

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 10, 2019

Honorable Gavin Newsom
Office of the Governor
California State Capitol
Sacramento, CA 95814

By Electronic Transmission

Dear Governor Newsom:

Thank you for your letter of November 18, 2019, regarding the California Public Utilities Commission's (CPUC's) work to study options for the Aliso Canyon natural gas storage field. We plan to take the following actions immediately:

- We will launch a new phase in our current investigation addressing the feasibility of reducing or eliminating the use of Aliso Canyon (pursuant to Senate Bill 380 (Pavley, 2016)), in which we will obtain input from stakeholders about infrastructure and demand reduction programs that should be considered as potential replacements for the services provided by Aliso Canyon.
- We are beginning the process of engaging a third-party independent expert, as your letter requests, who will launch work to identify possible alternatives to the facility and scenarios to inform a path to closure.

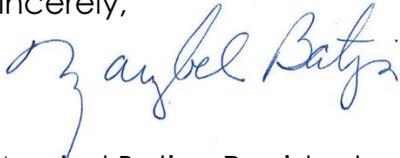
The expert will have the benefit of building upon the CPUC team's initial modeling results about the impacts to residential and electric generation customers in the event of a closure to the Aliso Canyon storage field. The expert will also be able to use the assumptions that we have incorporated into our own modeling about declining gas use and the achievement of a reduced-carbon energy generation portfolio as set out in the CPUC's Integrated Resource Plan (IRP) proceeding. The IRP portfolio represents the generation needed to reduce greenhouse gas emissions to 40% below 1990 levels by 2030. Finally, as used in our modeling and in the Energy Commission's load forecast, the expert will be able to draw on the assumptions of future energy savings and load modification from the

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CPUC's demand reduction and modification programs, including energy efficiency, demand response, building decarbonization, building electrification through fuel switching, rooftop solar and electric vehicles.

Thank you for your interest in the CPUC's work on this matter. We will keep you informed of the results and are happy to answer further questions.

Sincerely,

Handwritten signature of Marybel Batjer in blue ink.

Marybel Batjer, President
California Public Utilities Commission

Handwritten signature of Liane M. Randolph in black ink.

Liane M. Randolph, Commissioner
California Public Utilities Commission