
PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 15, 2023

Rodger R. Schwecke
Senior Vice President
Chief Infrastructure Officer
555 W. Fifth Street
Los Angeles, CA 90013-1011

Re: Aliso Canyon Withdrawal Protocol

Dear Mr. Schwecke:

On August 31, 2023, the California Public Utilities Commission (CPUC) voted to increase the interim storage limit at the Aliso Canyon natural gas storage facility in order to protect natural gas and electricity customers from reliability and economic impacts during winter 2023-2024. As part of the implementation of that decision, and to further mitigate high gas prices, the CPUC's Energy Division removes the Aliso Canyon Withdrawal Protocol (Withdrawal Protocol), as of the date of this letter.

The most recent version of the Withdrawal Protocol was put in place by the Deputy Executive Director of Energy Division in July 2019, with additional noticing requirements added in April 2020.¹ The Withdrawal Protocol required that specified information be posted to SoCalGas' electronic bulletin board, ENVOY, and/or submitted to Energy Division for days when the protocol was met. When the Withdrawal Protocol was last revised, this information was not available elsewhere. At CPUC request, SoCalGas began posting the daily gas storage levels for each of its four gas storage facilities on ENVOY on June 29, 2021.² Since this information is now publicly available, it is no longer necessary to require additional informational postings as previously required under the Withdrawal Protocol. SoCalGas shall continue to post daily gas storage levels for each of its four gas storage facilities.

Currently, the Aliso Canyon Withdrawal Protocol limits the use of Aliso Canyon storage to days when certain conditions are met. The system must be under some strain and gas customers may reach the point where they are subject to financial penalties for not delivering sufficient gas before Aliso Canyon can be used. The Commission's August 31, 2023, Decision (D.23-08-050) concludes that restrictions on Aliso Canyon contributed to last year's natural gas price spikes and that removal of the Commission's storage level limitation provides a significant tool to mitigate future gas price spikes. To effectively implement this decision, the Energy Division is removing the Withdrawal Protocol to allow customers increased flexibility to use Aliso Canyon to moderate gas and electricity prices.

¹ Aliso Canyon Withdrawal Protocol: https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpucwebsite/content/news_room/newsupdates/2020/withdrawalprotocol-revised-april12020clean.pdf.

² Storage inventory levels can be seen by scrolling to the bottom of the homepage at: www.socalgas-envoy.com.

On April 19, 2023, the Southern California Gas Company (SoCalGas) sent a letter to the Deputy Executive Director for Energy and Climate Policy and Director of the CPUC's Energy Division requesting the removal of the Withdrawal Protocol as an immediate action that could mitigate high gas prices. The letter further recognized that, should the Aliso Canyon maximum inventory be increased and the Unbundled Storage Program reinstated, these price mitigation strategies would not be as effective if the Withdrawal Protocol remains in place. As discussed above, this letter removes the Withdrawal Protocol and therefore the SoCalGas request is resolved.

The Aliso Canyon Investigation (I.17-02-002) continues to consider steps to reduce or eliminate reliance on Aliso Canyon as outlined in the [Ruling](#) released on August 29, 2023, that contains the remaining schedule for the proceeding. The need for additional conditions on the operation of Aliso Canyon during the period before a portfolio of resources is in service to replace the gas storage facility will be determined in the Aliso Canyon Investigation.

Sincerely,

A handwritten signature in black ink that reads "Leuwam Tesfai". The signature is written in a cursive, flowing style.

Leuwam Tesfai

Deputy Executive Director for Energy and Climate Policy/ Director of CPUC Energy Division

Cc:

Simon Baker, Director of Distributed Energy Resources, Natural Gas & Retail Rates, CPUC Energy Division

Bruce Kaneshiro, Program Manager, CPUC Energy Division

Jean Spencer, Program and Project Supervisor, CPUC Energy Division