



ENERGY ASSURANCE DAILY

Monday Evening, March 09, 2009

Electricity

Progress Energy's 872 MW Brunswick Nuke Unit 1 in North Carolina at Full Power by March 9

The Nuclear Regulatory Commission reported that on the morning of March 8 the unit was operating at 70 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Exelon's 855 MW Quad Cities Nuke Unit 2 in Illinois Ramped Up to 97 Percent by March 9

The Nuclear Regulatory Commission reported that on the morning of March 8 the unit was operating at 82 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Exelon's 850 MW Dresden Nuke Unit 2 in Illinois Ramped Up to 97 Percent by March 8

The Nuclear Regulatory Commission reported that on the morning of March 7 the unit was operating at 70 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Update: FPL's 839 MW Saint Lucie Nuke Unit 2 in Florida Ramped Up to 92 Percent by March 9

Operators slowed the unit late last week to fix a problem with a turbine cooling water pump. The Nuclear Regulatory Commission reported that on the morning of March 8 the unit was operating at 83 percent. Reuters, 08:08 March 9, 2009

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Update: FPL's 565 MW Duane Arnold Nuke Unit in Iowa Ramped Up to 96 Percent by March 9

Operators shut the unit on March 3 due to higher-than-usual turbine bearing temperatures, a news source reported. The unit had been returning from a planned refueling outage. The Nuclear Regulatory Commission reported that on the morning of March 8 the unit was operating at 73 percent.

Reuters, 08:15 March 9, 2009

Bloomberg News, 08:04 March 9, 2009

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Luminant Plans Restart of 793 MW Martin Lake Coal-fired Unit 2 in Texas March 9

Luminant expected to restart the unit today "following maintenance to remove fly ash in the boiler backpass section," it said in a filing with state regulators. A separate filing indicated that the shutdown occurred on March 6.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=120984>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=120982>

OPG Shuts 490 MW Nanticoke Coal-fired Unit 3 in Ontario late March 8

http://reports.ieso.ca/public/GenOutputCapability/PUB_GenOutputCapability_20090308.xml

OPG Shuts 490 MW Nanticoke Coal-fired Unit 7 in Ontario late March 6

http://reports.ieso.ca/public/GenOutputCapability/PUB_GenOutputCapability_20090306.xml

TransAlta's 406 MW Sundance Coal-fired Unit 4 in Alberta Shut March 7

<http://ets.aeso.ca/>

NRC Keeps APS' 1,403 MW Palo Verde Nuke Unit 3 in Arizona under Highest Level of Attention

The Arizona Public Service Co.'s (APS) Palo Verde nuclear unit 3 in Arizona will remain under the Nuclear Regulatory Commission's (NRC) highest level of scrutiny, the NRC said March 6. The announcement came as NRC released annual assessment letters to each of the nation's 104 operating nuclear reactors. Palo Verde 3 has been subject to the NRC's most-stringent attention since the fourth quarter of 2006. The classification indicates that the facility has had several or repeating problems in one of seven safety areas.

<http://www.platts.com/Nuclear/News/7711438.xml?p=Nuclear/News&sub=Nuclear>

<http://www.nrc.gov/reading-rm/doc-collections/news/2009/09-042.html>

http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/PALO3/palo3_chart.html

Update: LS Power Postpones Plans for 1,600 MW Coal-fired White Pine Energy Station in Nevada—Companies Continue to Abandon Coal-fired Power

White Pine Energy Associates, an LS Power affiliate, indefinitely postponed plans to build a 1,600 MW coal-fired power plant in Nevada, citing regulatory uncertainties and economic conditions. LS Power said it instead planned to focus on completing the Southwest Intertie Project (SWIP), a proposed 500-mile, 500-kV, Idaho-to-Nevada transmission line. Companies have abandoned numerous coal-fired power projects of late, citing both a struggling economy and growing environmental concern. A group of electric co-ops canceled a partly-constructed 250 MW coal plant in Montana, and now plan to purchase power from a more-expensive natural gas facility. The U.S. Air Force abandoned its plans for a coal-to-jet-fuel plant, and companies in Iowa and Nevada shelved coal-fired projects in their respective states. In 2007, the U.S. Department of Energy predicted that companies would construct 151 power plants in the then-coming years. That forecast has shrunk to 95. Last year, just five new coal-fired power plants—a total 1,400 MW of output—entered service.

<http://www.lspower.com/News/newsArticle030509.htm>

<http://www.washingtonpost.com/wp-dyn/content/article/2009/03/07/AR2009030700930.html>

SCE Installs First-of-its-Kind "Smart Grid" Device in Southern California

Southern California Edison installed a Fault Current Limiter (FCL) into its Southern California electricity grid, according to a press release from Zenergy Power, the device's developer. It marked the first such installation, activation and operation in the U.S. electric grid, Zenergy said. The FCL is a "smart grid" device, intended to help prevent blackouts, the release said.

http://www.zenergypower.com/images/press_releases/2009-03-09-fcl.pdf

Petroleum

Oil Tanker Hits Submerged Drilling Unit, Forced to Offload Crude in U.S. Gulf of Mexico

The SKS Satilla supertanker struck a submerged drilling unit, lost since Hurricane Ike, and began taking on water and listing in the U.S. Gulf of Mexico on March 6, sources reported. The tanker sustained punctures to its external portside hull, and was, as of yesterday, offloading 976,190 barrels of oil onto other tankers, the U.S. Coast Guard said. It had been en route from the North Sea to the U.S. Gulf Coast, carrying 41 million gallons of oil. None of that oil had spilled, as of latest reports. Reports indicated that the tanker struck the sunken hull of the ENSCO 74 jackup rig, owned by Ensco International Incorporated. Ensco said in a statement that the rig "was lost and presumed sunk in the aftermath of Hurricane Ike" last September.

BSW, 22:14 March 8, 2009

Reuters, 19:19 March 8, 2009

Bloomberg News, 05:23 March 9, 2009

http://www.downstreamtoday.com/news/article.aspx?a_id=15475

<http://www.energycurrent.com/index.php?id=2&storyid=16562>

Valero Begins Month-Long Shutdown of 182,200 b/d Delaware City, Delaware Refinery

Valero began shutting its 182,200 b/d Delaware City, Delaware refinery in order to fix a coker, the company said in a March 9 news source. The shutdown process was scheduled to last about 10 days, after which the refinery would remain offline for about a month, Valero said. A power loss initially forced shut the coker, and Valero began attempting to restart it on February 20. The crude unit had been at reduced rates, pending the coker's return. Bloomberg News, 11:06 March 9, 2009

CO Boiler Snag at ExxonMobil's 567,000 b/d Baytown, Texas Refinery March 6

A CO Boiler tripped offline at the fluid catalytic cracker unit 3 on March 6, but ExxonMobil said the incident would not affect production at its 567,000 b/d Baytown, Texas refinery. Operators restarted the unit within three hours.

<http://www1.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=121025>

Bloomberg News, 08:29 March 8, 2009

BP Plans SCOT Unit Repairs, Multiple Weekend Restarts at 467,720 b/d Texas City, Texas Refinery

BP planned to perform repairs on the D-SCOT unit and restart several additional units this weekend, the company said. The D-SCOT unit shut for unspecified reasons near the end of February. Its shutdown forced offline a sulfur recovery unit, a residual hydrotreating unit, an ultraformer and a fluid catalytic cracking unit (FCC), a source indicated. BP planned to restart a coker, the FCC and the ultraformer over the weekend. It expected to restart the residual hydrotreater on March 25.

PolymerUpdate, 02:19 March 7, 2009

Update: Shell Declares Force Majeure on Nigerian Forcados Oil, Citing Last Week's Pipeline Explosion

Shell declared force majeure on its Nigerian Forcados oil shipments, citing last week's explosions along the trans-Escravos oil pipeline. The company had been scheduled to export around 184,000 b/d of Forcados crude in March, and 285,000 b/d in April. It did not specify any impact to those figures, but said the force majeure, effective March 7, would involve "outstanding March and April Forcados offtakes." Initial sources indicated the blasts may have been the result of sabotage. The explosions resulted in at least three punctures along the 24-inch trans-Escravos pipeline, which delivers oil from Shell's Forcados oilfields to the Escravos oil export terminal in the Niger Delta, Nigeria.

Reuters, 12:06 March 9, 2009

Bloomberg News, 10:47 March 9, 2009

Update: Total Begins Production at Planned 175,000 b/d Akpo Development Offshore Nigeria

Total began production ahead-of-schedule at its Akpo oil-and-gas development offshore Nigeria, it said in a March 9 release. The company expects to increase production to plateau levels—175,000 b/d of condensate and 320 MMcf/d of natural gas—during the summer of 2009. The Akpo site holds estimated proved and provable reserves of 620 million barrels of condensate and more than 1 Tcf of natural gas.

http://www.total.com/en/press/press_releases/pr-2009/090305-nigeria-start-up-akpo-field_17522.htm

http://www.cnoclld.com/en/news_info.aspx?newsid=20090309050223313

Natural Gas

ExxonMobil to Produce 1 Bcf/d of Natural Gas from Piceance Basin, Colorado

ExxonMobil plans to employ a new drilling technique and eventually produce 1 Bcf/d of natural gas from the Piceance Basin in Colorado, a news source reported. The company's current output is approximately 55 MMcf/d. The news source did not provide a timetable for the plans, but said that ExxonMobil plans to ramp up its production in phases: first to 200 MMcf/d, and eventually to 1 Bcf/d. The new hydraulic fracturing drilling technique will enable easier extraction, ExxonMobil says, by allowing drillers to crack open rock or sand formations.

http://www.examiner.com/a-1890877~Exxon_Mobil_to_rev_up_production_in_Colorado.html

Companies Have Completed Most Pipeline Work in Barnett Shale, Texas—Crosstex Energy President

Companies have already completed about 80 to 90 percent of the capital spending for major pipelines in the Barnett Shale, but still need to construct smaller gathering systems from individual wells, said Barry Davis, the president of Crosstex Energy. Davis estimated that the Barnett Shale would eventually yield 5.5-to-6 Bcf/d of natural gas, far lower than early estimates of 8-to-9 Bcf/d.

<http://www.tradingmarkets.com/site/news/Stock%20News/2210391/>

Other News

Explosion at Chief Industries' 62 MMGal/Yr. Hastings, Nebraska Ethanol Plant March 5

An explosion injured two employees but did not halt production at Chief Industries' 62 MMGal/Yr. ethanol plant in Hastings, Nebraska on March 5, a news source reported. The company was investigating the cause of the incident.

<http://www.chiefethanol.com/ethanolbasics.htm>

<http://ethanol-news.newslib.com/story/6938-31527/>

Piedmont Natural Gas Postpones Plans for 1.25 Bcf LNG Storage Facility in North Carolina

Citing an "uncertain economic outlook," Piedmont Natural Gas postponed plans to build a 1.25 Bcf LNG storage facility in North Carolina. The company had expected to break ground in 2009, and open the facility for the 2012-2013 winter heating season. Now, it expects to begin service in 2015.

<http://phx.corporate-ir.net/phoenix.zhtml?c=76635&p=irol-newsArticle&ID=1264020&highlight=>

<http://phx.corporate-ir.net/phoenix.zhtml?c=76635&p=irol-newsArticle&ID=1163648&highlight=>

Harrison Ethanol Halts Work at Planned Ethanol Plant in Ohio, Citing Economy

<http://www.wtov9.com/news/18862118/detail.html>

Energy Prices

U.S. Oil and Gas Prices			
March 9, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	46.47	40.08	105.51
NATURAL GAS Henry Hub \$/Million Btu	3.93	4.04	9.70

Source: Reuters

Energy Notes

Wind Storm, Tornado Cuts Power to nearly 18,000 Ameren Customers in Illinois March 8

<http://illinoishomepage.net/content/fulltext/?cid=73732>

http://www.ameren.com/Outage/ADC_IllinoisOutageInformation.asp

Westar Reports 11,129 Customers Without Power in Kansas March 8

As of 1:28 AM: <https://www-11.westarenergy.com/outagemaps/outagetable.asp>

Wind Turbine Tower Collapses, Triggering Fire and Forcing Shut Noble Environmental Power's Entire 97.5 MW Altona Wind Park in New York

<http://www.newsday.com/news/local/wire/newyork/ny-bc-ny--windturbinecollap0306mar06.0,5014285.story>

State Public Utilities Commission Okays Black Hills Energy's Plans for Two Gas-fired Power Plants in Colorado

<http://www.istockanalyst.com/article/viewiStockNews/articleid/3098756>

U.S. BLM Reconsidering Previously-Granted Easement for Proposed Transmission Line through New Mexico—Line Would Deliver Power from the Planned 1,500 MW Desert Rock Power Plant on the Navajo Nation in New Mexico

<http://www.abc15.com/content/news/northernarizona/story/Analysis-for-Navajo-power-line-in-question/fQitZ6tl0UuD-OW4HZAIuQ.csp>

U.S. Judge Says Plan Must be in Place to Remove Hydroelectric Dams on Lower Snake River in Oregon Should Other Measures Fail to Protect Salmon Populations

<http://www.washingtonpost.com/wp-dyn/content/article/2009/03/07/AR2009030700834.html>

Update: Grays Harbor Ocean Energy Seeks FERC Approval for Proposed Wave-and-Wind Power Facility Offshore Hawaii

http://seattlepi.nwsources.com/local/6420ap_hi_wave_energy.html

Schneider Power Receives Environmental Okay for Proposed 10 MW Arthur Wind Farm in Ontario, Canada

CJX, 08:39 March 9, 2009

Hydrogen Sulfide Leak at BP's 265,000 b/d Carson, California Refinery March 8

Reuters, 08:31 March 9, 2009

Apparent Crane Accident Kills Total Contract Worker at 232,000 b/d Port Arthur, Texas Refinery March 7

Bloomberg News, 07:22 March 9, 2009

Valero Reports Underground Pipe Leak at 144,000 b/d Benicia, California Refinery March 8

Bloomberg News, 06:36 March 9, 2009

Equipment Breakdown, Flaring at Tesoro's 97,000 b/d Wilmington, California Refinery March 7

Reuters, 15:18 March 8, 2009

Minor Heavy Oil Leak at Imperial Oil's 119,000 b/d Sarnia, Ontario Refinery March 6

Reuters, 13:37 March 6, 2009

Tanker Overtakes, Spills 5,000 Gallons of Condensate in Colorado March 5

http://www.gjsentinel.com/hp/content/news/stories/2009/03/05/030609_2a_Chemical_spill.html

Semi-Truck, 6,000-Gallon Tanker Crash in Tennessee March 4

<http://www.myeyewitnessnews.com/mostpopular/story/fuel-tanker-truck-crash-memphis/wlbhmvR6E0qgvbP0BqFv-w.csp>

US MMS Says it Will Force Shut Energy Partners' Gulf of Mexico Oil-and-Gas Wells, Should the Company Fail to Provide \$16.7 Million in Bonds and Other Securities

<http://www.platts.com/Oil/News/7711582.xml?p=Oil/News&sub=Oil>

DKRW Advanced Fuels Receives State Air Permit for Planned 21,000 b/d Medicine Bow Coal-to-Liquids Plant in Wyoming

<http://www.forbes.com/feeds/ap/2009/03/06/ap6138050.html>

Fog Clears, Houston Ship Channel Reopens March 9

Bloomberg News, 10:33 March 9, 2009

AGI Unit Trips at Tilden Gas Plant in Texas March 8

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=121028>

Power Disruption Shuts Cooling Fans and Compressors, Triggers Flaring at Waddell Compressor Station in Texas March 6

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=121024>

Oregon Court of Appeals Rejects Opponents' Challenge to NorthernStar Natural's Proposed Bradwood LNG Terminal in Oregon

<http://intelligencepress.com/>

Iraqi Basra Crude Exports Drop from 1.32 Million b/d March 8 to 960,000 b/d March 9—Shipper

Reuters, 04:12 March 9, 2009

Iraqi Oil Output at 2.4 Million b/d by March 7—Technical Issues had Slowed Production by about 100,000 b/d, Oil Minister Says

Reuters, 10:16 March 7, 2009

Tullow Eyes 2010 Start Date for Jubilee Oilfield Offshore Ghana—Company Expects to Produce about 4 Billion Barrels of Oil and Gas Offshore Ghana and Ivory Coast

Bloomberg News, 05:06 March 9, 2009

Chevron to Test New Extraction Method—Technique Could Open up Billions of Barrels of Middle East Oil Reserves

http://www.ft.com/cms/s/2d7fe3d8-0c14-11de-b87d-0000779fd2ac.Authorised=false.html?_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F2d7fe3d8-0c14-11de-b87d-0000779fd2ac.html&_i_referer=

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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