

California State Senate

SENATOR
HENRY STERN

TWENTY-SEVENTH SENATE DISTRICT



March 5, 2018

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

RE: March 3 authorization of expanded usage of Aliso Canyon gas storage

Dear Ms. Stebbins:

On March 3, Edward Randolph, Director of the California Public Utilities Commission's Energy Division secretly granted Southern California Gas Company's March 2 request for immediate, seemingly open-ended utilization of the Aliso Canyon underground natural gas storage field to "manage gas storage inventory and preserve withdrawal deliverability at SoCalGas' non-Aliso storage fields." This decision raises numerous substantive and procedural concerns. The lack of evidence presented to support this decision, the lack of preparation in anticipation of a winter cold snap, and the lack of transparency behind this decision may violate existing law and certainly erode public trust in the CPUC's commitment to safety and transparency.

Randolph asserts that SoCalGas' request is "consistent" with the Aliso Withdrawal Protocol but provides no evidence that any of the conditions have been met. The Commission appears to merely accept SoCalGas at its word that all "available and necessary" demand reduction actions have been taken (Condition 1) and that there is indeed "imminent risk" to the electric system (Condition 3). However, while SoCalGas' March 2 request asserts that it has been "working with the Balancing Authorities to reduce electric generation demand through voluntary curtailments" that effort does not meet the precondition for further withdrawals laid out in the protocol. No evidence has been presented of any efforts to reduce gas demand by any other means, including demand response or better coordination between Balancing Authorities.

Meanwhile, Aliso Canyon's safety and reliability as an underground storage field remains unknown. Seismic and fire safety reviews have still not been completed. The root cause analysis ordered over two years ago remains incomplete. And the public still does not know what chemicals are being pumped into Aliso Canyon, in addition to natural gas, that may have caused the ongoing public health crisis in the exposed community.

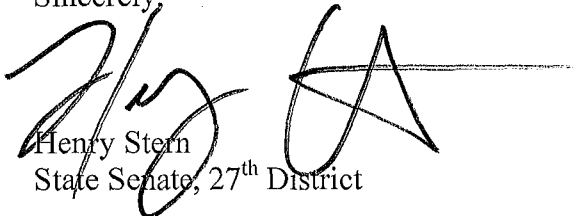
In light of this immense risk, and in the spirit of repairing the public trust through transparency, I am writing to request the following information:

- Why were multiple pipelines taken out of service prior to the winter season, and what is the status of their repairs?
- On what authority did Edward Randolph make the unilateral decision, without Commission or Executive Director approval, to allow a massive expansion of utilization of Aliso Canyon?
- What information was provided to the CPUC beyond the March 2 letter to determine full compliance with the 2017-2018 Aliso Withdrawal Protocol and other applicable statutory requirements governing such action by SoCalGas?
- Does this authorization cease on March 13 and require additional authorization to continue, or may SoCalGas rely on this decision to fully utilize Aliso Canyon beyond the winter, so long as they “notify the CPUC if the need to operate...goes beyond March 13, 2018) as Randolph’s decision indicates?
- Since the CPUC knew before the winter season that pipeline outages and other factors raised reliability concerns, how much has been spent this winter season compared to years prior to the Aliso Canyon blowout to inform customers of the need to conserve energy, and what other specific actions were taken by SoCalGas, Balancing Authorities, or other load serving entities that offtake fuel from SoCalGas like the Los Angeles Department of Water and Power, to reduce electricity and gas demand this winter?
- What measures is the CPUC taking to ensure that California ratepayers are not subject to price spikes and market speculation, and who else is the CPUC enlisting in reviewing sensitive market data to ensure ratepayers are protected?

Reopening Aliso Canyon in the first place was a highly risky decision that violates Chapter 14, Statutes of 2016 (SB 380) for failure to complete a safety review that is “comprehensive.” While the reopening is still being litigated, this weekend’s decision further exacerbates the ongoing risk to ratepayers and residents without any evidentiary basis or public hearing. A contrived emergency, justified by an opaque, self-interested rationale by SoCalGas, is no emergency at all. Southern Californians deserve better.

I look forward to your prompt response.

Sincerely,



Henry Stern
State Senate, 27th District

CC: Edward Randolph, Energy Division Director, CPUC
Saul Gomez, Office of Governor Brown
Dr. Robert Weisenmiller, Chair, California Energy Commission
The Honorable Kevin de Leon, Senate Pro Tempore
The Honorable Anthony Rendon, Speaker
President Michael Picker, CPUC

Commissioner Carla J. Peterman, CPUC
Commissioner Liane M. Randolph, CPUC
Commissioner Martha Guzman Aceves, CPUC
Commissioner Clifford Rechtschaffen, CPUC