

# California State Senate

SENATOR  
HENRY STERN  
TWENTY-SEVENTH SENATE DISTRICT



October 22, 2019

President Marybel Batjer  
Commissioner Martha Guzman Aceves  
Commissioner Liane M. Randolph  
Commissioner Clifford Rechtschaffen  
Commissioner Genevieve Shiroma

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**RE: Investigation pursuant to Senate Bill 380 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility**

Dear President Batjer and Commissioners Aceves, Randolph, Rechtschaffen, and Shiroma:

Pursuant to Senate Bill 380, the Public Utilities Commission is investigating the feasibility of reducing or eliminating use of the Aliso Canyon natural gas storage facility while maintaining energy and electric reliability in proceeding I.17-02-002. In addition, there are several other proceedings relating to the operation, safety, and reliability of the gas supply and delivery system in Southern California, as well as proceedings on energy efficiency and building electrification. We are concerned that these proceedings are related and relevant to each other but taking place in siloes, with little interaction or exchange of ideas.

The Commission is modeling the impacts of closing the Aliso Canyon gas storage facility, assuming that California's current policies remain in place, based on the most recent scoping memo for proceeding I.17-02-002. There is no consideration of a phase-out coinciding with strategies to reduce gas demand, which suggests the Commission is taking a narrow view of its options in this proceeding, and not considering new policies, initiatives, or strategies to reduce natural gas demand in Southern California as part of its analysis.

More troubling, the scoping memo ignores the clear direction given to the Commission in a letter sent on behalf of then-Governor Brown, directing the Commission to prepare and implement a plan to phase-out operations at Aliso Canyon within 10 years. Governor Newsom has also expressed his strong support for a phase-out and planned shutdown of Aliso.

Though we believe a ten-year timeline is itself unnecessarily long, the Commission seems to be ignoring altogether the idea of a planned, orderly phase-out and shutdown. Instead, the Commission is assuming business as usual with respect to Southern California gas demand and setting up a binary choice: does Aliso need to be kept open to prevent unacceptable impacts on reliability, or not? The Commission must do better by making a serious and transparent effort to identify policies, programs, and initiatives that could be implemented to hasten an orderly phase-out of Aliso Canyon.

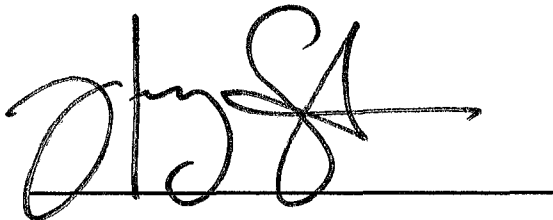
The catastrophic leak that began in October 2015 at the Aliso Canyon facility is among the worst environmental disasters in United States history. Thousands of Californians were forced to evacuate their homes and suffered severe health consequences, including headaches, sore throats, nosebleeds and nausea.

Closing Aliso Canyon can be accomplished if action is taken to reduce the demand for gas, such as targeted gas energy efficiency, replacing gas-fired heaters with electric heat pumps, phasing in building electrification and accelerating the deployment of preferred resources to reduce our dependence on natural gas for grid reliability. These policies describe the actions to be taken in compliance with broad state energy policy that sets California on a path toward carbon neutrality, such as SB 100.

At the city and county levels, Los Angeles has itself adopted ambitious sustainability plans which include impressive building decarbonization initiatives. Indeed, the County's Chief Sustainability Office recently recommended to the Board of Supervisors that the County develop plans within one year to begin phasing out natural gas in new construction. The Commissions would do well to study these examples when considering options for gas demand reductions.

It is therefore imperative that the Commission broaden its inquiry to identify the level of demand reduction to phase-out the region's reliance on the facility with consideration of the state's goals for GHG reduction laid out in SB 100. Analysis of these policies and initiatives is critical for state and local agencies to plan for the facility's closure and facilitate the adoption of additional measures to reduce gas demand in the region.

Sincerely,

A handwritten signature in black ink, appearing to be 'H. Stern', written over a horizontal line.

Senator Henry Stern

27<sup>th</sup> Senate District

A handwritten signature in black ink, appearing to be 'Christy Smith', written over a horizontal line.

Assemblymember Christy Smith

38<sup>th</sup> Assembly District