

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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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
(Filed February 9, 2017)

**OPENING COMMENTS OF
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON
PROPOSED DECISION AND ALTERNATE PROPOSED DECISION**

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October 21, 2021

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Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Opening Comments on the Proposed Decision Setting the Interim Range of Aliso Canyon Storage Capacity at Zero to 68.6 Billion Cubic Feet (Proposed Decision) and the Alternate Proposed Decision Setting the Interim Range of Aliso Canyon Storage Capacity at Zero to 41.16 Billion Cubic Feet (Alternate Proposed Decision). Both the Proposed Decision and Alternate Proposed Decision were mailed in this proceeding on October 1, 2021. These Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure and the instructions accompanying the Proposed Decision and the Alternate Proposed Decision.

**I.
BACKGROUND**

CEERT is a nonprofit public-benefit organization founded in 1990 and based in Sacramento, California. CEERT is a partnership of major private-sector clean energy companies, environmental organizations, public health groups and environmental justice organizations. CEERT designs and fights for policies that promote global warming solutions and increased reliance on clean, renewable energy sources for California and the West. CEERT is working

toward building a new energy economy, including cutting contributions to global warming, and reducing dependence on fossil fuels. CEERT has long advocated before the Commission for increased use of preferred resources and for California to move towards a clean energy future.

II. INTRODUCTION

The Proposed Decision sets the interim storage capacity at the Aliso Canyon Natural Gas Storage Facility (Aliso Canyon) at a range between zero and 68.6 billion cubic feet. The Alternate Proposed Decision does the same but limits the range at between zero and 41.16 cubic feet.¹ The Alternate Proposed Decision takes an important step towards both closing Aliso Canyon and achieving policy goals for decarbonization and environmental justice. As such, CEERT asks that the Commission reject the Proposed Decision and adopt the Alternate Proposed Decision with modifications. CEERT will frame the remainder of its comments around the Alternate Proposed Decision.

III. CEERT SUPPORTS ADOPTION OF THE ALTERNATE PROPOSED DECISION WITH MODIFICATIONS

Throughout this proceeding, CEERT has advocated for the orderly retirement of gas generation, specifically at Aliso Canyon. As such, CEERT agrees with the interim storage capacity range set by the Alternate Proposed Decision of between zero and 41.16 billion cubic feet.² The bottom line is that allowing Aliso Canyon to retain more storage, as ordered in the Proposed Decision, merely kicks the can down the road and allows the Commission to be less aggressive about cutting gas demand.³

¹ Proposed Decision, at p. 1 and Alternate Proposed Decision, at p. 1.

² Alternate Proposed Decision, at p. 1.

³ Proposed Decision, at p. 1.

That being said, CEERT believes that the Commission should make several modifications to the Alternate Proposed Decision. First, the Commission should allow electric utilities to upgrade transmission into the Los Angeles Basin to reduce minimum gas burn for electricity. At the Transmission Planning Process (TPP) Meeting held by the California Independent System Operator (CAISO) on September 27 through 28, 2021, Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) presented proposals that would improve import capability into the Los Angeles Basin that would reduce the required minimum gas burn in that location.⁴ The Commission should allow these transmission upgrades to proceed in order to close Aliso Canyon as soon as possible.

Second, the Commission should aggressively implement Assembly Bill (AB) 3232 to reduce gas consumption in existing buildings. AB 3232 directed the California Energy Commission (CEC) to assess the potential and reduce the emissions of greenhouse gas (GHG) in residential and commercial buildings by at least 40% below 1990 levels by January 1, 2030.⁵ On August 13, 2021, the CEC issued its Final California Building Decarbonization Assessment which presented “an initial assessment of how buildings can reduce onsite and systemwide GHG emissions.”⁶ The Commission should continue to work with the CEC to implement these measures to continue the move away from gas.

Third, the Commission should facilitate green hydrogen production to back out steam methane reforming in petroleum refining. In the integrated resource planning (IRP) proceeding,

⁴ SCE presented two projects: Laguna Bell-Mesa No. 1 and Serrano 4AA which are discussed here: <http://www.caiso.com/InitiativeDocuments/SCEPresentation-2021-2022TransmissionPlanningProcess-Sep27-28-2021.pdf>. SDG&E presented the new 500 kv Miguel-Sunset project which is discussed here: <http://www.caiso.com/InitiativeDocuments/SDGEPresentation-2021-2022TransmissionPlanningProcess-Sep27-28-2021.pdf>

⁵ Final California Building Decarbonization Assessment issued on August 13, 2021 and which can be found here: <https://www.energy.ca.gov/publications/2021/california-building-decarbonization-assessment>

⁶ Final California Building Decarbonization Assessment, issued on August 13, 2021, at p. 1.

Rulemaking (R.) 20-05-003, CEERT recently set forth its requirements for a green hydrogen definition.⁷ CEERT stated as follows:

CEERT has previously argued that the Commission should clarify the definition of “green hydrogen” and that it should be defined “to close potential loopholes that would allow high emission technologies to fall under the definition.” [citation omitted] CEERT recommends that the term be modified to “green electrolytic hydrogen” which would be made from renewable generation and renewable hydrogen and which can spur development of electrolyzers. [citation omitted] CEERT continues to advocate that the Commission should not adopt any initiative that would result in increased investment in the gas system. [citation omitted] Furthermore, CEERT recommends that any definition of green hydrogen should not exclude production of hydrogen from biomass or in-state biogas which can produce renewable hydrogen from fuel cells or other non-combustion technologies. In addition, there should be a requirement that the best available technology emission controls should be used on any combustion of green hydrogen to prevent any increase in emissions of oxides of nitrogen. The Commission should ensure that there will be no NOX emissions before requiring or authorizing the use of hydrogen blends in gas plants.

CEERT recommends that the Commission make the same findings as to green hydrogen in this proceeding.

The Commission must work with the CEC and the California Air Resources Board (CARB) to move forward with reducing gas demand in the Los Angeles Basin. Unless and until that happens, Aliso Canyon will never close, California will never achieve its GHG targets, and the State will always be subject to gas price spikes, resulting electricity price shocks, and increased risks to the reliability of both gas and electricity supplies.

IV. CONCLUSION

CEERT appreciates the opportunity to comment on this Proposed Decision and the Alternate Proposed Decision. While it supports the Alternate Proposed Decision, CEERT urges the Commission to take additional action to close Aliso Canyon as soon as possible consistent

⁷ R.20-05-003 (IRP) CEERT Reply Comments on Administrative Law Judge’s Ruling Seeking Comments on Proposed Preferred System Plan (October 11, 2021), at pp. 4-5.

with the modifications addressed above and included in CEERT's Proposed Modifications to the Alternate Proposed Decision's Findings of Fact, Conclusions of Law, and Ordering Paragraphs, attached hereto as Appendix A.

Respectfully submitted,

October 21, 2021

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APPENDIX A

CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS FOR THE ALTERNATE PROPOSED DECISION SETTING THE INTERIM RANGE OF ALISO CANYON STORAGE CAPACITY AT ZERO TO 41.16 BILLION CUBIC FEET

Center for Energy Efficiency and Renewable Technologies (CEERT) proposes the following modifications to the Findings of Fact, Conclusions of Law, and Ordering Paragraphs in the Alternate Proposed Decision Setting the Interim Range of Aliso Canyon Storage Capacity at Zero to 41.16 Billion Cubic Feet mailed in I.17-02-002 on October 1, 2021 (Alternate Proposed Decision).

Please note the following:

- A page citation to the Proposed Decision is provided in brackets for each Finding of Fact, Conclusion of Law, or Ordering Paragraphs for which a modification is proposed.
- Added language is indicated by **bold type**; removed language is indicated by **bold strike-through**.
- A new or added Finding of Fact, Conclusion of Law, or Ordering Paragraph is labeled as “NEW” in **bold underscored** capital letters.

PROPOSED FINDINGS OF FACT:

NEW. It would be beneficial for electric utilities, such as Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) who serve the Los Angeles Basin to upgrade transmission in order to reduce minimum gas burn for electricity.

NEW. The Commission should aggressively implement Assembly Bill (AB) 3232 to reduce gas consumption in existing buildings.

NEW. The Commission should facilitate green hydrogen production to back out steam methane reforming in petroleum refining.

PROPOSED ORDERING PARAGRAPHS:

NEW. The Commission must work with the California Energy Commission and California Air Resources Board to move forward with reducing as demand in the Los Angeles Basin.