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June 21, 2022

Rachel Peterson
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Subject: Ventura Compressor Modernization Project

Dear Ms. Peterson:

Thank you for the California Public Utilities Commission's (CPUC or Commission) thoughtful guidance regarding the Ventura Compressor Station Modernization Project. This letter memorializes the completion of the items that were identified in your letters dated August 5 and August 20, 2021. We believe we are more informed and better positioned as a result of the robust community engagement over the past several months and we are committed to that engagement continuing as we move forward with project implementation.

SoCalGas developed plans to modernize the Ventura Compressor Station by replacing the three existing legacy natural gas compressors with four new natural gas compressors. Modernization of the facility is critical and needed due to the limited functionality and reliability of the obsolete existing 40-year-old equipment, coupled with changes in local gas supply and the need to maintain a reliable supply of natural gas to the communities served by SoCalGas in the region. At your direction, SoCalGas halted further planning and procurement of the project and prepared a feasibility study to evaluate alternative site locations and equipment configurations to the originally planned project.

In preparing the feasibility study, SoCalGas solicited community feedback through extensive stakeholder engagement, both in English and Spanish, including seven town hall meetings, six public forums, community canvassing, stakeholder briefings, station tours for local and state officials, informational newsletters, social media posts, and dedicated project website updates. SoCalGas conducted a robust and thorough study, which included community recommendations and the preparation of an environmental analysis performed by a third-party consultant. SoCalGas shared the feasibility study, along with a video that provides an overview of the

feasibility study process and results, with the public on our project site, which can be found at www.socalgas.com/stay-safe/pipeline-and-storage-safety/ventura.

After reviewing 17 alternatives, including the originally planned all-natural gas project, SoCalGas gave additional consideration to the environmental criteria,¹ and identified a hybrid equipment configuration, consisting of two natural gas and two electric driven compressors, at the current site as the preferred alternative to the originally planned project.

While the preferred project will take additional time and investment to implement, we believe it is the better alternative for the community because it: (1) meets reliability objectives through schedule certainty; (2) provides greater NOx emissions reductions as compared to an all-gas option; and (3) reduces the project cost burden to our customers as compared to the proposed alternative site locations.

Based on our analysis, it is estimated that the preferred project would result in an additional 50% reduction in permitted NOx emissions when compared to the all-natural gas project, and approximately 75% reduction in permitted NOx emissions when compared to the existing units at the facility today.

Additionally, to further enhance these air quality benefits, SoCalGas will prioritize the operation of the electric units on a first-on and last-off basis unless these units are not available for operation when needed for safe system reliability operations. We anticipate that operating the station in this manner will result in actual operating NOx emissions being well below the annual permitted limits.

SoCalGas is memorializing completion of the following items, which were specifically identified in your August 5 and 20, 2021 letters:

- Halt further planning and procurement for the project.
 - Planning and procurement halted on August 5, 2021.
- Submit a response to the Commission's Data Request 5 and conduct additional review referenced in that data request.
 - Response to Data Request 5 provided on August 6, 2021.
 - Additional in-depth review of 10 of the 17 alternatives that meet the purpose, need, and most of the project objectives as well as the essential site criteria, was provided in feasibility study published on March 25, 2022.
- Send the SoCalGas outreach plan to the CPUC's Public Advisor.
 - Outreach plans submitted to the CPUC on September 15, 2021, in advance of the town hall meetings, and on March 3, 2022, in advance of the public forum meetings.
- Hold a public forum to address public concerns and respond to questions and present: (1) a full analysis of all options considered; (2) the basis for rejecting all alternatives; (3) all alternative sites that were considered and SoCalGas's reasons for rejecting them; and (4)

¹ The feasibility study evaluated the alternatives in five categories: (1) operational considerations; (2) environmental considerations; (3) project cost; (4) operational cost; and (5) schedule.

an explanation of how the project factors into both local and statewide safe and reliable service and the state's decarbonization efforts.

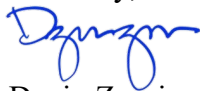
- o Held six public forums virtually and in person on March 29, 31, and April 2, 2022, with Spanish translation provided.

SoCalGas will move forward with planning, engineering, procurement, permitting, and construction of the preferred project alternative. In addition, the Ventura Compressor Modernization Project scope and preferred project alternative is presented in our Test Year 2024 General Rate Case which was filed with the CPUC in May 2022.

Finally, the Commission expressed its expectation that we continue with the approved soil remediation project,² however, we temporarily suspended that work to be responsive to the community and focus our efforts on enhancing our outreach as a long-time community partner. We now intend to move forward with that effort, and true to our previous commitment, we will provide the community and stakeholders with 30-days' notice prior to initiating the soil remediation project.

SoCalGas greatly appreciates the collaboration and feedback we have received throughout this process from the Commission and look forward to continuing our partnership with the community.

Sincerely,



Devin Zornizer
Vice President – Construction
Southern California Gas Company

cc:

President Alice B. Reynolds, CPUC
Commissioner Clifford Rechtschaffen, CPUC
Commissioner Genevieve Shiroma, CPUC
Commissioner Darcie L. Houck, CPUC
Commissioner John Reynolds, CPUC
Simon Baker, Deputy Executive Director for Energy and Climate Policy, CPUC
Terrie Prosper, Director, News and Outreach Office, CPUC
Allison Brown, Public Advisor, CPUC
Jean Spencer, Supervisor, Natural Gas Policy and Reliability, CPUC
Bruce Kaneshiro, Program Manager, Building Decarbonization and Gas Policy Branch, CPUC
Senator Monique Limón, District 19
Assemblymember Steve Bennett, District 37
Meredith Williams, Executive Director, Department of Toxic Substances Control

² The California Department of Toxic Substances Control approved the Removal Action Workplan for the Ventura Compressor Station on March 2, 2021.

Ali Ghasemi, Interim Air Pollution Control Officer, Ventura County Air Pollution Control District

Matt LaVere, Supervisor, County of Ventura

Sofia Rubalcava, Mayor, City of Ventura

Mike Johnson, Councilmember, City of Ventura

Alex McIntyre, City Manager, City of Ventura

Dr. Cesar Morales, Superintendent, Ventura County Office of Education

Sabrena Rodriguez, Board President, Ventura Unified School District

Velma Lomax, Board Trustee, Ventura Unified School District

Dr. Roger Rice, Superintendent, Ventura Unified School District

Service Lists to A.21-05-010, A.21-05-014/A.21-05-011, R.20-01-007, A.22-05-016/A.22-05-015