



ENERGY ASSURANCE DAILY

Friday, December 22, 2006

Electricity

Update: 31,400 Customers Remain Without Power in Pacific Northwest December 22

According to local media reports, 30,000 Puget Sound Energy customers and 1,400 Seattle City Light customers remain without power this morning, more than one week after a powerful windstorm knocked out power to about 1.8 million customers in the Pacific Northwest. Snohomish County PUD in Washington State, Portland General Electric in Oregon and B.C. Hydro in British Columbia all announced full service restoration earlier in the week, as have several smaller electric companies. The U.S. Department of Energy has stopped releasing emergency situation reports on the Pacific Northwest Storms of December 14-15.

Previous Situation Reports: http://www.oe.netl.doe.gov/hurricanes_emer/pnw_storm.aspx
http://www.king5.com/localnews/stories/NW_122206WABstorm_friLJ.34890897.html#

Texas Grid Returns to Normal After Brief Loss of Three Large Power Plants December 22

The Electric Reliability Council of Texas (ERCOT) briefly interrupted electricity delivery to some industrial customers just before 3 a.m. Friday morning, following the unexpected loss of three large generation facilities. The problem arose when two large TXU Corp. coal units and a nearby gas-fired power plant tripped leading to a frequency drop in current that caused a 200-MW northern direct-current transmission link to also trip. The grid problem was resolved by 4:07 a.m. See below for details on the three power plants.

TXU's 750 MW Martin Lake Coal-fired Unit 1 in Texas Trips December 22

The unit remains shut to repair a tube leak.

TXU's 750 MW Martin Lake Coal-fired Unit 3 in Texas Trips December 22

The unit returned to service later in the day.

Tenaska's 845 MW Gateway Gas-fired Unit in Texas Trips December 22

Reuters, 13:23 December 22, 2006

IESO Says Ontario Power Supplies Adequate Supplies for Next 18 Months

The Independent Electricity System Operator's latest 18-Month Outlook reports that electricity supplies in the province will be sufficient to meet demand. However, the IESO expects there to be periods over the next 18 months when Ontario will need to import power from neighboring jurisdictions to maintain a reliable supply. These periods are likely to arise under extreme weather conditions or if there are delays in bringing new generation facilities online. More than 1,000 MW of additional generating capacity is scheduled to come on-line in Ontario during the next 18 months.

http://www.ieso.ca/imoweb/media/md_newsitem.asp?newsID=3187

New Wind Farm to Generate 1,500 MW in Tehachapi Region of California

Southern California Edison has signed an agreement with Alta Windpower Development LCC to buy 1,500 MW or more of wind power generated by projects to be built in the Tehachapi area of California. The contract envisions more than 50 square miles of wind parks in the Tehachapi region, triple the size of any existing U.S. wind farm. The success of the large wind project announced today depends on SCE receiving authorization from the California PUC and other regulatory agencies to construct a series of new and upgraded high-voltage transmission lines that would deliver electricity from potential new wind farms in the Tehachapi area. Several such wind projects are in varying stages of planning and development. When completed, this renewable transmission project would be capable of delivering 4,500 MW of electricity

<http://www.edison.com/pressroom/pr.asp?id=6487>

Reuters, 17:12 December 21, 2006

TXU Proposes New 800-900 MW Coal-fired Power Plant in Pennsylvania

The company may file an application by the end of the month to build an 800-900 MW baseload coal plant in Pennsylvania.

<http://www.platts.com/Coal/News/6333438.xml?p=Coal/News&sub=Coal>

TXU's 750 MW Martin Lake Coal-fired Unit 2 to Restart December 22

TXU plans to restart the unit that was shut on December 11 when an explosion and fire damaged a transformer. Although TXU told regulators that the restart could be completed by December 23, the company also indicated that the return to service could be delayed due to testing procedures.

Reuters, 07:22 December 22, 2006

FirstEnergy's 1,235 MW Perry Nuke in Ohio Ramps Up to 85 Percent December 22

The unit was shut on December 13, when problems were discovered in the feedwater system.

Reuters, 07:07 December 22, 2006

Petroleum

U.S. Refinery Jan., Feb. Maintenance Schedules 50 Percent Above Normal Volumes, Delayed Work Leading to Incidents – Industry Sources

Industry sources have told Oil Daily that preliminary schedules put January and February maintenance about 50 percent over normal volumes. Heavy maintenance in early 2007 is due to postponed work from last year in addition to typical preparations for the summer driving season. Some analysts told Oil Daily that delayed maintenance is adding to recent unplanned outages and incidents that keep refinery runs below historical utilization rates. One analyst said that a labor shortage was delaying maintenance.

Oil Daily, December 22, 2006

Alberta Regulators Approve Albian Sands' Muskeg River Oil Sands Mine Expansion

The Alberta Energy and Utilities Board and Canadian government have conditionally approved Albian Sands Energy's proposal to expand its Muskeg River mine by 155,000 b/d to 255,000 b/d and integrate it with Shell's Jackpine Mine. The plan also involves an expansion of the Scottsford upgrader from 155,000 b/d to 290,000 b/d.

<http://www.platts.com/Oil/News/6333442.xml?p=Oil/News&sub=Oil>

Storms Close Russian Oil Port for Third Day December 22

The Russian oil port of Novorossiysk remained closed on December 22 by bad weather. The port has been closed since December 20. Two tankers are awaiting improved conditions to load 1.58 million bbls of crude oil for export.

Reuters, 05:09 December 22, 2006

Venezuela Plans no Gasoline Shipments to U.S. in January, Traders See Little Impact

Venezuela's state oil company PDVSA once again announced that it would not ship gasoline to the U.S. in January. A series of operational problems affecting several of its refineries have plagued PDVSA this year forcing it to purchase gasoline blending components in the spot market. In October, the company announced that it would ship gasoline to nearby countries in the Caribbean with only occasional small allotments for the U.S. Traders foresee little impact on the market from the latest announcement.

Reuters 13:28 December 22, 2006

Natural Gas

Southeast Supply Header Files With FERC for Proposed 1 Bcf/d Pipeline

On December 18, Southeast Supply Header (SESH) filed an application to construct, own and operate a 1 Bcf/d pipeline that will bring natural gas from east Texas and north Louisiana to growing U.S. markets. The 270-mile, 36-inch and 42-inch diameter pipeline will extend from the Perryville Hub in northeast Louisiana to the Gulfstream Natural Gas System. Along the route, SESH will access several major pipelines serving the eastern United States and have access to several storage facilities.

<http://www.centerpointenergy.com/newsroom/archives/1,2776,113075,00.html>

Other News

DOE Inspector General Report Says FERC's Dam Security Program Too Weak

According to a recently released report by the U.S. Department of Energy's Inspector General, FERC lacked in ensuring licensees followed through on security improvements; lacked documentation and quality control of security assessments; and lacked documentation of yearly security inspections.

IG Report: <http://www.ig.energy.gov/documents/IG-0750.pdf>

<http://www.upi.com/Energy/view.php?StoryID=20061221-113410-2806r>

Energy Prices

U.S. Oil and Gas Prices			
December 22, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	61.74	63.40	58.03
NATURAL GAS Henry Hub \$/Million Btu	6.09	6.82	13.05

Source: Reuters

Energy Notes

Wind, Rain Knock Out Power to 13,300 LADWP Customers in Los Angeles Area December 22

http://cbs2.com/topstories/local_story_356140337.html

B.C. Hydro Considering Outage Prevention Measures After Windstorm

<http://www.tricitynews.com/portals-code/list.cgi?paper=74&cat=23&id=796601&more>

MidAmerica Completes 99 MW Victory Wind Project in Iowa

Reuters, 10:17 December 22, 2006

Truck Hauling Low-Grade Uranium Overturns on I-95 in North Carolina

<http://www.washingtonpost.com/wp-dyn/content/article/2006/12/22/AR20061222000025.html>

New Massachusetts LNG Terminal Approvals Could Deal Fatal Blow to Weaver's Cover LNG Project

Oil Daily, December 22, 2006

Nevada On-Track To Quadruple Its Geothermal Power to Over 1000 MW Over Next 3 to 5 Years

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7576929

Some Indian Point Nuclear Plant Workers Afraid to Raise Safety Issues – NRC

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7576219

Update: Venezuelan Energy Minister Denies Plans to Upgrade Citgo Refineries

Reuters, 09:09 December 22, 2006

Nevada Seeks Ruling from NRC to Stop DOE Plans for Interim Storage of Nuclear Waste Above Ground at Yucca Mountain

Reuters, 08:01 December 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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