



PUC Presentation
Aliso Canyon Public Meeting

February 1, and 2, 2017

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Executive Director

California Public Utilities Commission





Overview of CPUC Roles



- CPUC has a gas safety program, with a primary focus on transmission and distribution pipelines
- Safety group assisted in the efforts to stop the leak
- Currently conducting an investigation on the leak and working with DOGGR on the completion of the Aliso Canyon gas storage field comprehensive safety review and other SB 380 requirements
 - CPUC worked with other state agencies to determine the amount of gas needed for electric and gas reliability
 - Continue to assess reliability impacts of Aliso Canyon shut-down
 - Preparing for the formal proceeding to determine the future use of Aliso Canyon
- CPUC directed SoCalGas to track all costs associated with the leak at Aliso Canyon
- Will not allow SoCalGas cost recovery until it determines who should pay for costs associated with the leak





Summary of CPUC Safety Assurances Activities

- CPUC actively participated in the effort to halt the leaking SS-25 Well and issued safety directives to protect public and workers
- Required SoCalGas to conduct a gas leak survey of the entire facility during and after the leak repair
- Directed SoCal Gas to hire an independent 3rd party (selected by CPUC and DOGGR) to perform root cause analysis into the SS 25 well failure
- Initiated a CPUC staff investigation into the SS 25 well failure, conducted in parallel and in coordination with the investigation by DOGGR
- Directed SoCalGas to perform fitness for service analysis, to demonstrate that Aliso Canyon is safe to resume injection operations
- CPUC/ DOGGR conducted a joint field inspections prior to this public meeting and will conduct follow-up inspection
- CPUC will conduct comprehensive operation and maintenance inspections of the Aliso Canyon Storage facilities in 2017





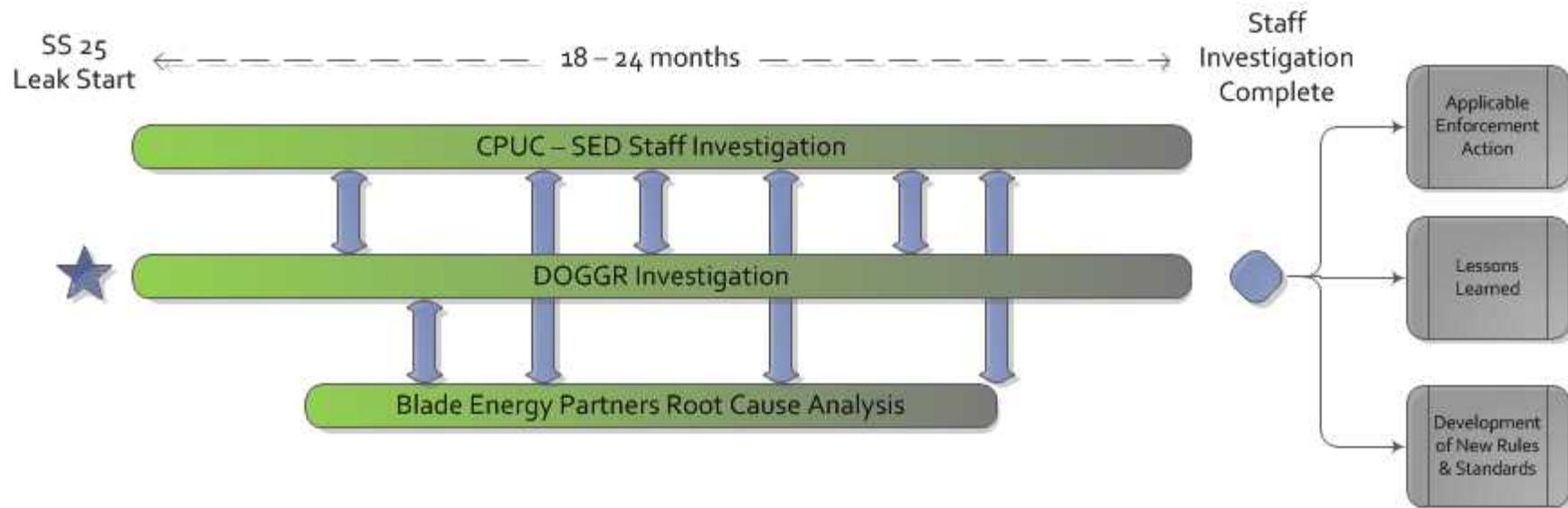
SB 380 (Pavley) Implementation

- CPUC has published a report regarding gas production at the facility, including calculations for the amount of working gas necessary to ensure safety and reliability for the region through summer 2017. Report was updated in January 2016 to address winter reliability.
- CPUC has determined the range of working gas that should be in the Aliso Canyon facility if and when re-injections are allowed to occur.
- CPUC has worked with DOGGR on the completion of the Aliso Canyon gas storage field comprehensive safety review.
- Executive Director of the CPUC must concur via letter with the Supervisor regarding his/her determination of Aliso Canyon facility safety before prohibition on injection can be lifted.
- CPUC has released a document that, when adopted, will open a proceeding to determine the feasibility of minimizing or eliminating use of the Aliso Canyon natural gas storage facility while still maintaining energy and electric reliability for the region.





Two State Investigations and Independent Root Cause Analysis

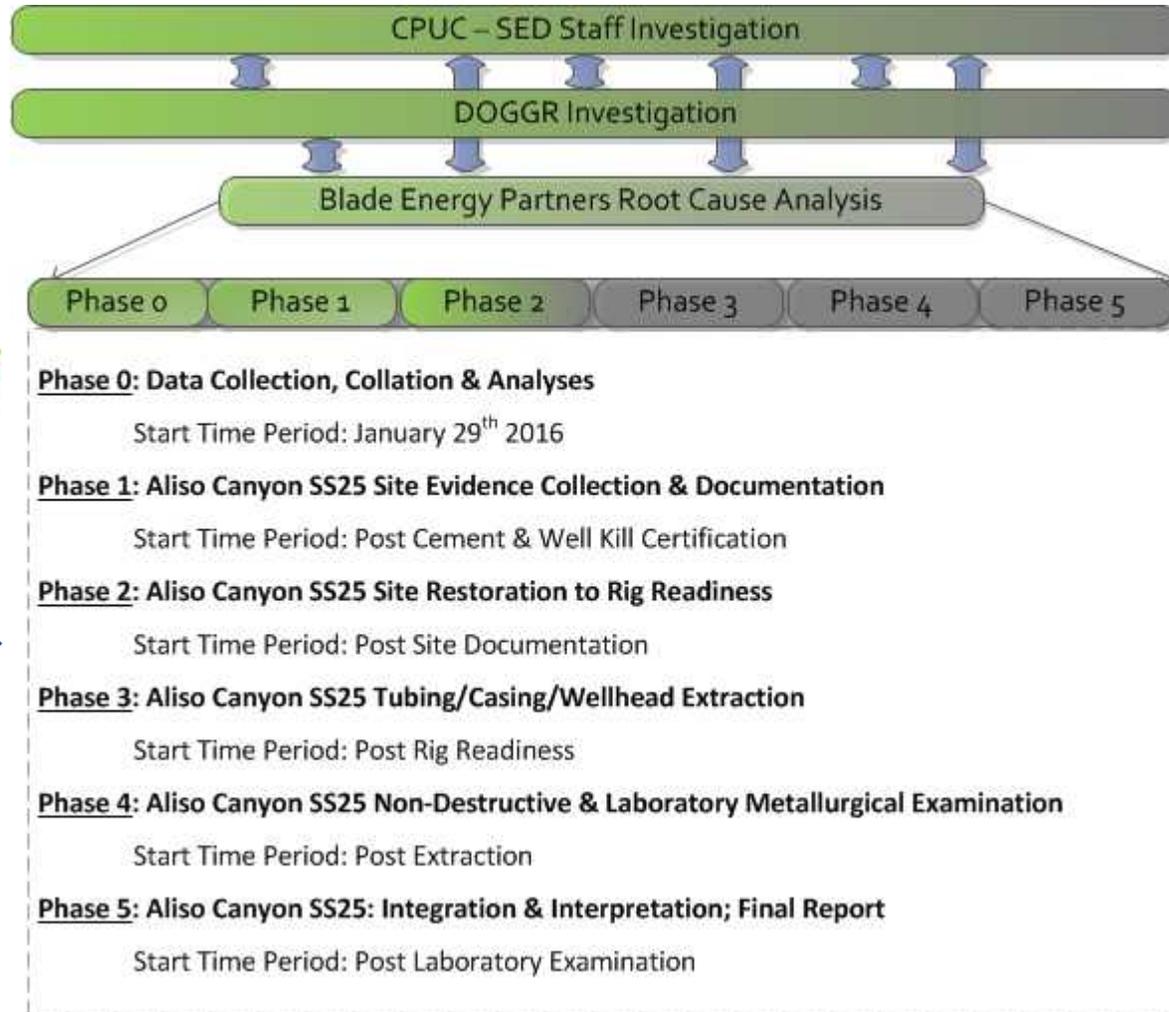


CPUC = California Public Utilities Commission
DOGGR = Division of Oil, Gas and Geothermal Resources
Blade Energy Partners = Independent 3rd party





Phases of Root Cause Analysis



We are here





Reliability Report

- Public Utilities Code (PU Code) Section 715 requires the PUC to publish a report to determine what is needed from Aliso for reliability – to meet peak winter and summer demand days
- The PUC published a Draft of the Report on January 17, 2017.
- The report determined that:
 - ❖ 29.7 BCF needed to provide the withdrawal capacity for summer and slightly less for winter
 - ❖ It is likely that there will not be sufficient wells available for withdrawal purposes through the end of 2017 to meet capacity needs so some risk will remain
 - ❖ The situation is dynamic and the report will be revised based on whether injections are allowed and if so, how the field actually performs
- ❖ PUC, CEC, CAISO, and LADWP implemented a number of mitigation measures to reduce reliability risks
 - ❖ Electric Batteries, Electric and gas efficiency measures and demand response, solar thermal programs to replace gas heating, low income efficiency measures.
 - ❖ New rules that require better “balancing” for larger gas customers.
- ❖ Weather in 2016 was mild causing no major strains on the gas and electric systems





CPUC Proceeding Process

- The Commission will vote to open a proceeding looking at viability or reducing or eliminating need for Aliso in the long term.
- Proposed scope of the proceeding was released on January 27.
- After the Proceeding is formally opened interested parties will have an opportunity to comment on proposed scope and timing.
- The proceeding may include:
 - Public Participation Hearings
 - Workshops and/or other public meetings
 - Evidentiary Hearings
 - Written testimony and rebuttal/reply testimony by formal parties
 - Opportunities for parties to comment on various stages of the proceeding
- Information about the proceeding will be available on PUC's Web site (CPUC.ca.gov)





Opportunities For Public Participation

- Interested Parties may seek assistance from the Public Advisors Office on how to participate.
- Follow the actions taken in the proceeding by subscribing (free) to receive all documents related to the proceeding: <http://subscribecpuc.cpuc.ca.gov/>
- Can become an “information only” party
- Can become a formal party, with the intent of actively participating in all aspects of the proceeding
 - Qualified parties in proceedings before the PUC may request compensation for their participation (allowable fees and costs). The “Intervenor Compensation Program” is intended to ensure that individuals and groups that represent residential or small commercial electric utility customers have the financial resources to bring their concerns and interests to the Commission during formal proceedings.
- For more information on the proceeding or participation, please visit www.cpuc.ca.gov/aliso/, or email public.advisor@cpuc.ca.gov, or call 1-866-849-8390.

