



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Thursday Evening, March 20, 2008

Electricity

ERCOT Issues Emergency Advisory as Fire Halts Topaz Power's 169 MW Laredo Power Plant in Texas—Grid Imports Some Electricity from Mexico

A fire halted a fuel-storage facility, and forced Topaz Power to shut its 169 MW Laredo, Texas power plant March 19. The affected fuel-storage facility distributes fuel to the Laredo plant. The Electric Reliability Council of Texas (ERCOT) issued an emergency advisory, and the grid imported about 60 MW of electricity from Mexico for several hours. The incident did not result in any customer outages; the power plant remained idled for about 2 hours.

Reuters, 15:36 March 19, 2008

<http://www.topix.net/content/kri/2008/03/emergency-causes-state-grid-to-draw-power-from-mexico>

http://www.kansas.com/news/nation_world/story/347035.html

<http://www.ercot.com/gridinfo/congestion/operations/2008/03/19/index.html>

Update: Entergy's 1,207 MW Grand Gulf Nuke Unit 1 in Mississippi Ramped Up to 65 Percent by March 20

The company reduced the unit to repair a feedwater pump. The Nuclear Regulatory Commission reported that on the morning of March 19 the unit was operating at 55 percent.

Bloomberg, 10:03 March 19, 2008

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Southern Restarts 924 MW Hatch 1 Nuke Unit in Georgia

The company discovered a hydraulic fluid leak in a turbine system as the unit returned from a refueling outage. Workers repaired the leak and the unit ramped up to 1 percent capacity by March 19 and 19 percent capacity by March 20, according to Nuclear Regulatory Commission reports.

Bloomberg News, 10:39 March 19, 2008

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Calpine's 561 MW Los Medanos Energy Center Gas-fired Unit in California Returns to Service March 19

According to the California Independent System Operator, the unit experienced an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200803191515.html>

Calpine's 593 MW Metcalf Energy Center Gas-fired Unit in California Returns to Service March 19

According to the California Independent System Operator, the unit experienced an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200803191515.html>

OPG's 535 MW Lennox 4 Oil-and-Gas-fired Unit Shuts by March 20

Reuters, 06:53 March 20, 2008

OPG's 494 MW Lambton 4 Coal-fired Unit Shuts by March 20

Reuters, 06:51 March 20, 2008

Calpine's 250 MW Calgary Gas-fired Unit in Alberta Shut March 20

Reuters, 07:11 March 20, 2008

Emera, National Grid Plan 660 MW Transmission Line from Canada to New England

The Northeast Energy Link would stretch 200 miles, from Atlantic Canada and Maine into Massachusetts. It would advance ISO New England's stated goal to boost renewable energy consumption, according to an Emera spokesperson. It is unclear, however, if the line would exclusively move renewable power. The project would include at least some underground transmission, and could be complete by 2012. The companies are conducting a feasibility study.

<http://uk.reuters.com/article/oilRpt/idUKN1932959920080319>

<http://www.bloomberg.com/apps/news?pid=20601082&sid=aB9RdEHZEG.Q&refer=canada>

<http://www.platts.com/Electric%20Power/News/6830035.xml?p=Electric%20Power/News&sub=Electric%20Power>

NRC Expects 1,751 MW in Nuclear Power Proposals over Five-Year Span

<http://www.platts.com/Nuclear/News/6830065.xml?p=Nuclear/News&sub=Nuclear>

Petroleum

Lyondell Performs Unplanned Work on 100,000 b/d FCC at 270,000 b/d Houston, Texas Refinery

The company shut a compressor as it initiated five-day, unplanned work on a fluid catalytic cracking unit (FCC), according to trade sources.

Reuters, 08:38 March 20, 2008

Platts, 08:47 March 20, 2008

Update: Power Back at Chevron's 260,000 b/d El Segundo, California Refinery March 19

The event did not impact production, a spokesman said. A crow flew into a substation March 18, and cut power to a transformer at the El Segundo refinery. A back-up transformer, however, made up for the lost unit. The incident resulted in flaring.

Bloomberg, 19:49 March 19, 2008

Kinder Morgan Expands Terminals in United States and Canada—Plans Upgrades at Several Others

The projects, in total, will increase Kinder Morgan's liquids storage capacity by four million barrels, from 47.5 million barrels to 51.5 million barrels. Some of the expansions are already complete. They include: a 650,000 barrel storage project at the Galena Park Terminal on the Houston Ship Channel; a 1.4 million barrel refined petroleum products and chemicals storage upgrade at the Perth Amboy Terminal in New York Harbor (NJ); and new facilities to accommodate larger tankers at the Staten Island Terminal in New York. Kinder Morgan also added a 95,000 barrel ethanol storage tank at its Argo, Illinois facility, and expects to open another tank for service in April, 2008. In addition, the company's North 40 Terminal Project in Edmonton, Alberta will boost crude oil and refined petroleum capacity by 2.15 million barrels. That project should be complete by the end of quarter one, 2008. Lastly, in Newport News, Virginia, the company will expand its Pier IX bulk terminal to accept products (mainly coal) by vessel, in addition to its usual rail shipments.

<http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1120581&highlight=>

Update: BP Expects Full Recovery at Texas City, Texas Refinery by End of Second Quarter

BP is ramping up a 225,000 b/d sour crude unit, and expects to restore full rates at its Texas City refinery by second quarter's end, 2008. The refinery shut before Hurricane Rita in September 2005. It has operated at reduced rates since then. Prior to Rita, Texas City had a nameplate capacity of 475,000 b/d. Now, BP expects full capacity to be partly reduced, at around 450,000 b/d.
Reuters, 12:16 March 19, 2008

Natural Gas

Fire at Walden Resources's O&G Well in Eastern Tennessee March 19

The blaze ignited as workers attempted to cap an oil and natural gas well, March 19. A drilling crew struck natural gas March 18, but a blowout prevention mechanism faulted, and disabled workers from controlling gas flow. Oil started flowing later Tuesday. As crews struggled to cap the well March 19, a pickup truck incident set off the explosion. The fire burned one person.
Reuters, 11:34 March 19, 2008

Gulf Coast Connector Announces Open Season for Proposed Natural Gas Storage and Transportation Hub in Louisiana

The facility would include 16 Bcf of storage capacity, and a 40-mile pipeline, with capacity to deliver 2.0 Bcf/d. Gulf Coast Connector, an NGS Energy subsidiary, plans to open the facility for transportation services in December, 2009, and for storage in summer, 2011. It expects to file applications with the Federal Energy Regulatory Commission (FERC) by this summer.
<http://www.ngsenergy.com/en/art/?30>

MarkWest Pioneer Holds Open Season for Proposed 625,000 Dth/d Arkoma Connector Pipeline in Oklahoma

Pending approval, Markwest Pioneer, a MarkWest Energy subsidiary, expects the pipeline to open for service in the second quarter of 2009. The open season will run through April 21, 2008.
<http://biz.yahoo.com/bw/080320/20080320005206.html?v=1>

Other News

Citing Financing, Kreido Biofuels Postpones Construction of 50 Million Gallon/Year Biodiesel Refinery in North Carolina

The company will not finish the refinery until it gathers \$25 million. The facility had been scheduled to open in the fourth quarter, 2008.
Bloomberg, 12:26 March 20, 2008

Evergreen Energy to Shut Coal Refinery in Wyoming

Rather than upgrade its energy technology to satisfy regulations, the company will shut the facility, and face an impairment charge of \$109 million. The company said it would be financially impractical to standardize the facility. The facility processed coal to increase its BTU content and take out toxins and pollutants so the resulting product would burn cleaner than conventional coal.
http://www.evgenenergy.com/documents/2008-03-20-EEE_Shareholder_Letter.shtml

Energy Prices

U.S. Oil and Gas Prices March 20, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	101.46	109.81	56.21
NATURAL GAS Henry Hub \$/Million Btu	9.11	9.69	6.81

Source: Reuters

Energy Notes

Update: FERC Approves Broadwater Energy's Proposed Floating LNG Terminal in Long Island Sound, New York—Facility Would Deliver Up to 1.25 Bcf/d of Natural Gas

<http://www.ferc.gov/news/news-releases/2008/2008-1/03-20-08-C-1.asp>

<http://www.reuters.com/article/bondsNews/idUSN2040980620080320>

Progress Energy Plans Sirens Test at 951 MW Shearon Harris Nuclear Power Plant in North Carolina March 19

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5CjijkmuVWTnk%216%3C%22bfen%5Fv>

Update: FERC to Investigate Florida's February Blackouts

<http://www.platts.com/Electric%20Power/News/6830072.xml?p=Electric%20Power/News&sub=Electric%20Power>

http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20080319-4003

NRC Finds Cracked Wield Alloys on Water Pressurizers—Says FPL's 1,242 MW Seabrook Nuclear Power Plant in New Hampshire Has Similar Equipment, and May Need to Repair it Before Next Scheduled Maintenance

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5CjijlompZTnk%216%3C%22bfen%5Fv>

Process Upset Causes Flaring at ConocoPhillips 247,000 b/d Sweeny, Texas Refinery March 19

Reuters, 15:53 March 19, 2008

Exchanger Leak at ConocoPhillips 130,000 b/d Rodeo, California Refinery—Company Investigating Possible Benzene Leak

Bloomberg News, 17:02 March 19, 2008

Harsh Weather Shuts Mexico's Cayo Arcas, Coatzacoalcos and Dos Bocas Oil Ports in Gulf of Mexico March 19-20

Reuters, 11:28 March 20, 2008

Bulk Carrier Runs Aground in Suez Canal March 20, Delaying Movement for Seven Hours

Reuters, 05:10 March 20, 2008

Citing Advanced Pipeline Technology, DOT's Pipeline and Hazardous Materials Safety Administration Proposes New Operating Standards—Plan Would Allow Pipelines to Operate at Higher Pressures, Greater Capacities

<http://intelligencepress.com/>

OPEC Oil Exports, Not Including Angola and Ecuador, to Increase 60,000 b/d in Four Weeks Ending April 5—Oil Movements Analyst

Reuters, 11:30 March 20, 2008

Update: Iroquois Gas Transmission Receives FERC Approval for Proposed 200,000 Dth/d Expansion of Natural Gas Pipeline System in New York and Connecticut—Iroquois Eyes November 1 Opening

Platts, 09:56 March 20, 2008

U.S. Natural Gas Pipeline Expansions Added 14.3 Bcf/d in 2007, early 2008—FERC

Bloomberg News, 11:36 March 20, 2008

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>.

Please direct comments and questions to: ead@oe.netl.doe.gov