-Online/8720611>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: State PUC Backs Plan to Convert Xcel Energy's 352 MW Cherokee Coal-Fired Unit 4 in Colorado to Burn Natural Gas – Agency Approves Company's Plan to Shut Multiple Coal-Fired Power Units throughout State

The Colorado Public Utilities Commission (CPUC) backed a plan for Xcel Energy to convert its 352 MW Cherokee coal-fired Unit 4 in Colorado to burn natural gas, but the members did not establish an exact date for when the company should retire the plant. Under state law, Xcel was required to submit a plan for reducing its nitrogen oxide emissions by 2018. As part of that plan, Xcel initially proposed retiring the Cherokee Unit 4 in 2022. Some objected, however, because the 2022 shutdown would miss the 2018 deadline. In response, Xcel offered to install pollution controls at the plant. The PUC, however, decided that the company should convert the unit to burn natural gas. The PUC, as part of its decision on the Cherokee unit, approved other portions of the company's pollution-reduction plan. Specifically, Xcel plans to:

- Shut the 107 MW Unit 1, the 106 MW Unit 2, and the 152 MW Unit 3 at the Cherokee power plant and the 73 MW coal-fired Cameo power plant, and a small coal-fired unit at the Arapahoe power plant
- Construct a 569 MW gas-fired power plant to replace the Cherokee coal units
- Convert the 111 MW Arapahoe coal-fired Unit 4 to run on natural gas

http://www.xcelenergy.com/New%20Mexico/Company/About_Energy_and_Rates/Power%20Generation/Colorado_Plants/Pages/CherokeeStation.aspx

http://www.denverpost.com/business/ci_16822421

<http://abcnews.go.com/Business/wireStory?id=12358629>

Reuters, 19:04 December 9, 2010

Update: NRC Cites Progress Energy for Failure to Promptly Repair Generator at 710 MW Robinson Nuclear Unit 2 in South Carolina

The Nuclear Regulatory Commission (NRC) issued a notice of violation to Progress Energy on December 7, saying the company failed to promptly repair an emergency generator at its 710 MW Robinson nuclear Unit 2 in South Carolina. Progress, according to the NRC, failed to fix the generator after a breaker error in 2008, despite "reasonable opportunity" to do so. That failure caused the generator to malfunction again some six months after the original incident. The NRC also said the company had, in a 2009 report, failed to supply accurate information regarding the issue. Progress said the company did not intentionally misinform the NRC, and a company spokesman said workers had fixed the generator's problems. The NRC might raise inspections at the facility; it did not, however, fine the company.

<http://www.miamiherald.com/2010/12/08/1964390/feds-say-sc-utility-company-was.html>

WMECo Breaks Ground on Electric Transmission Upgrade Project in Massachusetts and Connecticut by December 8

Western Massachusetts Electric Company (WMECo) broke ground on an electric transmission upgrade project – the Greater Springfield Reliability Project – for the greater Springfield, Massachusetts area and north-central Connecticut, the company said on December 8. The project includes work along 39 miles of an existing transmission right-of-way between Ludlow, Massachusetts, and Bloomfield, Connecticut. The company plans to construct new 345 kV transmission lines and two new switching stations, perform several substation upgrades, and reconstruct 115 kV lines along a 27-mile stretch in Massachusetts. It plans to upgrade a substation and construct an overhead transmission line in Connecticut. The project is scheduled to be in service in 2013.

<http://nuwnotes1.nu.com/apps/wmeco/webcontent.nsf/0/EACB0B1D4F149CB852577F3005C7D49?opendocument>

Update: SDG&E Breaks Ground on Proposed 500 kV, 117-Mile Sunrise Powerlink Transmission Line in California

San Diego Gas & Electric (SDG&E) held a ceremony yesterday to mark the official groundbreaking on its proposed 500 kV, 117-mile Sunrise Powerlink transmission line. The line would deliver at least 1,000 MW of renewable-derived electricity from Imperial County to customers in San Diego, California. SDG&E began construction on the project's underground portion in Alpine, California this week. It plans to complete the line in 2012.

http://public.sempra.com/newsreleases/viewpr.cfm?PR_ID=2560&Co_Short_Nm=SDGE

http://www.sdge.com/sunrisepowerlink/docs/srpl_whitepaper.pdf

Petroleum

Update: Enbridge Restricts Pipeline Access, Forcing Multiple Companies to Cut Crude Oil Production in Canada by December 9

Enbridge shut its 670,000 b/d, 34-inch, Wisconsin-to-Indiana Line 6A for planned integrity testing on December 7, exacerbating the impact of a pipeline bottleneck that has disrupted crude oil production and transportation at and from multiple Canadian locations, news and company sources reported. Enbridge has been operating Line 6A and the 290,000 b/d, Indiana-to-Ontario, 30-inch Line 6B at reduced rates for months, following restarts from spill-induced shutdowns. An early-December snag reduced flows even further along Line 6A. That reduction lasted approximately one week, and the company expects the latest shutdown to last until late this evening. The problems, combined, have forced the company to restrict deliveries into the pipelines. Kinder Morgan, also, has limited nominations along its 300,000 b/d Alberta-to-British Columbia pipeline. The subsequent bottleneck has caused Enbridge's storage tanks to fill in Alberta and Wisconsin, and is now forcing multiple Canadian producers to reduce production and/or seek alternate methods of transportation. More specifically:

- Devon Energy curtailed its Canadian heavy oil production by approximately 10,000 b/d, the company said on December 9. It expected the reductions to last through the end of 2010.
- Syncrude Canada had not reduced rates at its jointly-controlled, 350,000 b/d oil sands processing plant in Alberta, Canada, but did say on December 8 that the pipeline issues had caused it to postpone shipments.
- Cenovus Energy reduced output at its Pelican Lake oilfield in Alberta and its Weyburn oilfield in Saskatchewan, and was storing and delivering oil by truck when possible, it said on December 7.
- Suncor Energy reported only a minor impact on December 8, but did say that the issues were “putting some pressure” on its capacity to deliver crude oil.
- TransCanada was ramping up flows along its Alberta-to-U.S. Midwest Keystone pipeline to compensate for the restrictions.

<http://www.reuters.com/article/idUSN0926277820101209>

<http://www.devonenergy.com/Newsroom/Pages/NewsRelease.aspx?id=1506329>

<http://www.bloomberg.com/news/2010-12-09/gasoline-leads-advance-on-hovensa-refinery-ou tage-oil-products.html>

Reuters, 18:09 December 9, 2010

Update: After Power Failure, Tesoro Restarts Most Units at 166,000 b/d Martinez, California Refinery by December 10

Tesoro restarted most units by December 9 at its 166,000 b/d Martinez, California refinery, but the company did not expect to return to normal operations for several days. An error and a brief electrical fire led to a power failure at the refinery on the morning of December 9. Power was completely restored by 6 PM, local time.

Reuters, 21:17 December 9, 2010

Reuters, 12:29 December 10, 2010

DJN, 12:55 December 10, 2010

Update: Buckeye Restarts 8-Inch Oil Products Pipeline in Illinois by December 9

Buckeye Partners LP restarted its 8-inch, East St. Louis-to-Chicago, Illinois oil products pipeline, a company official said by December 9. Buckeye shut the line after it spilled approximately 100 gallons of gasoline in Livingston, Illinois on December 2, according to an earlier filing with state regulators. The spill was suspected to have occurred when a farmer's plow struck the line, a company official said previously.

<http://www.bloomberg.com/news/2010-12-08/buckeye-expects-oil-line-back-in-service-this-week-update1-.html>
<http://www.bloomberg.com/news/2010-12-03/buckeye-excavating-pipe-at-gasoline-leak-in-illinois-update1-.html>
<http://www.bloomberg.com/news/2010-12-09/buckeye-says-illinois-oil-products-pipeline-restarted-update1-.html>

Update: BG Group to Open FPSOs in 2013 at Tupi and Guar Oil-and-Gas Fields, Offshore Brazil

BG Group plans to open a second floating production, storage, and offloading (FPSO) vessel in 2013 at its Tupi oil-and-gas field, and a separate FPSO at its Guar oilfield in the Santos Basin, offshore Brazil, it said on December 9. The Tupi FPSO would be able to produce 120,000 b/d of oil and 177 MMcf/d of natural gas; the Guar FPSO would be "similar," according to the company.

<http://www.bg-group.com/MEDIACENTRE/PRESS/Pages/9Dec2010.aspx>

Natural Gas

Update: DRBC Publishes Draft Regulations for Natural Gas Development in the Delaware River Basin December 9

The Delaware River Basin Commission (DRBC) published yesterday draft regulations for natural gas development in the Delaware River Basin, proposing a set of rules that it said were intended to protect the Basin's water resources during the construction and operation of natural gas development projects. The news came about seven months after the DRBS issued a temporary ban on natural gas drilling in the Basin, saying it would not consider any applications to drill until it established regulations for natural gas well pad projects in shale formations. The newly-announced measures would, among other things, require drillers to post a \$125,000 bond for each drilled well; that bond would pay for pollution mitigation and costs associated with abandoning a well. The proposed rules also sought to address water withdrawals, well pad siting, and wastewater disposal. The DRBC expects to schedule three public hearings during the proposal's 90-day comment period. The DRBC expects to schedule three public hearings during the proposal's 90-day comment period.

http://www.state.nj.us/drbc/notice_naturalgas-draftregs.htm

http://www.state.nj.us/drbc/newsrel_naturalgas120910.htm

<http://www.nytimes.com/gwire/2010/12/09/09greenwire-northeast-regulator-eases-proposed-natural-gas-77567.html>

<http://online.wsj.com/article/APf77fe41652d743f48ddce428732e7a62.html>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
December 10, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	87.81	88.76	69.98
NATURAL GAS Henry Hub \$/Million Btu	4.37	4.28	5.27

Source: Reuters

Transformer Malfunction Knocks Out Power to 20,000 Cleveland Public Power Customers in Ohio December 9 – Company Restores Power to Affected Customers in Approximately One Hour

<http://www.fox8.com/news/wjw-power-ou tage-cleveland-dec-9-txt,0,6226228.story>

Update: State Environmental Quality Commission Authorizes PGE's Plan to Shutter 585 MW Boardman Coal-Fired Power Plant in 2020

<http://www.bizjournals.com/portland/news/2010/12/09/regulators-ok-2020-boardman-closure.html>

Update: Appeals Court Overturns October Order That Had Forced SWEPCO to Halt Some Work on Proposed 600 MW John W. Turk Coal-Fired Power Plant in Arkansas

<http://www.katv.com/Global/story.asp?S=13572644>

Minnesota Municipal Power Agency Plans 44 MW Oak Glen Wind Farm near Blooming Prairie, Minnesota – Facility Expected to Be Commissioned by End of 2011

<http://www.mmpa.org/Renewable-Energy/Oak-Glen-Wind-Farm.aspx>

<http://www.prnewswire.com/news-releases/video-from-vestas-wind-systems-as-available-on-the-newsmarketcom-vestas-receives-43-mw-order-in-minnesota-usa-111613749.html>

NRG Energy to Break Ground Before End of 2010 on Planned 20 MW Roadrunner Solar Electric Facility in New Mexico - Company Expects to Complete Project in 2011

[http://phx.corporate-](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Nz M5NDZ8Q2hpbGRJR D0tMXxUeXB IPTM=&t=1)

[ir.net/External.File?item=UGFyZW50SUQ9Nz M5NDZ8Q2hpbGRJR D0tMXxUeXB IPTM=&t=1](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Nz M5NDZ8Q2hpbGRJR D0tMXxUeXB IPTM=&t=1)

Contractor Crew Finds Old Military Explosives at SDG&E Substation in Tierrasanta, California December 8 – Bomb Squad Destroys Explosives within Hours

<http://www.sandiego6.com/news/local/story/Work-Crew-Une arths-Military-Explosives-in/FMT831nAJke zgNrB3b5hsA.csp x>

Chevron Seeking State Authorization for 30-Year Lease Extension at Existing 240,000 b/d Crude Oil Receiving Terminal in Santa Monica Bay, Offshore California – Terminal is Associated with Company's 260,000 b/d El Segundo, California Refinery

http://www.dailybreeze.com/news/ci_16819242

Power Outage Forces Hours-Long Shutdown of Air Emissions Control Device on Wastewater Treatment System at ConocoPhillips' 247,000 b/d Sweeny, Texas Refinery December 9

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=148316>

ExxonMobil to Replace Cat Cracker in 2012 at 60,000 b/d Billings, Montana Refinery

Reuters, 14:05 December 9, 2010

Striking Workers Take Over Crude Oil Export Terminal in Argentina by December 9 – Strikers Have Forced Offline 20 Percent of Repsol YPF's Argentine Oil Production

<http://latino.foxnews.com/latino/money/2010/12/09/striking-oil-workers-seize-export-terminal-argentina/>

Natural Gas Explosion Leads to Evacuations from Two Homes in Wharton County, Texas December 8

<http://www.myfo xhouston.com/dpp/news/local/101208-gas-explosion-in-wharton-county>

None Injured after Explosion and Fire at Enogex Products LLC's Natural Gas Processing Plant in Grady County, Oklahoma December 8 –

<http://www.bloomberg.com/news/2010-12-08/fire-starts-at-gas-processing-plant-in-oklahoma-update1-.html>

Engine Shuts, Restarts at West Credo Booster Station in Texas December 9

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148288>

Fault Forces Shut Compressor System, Triggers Flaring at Aker Gas Plant in Texas December 9

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148313>

Equipment Snag Leads Operators to Shut Midkiff Gas Plant in Texas December 9

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148322>

Chevron Reports Ethylene Release at Sweeney Meter Station in Brazoria, Texas December 9 – Company Isolates Affected Valve

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148324>

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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