



UNC/gd2/mph 9/14/2018

FILED
09/14/18
09:31 AM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation pursuant to Senate Bill 380 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region.

Investigation 17-02-002

**ADMINISTRATIVE LAW JUDGE'S RULING ENTERING INTO RECORD
ENERGY DIVISION'S FINAL PHASE 1 SCENARIOS FRAMEWORK,
REQUESTING COMMENT AND SETTING PROCEDURE TO REQUEST
PHASE 1 EVIDENTIARY HEARINGS**

Summary

Pursuant to the June 20, 2017 Scoping Memo and Ruling of [the] Assigned Commissioner and Administrative Law Judge (Scoping Memo), with schedule updated by ruling on August 21, 2018, this ruling enters into the record the California Public Utilities Commission's (Commission) Energy Division *Scenarios Framework: Investigation (I.) 17-02-002* (Final Proposal) for comment by parties. In addition, this ruling sets the procedure whereby parties may make a motion to request Phase 1 hearings.

Concurrent opening comments on the Final Proposal must be filed and served by close of business October 9, 2018. Concurrent reply comments on the Final Proposal must be filed and served by close of business October 23, 2018. The assigned Commissioner will issue a ruling adopting final scenarios in November or December of 2018; issuance of the ruling will conclude Phase 1 of I.17-02-002.

Motions to request Phase 1 hearings, pursuant to the direction set forth in this ruling, must be filed and served by close of business October 9, 2018.

Energy Division's Final Proposal

Affixed to this ruling as Attachment A, parties will find the California Public Utilities Commission Energy Division *Scenarios Framework: I.17-02-002* (Final Proposal). The Final Proposal was developed pursuant to the direction of the June 20, 2017 Scoping Memo and Ruling of [the] Assigned Commissioner and Administrative Law Judge (Scoping Memo) and incorporates informal feedback received from parties after issuance of Energy Division's Initial Proposed Phase 1 Scenarios Framework (issued on June 26, 2017) and a subsequent workshop held on August 1, 2017 as well as feedback received on Energy Division's Updated Phase 1 Scenarios Framework (issued on June 15, 2018) and a second workshop held on July 31, 2018.

As described further in the Final Proposal, Energy Division, with reliance on its internal modeling team and Los Alamos National Laboratory, has updated and refined each of three proposed models (hydraulic, economic, and production cost) that, together, will inform this Order Instituting Investigation. As stated in the Final Proposal,

“the models are intended to demonstrate whether or not Aliso Canyon Natural Gas Facility is needed for reliability and what the impact on costs would be if Aliso were to be closed or operated at a level of inventory lower than historic norms.”¹

Parties are invited to formally file and serve on the record in this investigation concurrent opening comments on the Final Proposal by close of business October 9, 2018. Concurrent reply comments on the Final Proposal must be filed and served by close of business October 23, 2018. The assigned Commissioner will issue a ruling adopting final scenarios in November or December of 2018; issuance of the ruling will conclude Phase 1 of I.17-02-002. Please note that as the Commission was finalizing the Final Proposal, Governor Brown signed into law Senate Bill 100,² which increases the 2030 renewable energy target from 50 percent to 60 percent. Parties are encouraged to suggest in their formal comments how this change can be accommodated in the proposed modeling.

Phase 1 Hearing Request Motions

As stated in the Scoping Memo, Phase 1 is primarily focused on a policy decision regarding appropriate scenarios and assumptions; therefore, it was determined that Phase 1 could be resolved without the need for evidentiary hearings. However, the Scoping Memo set forth a process by which parties could request Phase 1 evidentiary hearings. Pursuant to the August 21, 2018 ruling updating the schedule in this investigation, the deadline for parties to file and serve motions requesting Phase 1 hearings is October 9, 2018. Such motions

¹ Final Proposal at 4.

² Stats of 2018, ch. 312.

must be filed and served separately from any comments on the Final Proposal. Motions for Phase 1 hearings must include supporting information as follows:

- (1) Identify each material contested issue of fact on which hearings should be held (explaining, as necessary, why the issue is material);
- (2) State why a hearing is legally required;
- (3) State whether and why briefs are required, and if so, provide an explanation of issues that are appropriate for briefing; and
- (4) Include a proposed schedule for the service of testimony, evidentiary hearings, and opening and reply briefs (if requested).

If any party formally requests evidentiary hearings and briefing as specified herein, the assigned Administrative Law Judge will consider the requests and inform parties of whether such hearings and briefing will be scheduled, and if so, a date for those activities.³

IT IS RULED that:

1. The final *Scenarios Framework: Investigation 17-02-002* (Final Proposal), authored by the California Public Utilities Commission's Energy Division, is attached to this ruling as Attachment A. Parties are requested to file and serve formal opening comments by close of business October 9, 2018. Reply comments must be filed and served by close of business October 23, 2018.

³ If evidentiary hearings are held, Phase 1 will be resolved via issuance of a proposed decision.

2. Parties must file and serve motions requesting Phase 1 evidentiary hearings by close of business October 9, 2018 according to the parameters provided in the body of this ruling.

Dated September 14, 2018, at San Francisco, California.

/s/ MELISSA K. SEMCER

Melissa K. Semcer
Administrative Law Judge

ATTACHMENT