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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
ORDERING MODELING BY THE COMMISSION'S ENERGY DIVISION**

After completion of the "Aliso Canyon Investigation 17-02-002 Phase 2: Modeling Report" (Modeling Report), which showed that the Aliso Canyon Natural Gas Storage Facility (Aliso Canyon) is needed for reliability, the parties requested additional modeling. In response to instructions from the Administrative Law Judge (ALJ),¹ the parties filed recommended modeling scenarios on April 26, 2021.

Southern California Gas Company (SoCalGas) argued that additional modeling by the Energy Division was unnecessary to answer the questions of Aliso Canyon's impact on reliability and whether the Commission should authorize the reduction or elimination of the use of Aliso Canyon.² Similarly,

¹ Administrative Law Judge's Ruling Setting Due Date for Phase 2 Modeling Scenario Proposals and Noticing the April 30, 2021 Status Conference, April 14, 2021, at 6.

² SoCalGas Company (U904G) Phase 2 Modeling Scenario Proposal Pursuant to ALJ's Ruling Setting Due Date for Phase 2 Modeling Scenario Proposals and Noticing the April 20, 2021 Status Conference, April 26, 2021 at 1.

Indicated Shippers stated that additional modeling by Energy Division was not needed, and if conducted, would only show a greater need for Aliso Canyon.³

In contrast to SoCalGas and Indicated Shippers, the Protect Our Communities Foundation (PCF), the Commission's Public Advocates Office (Cal Advocates), and Issam Najm argued that additional modeling was necessary. PCF recommended six new modeling runs by using inputs based on maximum system capabilities, the use of minimum local generation, and zero supply contribution from Aliso Canyon.⁴ Cal Advocates proposed scenarios for years 2025 and 2030, which would use lower receipt point utilization assumptions.⁵ Additionally, Cal Advocates proposed the simulation of an entire winter peak event, with consecutive cold days, for 2025 and 2030. Dr. Najm proposed four scenarios with 95 percent receipt point utilization for all zones and transmission lines, comparing the system with or without flow restrictions between Honor Rancho and the Los Angeles basin.⁶

After considering the parties recommendations, additional modeling is appropriate to explore the lower and higher receipt point utilization percentages than were modeled previously. The receipt point utilization percentages indicate how full the pipelines are expected to be and thus how much gas can be imported into the SoCalGas system from out-of-state or from other parts of California. In the SoCalGas Northern Zone, the receipt points are Kramer Junction, North Needles and South Needles. In the SoCalGas Southern Zone, the

³ Comments of the Indicated Shippers on Phase 2 Modeling Scenarios, April 26, 2021, at 2.

⁴ The Protect Our Communities Foundation Phase 2 Modeling Scenario Proposals, April 26, 2021, at 1 - 2.

⁵ Public Advocates Office Phase 2 Modeling Scenario Proposal, April 26, 2021, at 1 - 2.

⁶ Issam Najm's Proposal for Phase 2 Modeling Scenarios, April 26, 2021, at 1.

receipt points are Blythe and Otay Mesa. The additional SoCalGas receipt points are at Wheeler Ridge and an area supplied by California natural gas producers.

Cal Advocates proposed the modeling of a 55 percent receipt point utilization for simulation 9, for a winter 2030 1-in-35 year day with minimum local generation. In the Phase 2 modeling, summarized in the Modeling Report, simulation 9 modeled a 1-in-35 day with minimum local generation but with the receipt point utilization of 79 percent in the Northern Zone and 85 percent in the Southern Zone. Phase 2 modeling showed that Aliso Canyon would not be needed on a 1-in-35 day, given these assumptions. Cal Advocates is interested in finding out whether supply to core customers would be impacted if Aliso Canyon were not used and the receipt point utilization was reduced to 55 percent, which is a level similar to that seen in California during the February 2021 Polar Vortex event.

Dr. Najm proposed the modeling of a 95 percent receipt point utilization for a 1-in-10 peak winter day. This would mean that all equipment and pipelines were fully functioning, and no pipeline outages or repairs were occurring. A 5 percent reduction from 100 percent receipt point utilization is built in for forecast error. This scenario is designed to test how much gas, if any, would be needed from Aliso Canyon on a 1-in-10 year peak winter day, with maximum flow from outside the SoCalGas system.

The Energy Division is ordered to perform the following additional simulations:

1. Perform a sensitivity on simulation 9 for a winter 2030 1-in-35 year cold day, with minimum local generation, by

lowering the receipt point utilization to 55 percent for the Northern Zone and Southern Zone.⁷

2. Model a winter 2030 1-in-10 year cold day using an increased receipt point utilization of 95 percent.⁸

IT IS RULED that:

1. The Energy Division will perform a sensitivity on simulation 9 for a winter 2030 1-in-35 year cold day, with minimum local generation, by lowering the receipt point utilization to 55 percent for the Northern Zone and Southern Zone.

2. The Energy Division will model a winter 2030 1-in-10 year cold day using an increased receipt point utilization of 95 percent.

3. The Energy Division will issue a paper with the modeling results.

Dated August 27, 2021, at San Francisco, California.

/s/ ZHEN ZHANG

Zhen Zhang
Administrative Law Judge

⁷ Public Advocates Office Phase 2 Modeling Scenario Proposal, April 26, 2021, at 1 - 2 (Additional Proposed Simulation 9).

⁸ Issam Najm's Proposal for Phase 2 Modeling Scenarios, April 26, 2021, at 1 (Scenario 1B).