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 09, 2017)**

INDICATED SHIPPERS AND SOUTHERN CALIFORNIA GAS COMPANY JOINT PETITION FOR MODIFICATION

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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 09, 2017)**

INDICATED SHIPPERS AND SOUTHERN CALIFORNIA GAS COMPANY
JOINT PETITION FOR MODIFICATION

Pursuant to California Public Utilities Commission (Commission or CPUC) Rules of Practice and Procedure Rule 16.4, the Indicated Shippers[1] and Southern California Gas Company (SoCalGas) (collectively, Joint Petitioners),[2] submit this Petition for Modification of Decision (D.) 24-12-076 (or the Decision), issued December 24, 2024.

I. INTRODUCTION

Joint Petitioners respectfully petition to modify D.24-12-076[3] so that the next Biennial Assessment is due June 15, 2028, rather than June 15, 2027. Joint Petitioners seek this procedural modification to ensure that the next Biennial Assessment benefits fully from Commission guidance being developed in A.26-01-009, that Commission and party resources

[1] The Indicated Shippers represent the natural gas non-core customer interests of the following companies in this proceeding: California Resources Corp., Chevron U.S.A. Inc., Marathon Petroleum Company LP, and PBF Holding Company.
[2] Pursuant to Rule 1.8(d), counsel for Indicated Shippers confirms that they have been authorized to file and serve this petition on behalf of SoCalGas.
[3] D.24-12-076, *Decision Adopting Biennial Assessment Process*, I.17-02-002, Dec. 24, 2024.

are efficiently utilized, and to promote certainty in the process. Joint Petitioners do not seek to modify any other aspect of D.24-12-076.[4]

D.24-12-076 calls for complex analysis of important issues and sets out an iterative process and cadence for doing so.[5] D.24-12-076's logically iterative approach to assessing Aliso Canyon would fail, however, if necessary changes were made in one iteration but, due to a mismatch in timing, were not incorporated into the next iteration.[6] The next Biennial Assessment Report deadline should be moved to June 15, 2028 to prevent such a timing mismatch.

Doing so will achieve three objectives. First, the one-year shift improves Biennial Assessment accuracy by giving Energy Division time to fully implement any revised findings, conclusions, guidance, or changes adopted by the Commission in A.26-01-009. Second, it promotes administrative efficiency and preserves Commission and party resources by reducing the potential for duplicative litigation. Third, it provides improved certainty to utilities,

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[4] Nothing in this Petition for Modification is intended to limit or prejudice the Joint Petitioners' ability to request, in this or a separate proceeding, that the Commission modify the timing or cadence of subsequent assessments.

[5] D.24-12-076 at 62 (D.24-12-076 creates a "framework to monitor, assess, and support reliability and rate stability while working to reduce and eliminate reliance on Aliso Canyon"), 19, 21, 26 (The Decision highlights the "multitude of factors that affect the reliability of the natural gas system and natural gas commodity prices," electricity reliability, and natural gas and electricity prices), 68 (Due to this multitude of factors, as well as Aliso Canyon's continued importance, the Commission determined "it would be imprudent to set a definitive closure date or timeline"), 69 (The Commission further intentionally created a "cyclical review of Aliso Canyon and related analyses…to determine and initiate any necessary changes in the future if the current process proves inadequate"); This includes revisions to biennial assessment report inputs and methods. (D.24-12-076, Attachment A, Biennial Assessment Report Inputs and Methods, at A1).

[6] *Id*.at 49 (The biennial assessment process is meant to "give the Commission flexibility to consider" a variety of factors that greatly influence natural gas demand to monitor consistent, long-term natural gas demand trends").

customers, and market participants who rely on Aliso Canyon storage determinations for long-term gas supply reliability and procurement planning.

II. BACKGROUND

A. D.24-12-076

D.24-12-076 found that Aliso Canyon "remains critical for reliability and to support stable rates for natural gas and electricity customers" and created "a biennial assessment to track and monitor progress in reducing reliance on Aliso Canyon."[7] The Biennial Assessment process is meant to "determine the maximum storage limit while Aliso Canyon continues operation" and to determine "when Aliso Canyon may be closed without compromising system reliability and just and reasonable rates."[8] The specifics of these analyses, which are the subject of A.26-01-009, are set forth in Attachment A to D.24-12-076 and are intended to underpin future Biennial Assessment Reports.[9]

The Biennial Assessment process begins with the Energy Division serving its Biennial Assessment Report on June 15th.[10] If the report recommends changes to Aliso Canyon storage levels and/or the reliability or economic analyses underpinning the assessment, the report triggers a formal proceeding process.[11] From the date the Energy Division serves its report recommending changes to Aliso Canyon's storage attributes, SoCalGas has 90 days to prepare and submit an application, and another 90 days to conduct a workshop where the Energy

[7] D.24-12-076 at 14.
[8] *Id*. at 46
[9] *Id*. at 46; D.24-12-076, Attachment A, *Biennial Assessment Report Inputs and Methods*
[10] *See* D.24-12-076 at 61 (The Decision did not consider an alternative process where the Energy Division serves the biennial assessment later than June 15).
[11] D.24-12-076 at 61.

Division presents its report and SoCalGas presents its application to initiate a formal proceeding.[12] Thereafter, in that application, the Commission will issue a decision based on Energy Division's Biennial Assessment Report and recommendations, and the proceeding record.[13] D.24-12-076 does contemplate potential changes to the Biennial Assessment process.[14]

B. A.26-01-009

Energy Division issued its first Aliso Canyon Biennial Assessment Report (2025 Biennial Assessment Report) on October 1, 2025,[15] needing a deferral of the June 15th due date to complete its analysis, and demonstrating the significant effort required to analyze the issues. The 2025 Biennial Assessment Report recommended a caveated reduction to Aliso Canyon's maximum inventory level.[16] SoCalGas, after receiving an extension from the Commission's Executive Director under Rule 16.6, filed its required application pursuant to OP 6 of D.24-12-076 on January 15, 2026,[17] initiating A.26-01-009 (Application).[18] Following a prehearing conference, workshop, and multiple rounds of comments, Assigned Commissioner Karen

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[12] D.24-12-076 at 62.
[13] *Id*.
[14] *Id*. ("this process will remain in effect until changed by the Commission"); Attachment A at A1 ("Revisions to these methodologies may be made per the implementation process discussed in this Decision [D.24-12-076]").
[15] Application of Southern California Gas Company (U904G) in Compliance With Ordering Paragraph 6 of Decision 24-12-076, A.26-01-009, Jan. 15, 2026 (SoCalGas Application) at 1 ("On October 1, 2025, pursuant to OP of D.24-12-076, the Energy Division issued its 2025 Aliso Canyon Biennial Assessment Report (Biennial Assessment)") (SoCalGas Application); D.24-12-076 at OP #4 (setting report deadline at June 15).
[16] *Compliance Filing of Southern California Gas Company (U904G)*, A.26-01-009, Apr. 16, 2026, Attachment A, *First Aliso Canyon Biennial Assessment (2025)* (Energy Division Biennial Assessment Presentation) at slide 2.
[17] SoCalGas Application at 1.
[18] *Id.*

Douglas issued a Scoping Ruling on July 8, 2026.[19] The Scoping Ruling identified two issues for determination or consideration:

1. Should the Commission maintain Aliso Canyon's Current storage capacity or order SoCalGas to reduce it by a specified amount?
2. Should the Commission modify the Biennial Assessment process Attachment A to ensure the next Assessment and future applications provide information consistent with the most current conditions and reasonably expected future conditions?[20]

The current schedule includes the possibility of hearings in November or December 2026, and briefing deadlines are currently "TBD." Given the tightness of time inherent in this current schedule, and the fourth quarter holidays, a final decision in A.26-01-009 before January 1, 2027 is highly unlikely.[21]

III. LEGAL STANDARD

Rule 16.4 governs petitions for modification. Joint Petitioners were parties to I.17-02-002, the proceeding in which D.24-12-076 was issued.[22] Joint Petitioners submit this petition in conformance with Rule 16.4(b)'s requirements.

This petition could not have been presented within one year of December 19, 2024, the effective date of D.24-12-076.[23] At the time D.24-12-076 was adopted, neither the Commission nor stakeholders knew:

- whether the 2025 Biennial Assessment Report would recommend changes sufficient to trigger a formal proceeding under Ordering Paragraph 6,

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[19] *Assigned Commissioner's Scoping Memo and Ruling*, A.26-01-009, July 8, 2026 (Scoping Memo).
[20] *Id*. at 4.
[21] Scoping Memo at 6.
[22] Rule 16.4(e); *see* D.24-12-076.
[23] D.24-12-076 at 78; Rule 16.4(d).

- what issues would ultimately be litigated in that new proceeding, or
- whether modifications to the Biennial Assessment process inputs and methodologies (Attachment A to D.24-12-076) would be identified as scoped issues.

Those developments occurred only after Energy Division served its 2025 Biennial Assessment Report on October 1, 2025,[24] SoCalGas filed its Application on January 15, 2026,[25] and the Commission issued its Scoping Ruling on July 8, 2026.[26] The need for the requested modification therefore arises from developments that occurred more than one year after the effective date of D.24-12-076.

IV. PETITION FOR MODIFICATION

A. The Requested Modification Would Increase the Accuracy of the Next Biennial Assessment Report

The proposed modification, a single, one-year shift in the deadline for the next Biennial Assessment Report, will improve the accuracy of that report and the consistency of the Biennial Assessment process going forward. An important, scoped purpose of A.26-01-009 is to evaluate whether the inputs, assumptions, and methodologies in D.24-12-076 Attachment A should be modified to ensure future assessments reflect current conditions and reasonably anticipate future conditions.[27] The Commission scoped this potential modification of Attachment A after Energy Division served its 2025 Biennial Assessment Report, SoCalGas filed its Application, and

[24] SoCalGas Application at 1.
[25] *Id*.
[26] *See* Scoping Memo.
[27] Scoping Memo at 4 (Issue # 2).

parties had evaluated and commented on the report's recommendations and analyses.[28] Multiple parties identified the need to reevaluate the inputs, assumptions, and methodologies underlying the 2025 Biennial Assessment Report.[29] A.26-01-009 represents the Commission's preferred process for refining and improving the Biennial Assessment framework.[30] Thus, any ultimately adopted refinements and improvements to Attachment A emanating from A. 26-01-009 must be available for incorporation into the next Biennial Assessment well in advance of the report's June 15th deadline to ensure robust analysis and internal review.

The Biennial Assessment Report informs Commission determinations regarding Aliso Canyon storage levels, natural gas system reliability, and the timing and conditions under which reliance on Aliso Canyon may be reduced.[31] Given the significance of those determinations for gas and electric utilities, customers, and market participants,[32] the Commission should ensure

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[28] *See Reporters' Transcript Virtual Proceeding*, A.26-01-009, Mar. 17, 2026.; *Southern California Gas Company Opening Comments to Prehearing Conference*, A.26-01-009, Mar. 27, 2026; *Comments of the Public Advocates Office*, A.26-01-009, Mar. 27, 2026; *Sierra Club Comments in Response to Prehearing Conference Ruling*, A.26-01-009, Mar. 27, 2026; *Southern California Gas Company Reply Comments to Prehearing Conference*, A.26-01-009, Apr. 1, 2026; *Sierra Club Reply Comments in Response to Prehearing Conference Ruling*, A.26-01-009, Apr. 1, 2026 (Sierra Club Prehearing Conference Reply Comments); *Indicated Shippers Reply Comments to Prehearing Conference Bench Ruling*, A.26-01-009, Apr. 1, 2026 (Indicated Shippers Prehearing Conference Reply Comments); *Email Ruling Memorializing Direction Provided at Workshop*, A.26-01-009, Apr. 16, 2026; *Sierra Club Comments in Response to Aliso Canyon Biennial Assessment Workshop*, A.26-01-009, Apr. 28, 2026; *Indicated Shippers Opening Comments on Workshop and Process*, A.26-01-009, Apr. 28, 2026; *Southern California Gas Company Opening Comments on April 15, 2026 Workshop and Analysis*, A.26-01-009, Apr. 28, 2026 (SoCalGas Workshop Opening Comments); *Indicated Shippers Reply Comments on Workshop and Process*, A.26-01-009, May 5, 2026; *Sierra Club Reply Comments in Response to Aliso Canyon Biennial Assessment Workshop*, A.26-01-009, May 5, 2026; Southern California Gas Company Reply Comments on April 15, 2026 Workshop and Analysis, A.26-01-009, May 5, 2026.

[29] Sierra Club Prehearing Conference Reply Comments at 3-5; Indicated Shippers Prehearing Conference Reply Comments at 5; SoCalGas Workshop Opening Comments at 5-8.

[30] D.24-12-076 at 62.

[31] *Id*.

[32] *Id*. at 29 ("Storage facilities like Aliso Canyon provide the ability to buy cheaper gas during the summer months (April to October) for the winter months when natural gas is usually more expensive"), 30-31 ("Increased correlation has the potential to reduce the availability of electric imports into CAISO during

Energy Division has ample time to solidly ground its next assessment on the Commission's most recent guidance on inputs, assumptions, and methodologies. That guidance for the critical analytical framework will be developed based on the record in A.26-01-009, and will likely not be final until sometime in the first half of 2027.

A June 15, 2027 Biennial Assessment Report deadline almost certainly ensures that any modifications adopted in A.26-01-009 will not be available for consideration by the next report. Energy Division will require time to incorporate these modifications, obtain and evaluate relevant data, and distill the revised results of a complex reliability and economic assessment into a report that is comprehensive and readily comprehendible. Any Biennial Assessment Report issued shortly after a final decision issues in A.26-01-009 would most likely be relegated to relying upon outdated inputs, assumptions, methodologies, and partially implemented Attachment A revisions, or interim approaches. The resulting Biennial Assessment Report would very likely not fully reflect Commission guidance.

Shifting the next Biennial Assessment Report by one year, to June 15, 2028, would provide Energy Division with sufficient time to fully implement any Attachment A modifications adopted in A.26-01-009 and apply those modifications in a comprehensive and consistent manner. The resulting Biennial Assessment Report would thus be more likely to provide an accurate evaluation of Aliso Canyon storage requirements under the most current and

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periods of high demand and to increase the competition for natural gas to run gas-fired electric generators, reducing receipt point utilization in California and exacerbating price volatility"), 34 ("CCST concluded that California needs natural gas and underground storage to maintain reliability"); *Opening Brief of Indicated Shippers*, I.17-02-002, Apr. 12, 2024 at 31 ("The record evidence in this proceeding reflects that any near-term decision to minimize or eliminate the use of Aliso Canyon will have broad-reaching reliability and cost consequences").

anticipated conditions. This is especially true because the modifications come from the very information exchange, public discourse, and formal process that the Commission meant to occur.[33]

B. The Requested Modification Would Promote Administrative Efficiency and Conserve Commission, SoCalGas and Party Resources

The proposed one-year schedule shift will also promote administrative efficiency, conserving Commission, utility, and party resources.[34] In D.24-12-076, the Commission recognized that Aliso Canyon storage level determinations, and the reliability and economic analyses and methodologies underlying those determinations, are complex. Consequently, the Commission created an iterative framework to refine and improve these analyses and methodologies as additional information became available.[35]

Requiring Energy Division to serve a Biennial Assessment Report before it can fully implement refinements and improvements adopted in A.26-01-009 would undercut this iterative framework and could very well create duplicative proceedings and unnecessary relitigation of issues. Parties would likely be forced to devote substantial time and resources to relitigating whether issues decided in A.26-01-009 were adequately incorporated into the newly issued Biennial Assessment Report, or whether they were incorporated at all.

Such relitigation would diminish the efficiencies the Commission sought to achieve through the Biennial Assessment process. Instead of producing a durable assessment based on a fully implemented analytical framework, the Commission and parties could be required to

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[33] D.24-12-076 at 61, 62.

[34] Rule 1.2 ("These rules shall be liberally construed to secure just, speedy, and inexpensive determination of the issues presented").

[35] D.24-12-076 at 49-50.

litigate whether newly adopted methodological changes were adequately incorporated, whether further modifications are necessary, and whether a revised report should be prepared. That result would be inconsistent with the Commission's interest in a "just, speedy, and inexpensive determination of the issues presented."[36] The requested modification advances, rather than delays, the cyclical review framework established in D.24-12-076 by ensuring that each Biennial Assessment Report fully benefits from the lessons learned and methodological improvements made in the preceding report.

C. The Requested Modification Would Provide Greater Certainty for Utilities, Customers, and Market Participants

The proposed modification will provide greater certainty for utilities, customers, and market participants making long-term reliability and gas supply planning and procurement decisions. The concern is not only that the next Biennial Assessment Report may be analytically inaccurate or incomplete. Rather, an assessment issued before revised methodologies have been fully implemented may generate unstable regulatory signals and require stakeholders to make long-term decisions based on assumptions that remain subject to near-term revision. Moving the next Biennial Assessment Report deadline to June 15, 2028 will allow the assessment to fully incorporate determinations made in A.26-01-009 and provide stakeholders with a more stable and reliable basis for planning.

A revised schedule would also provide greater certainty to Southern California natural gas market participants. By way of example, SoCalGas recently conducted its 2026 Backbone

[36] Rule 1.2.

Transportation Service (BTS) Open Season.[37] SoCalGas awarded transportation rights under a one-time 37-month contract structure, which begins on October 1, 2026, to align future BTS Open Season cycles with the November 1 commencement of the gas withdrawal season cycle.[38] As a result, the current BTS contract term is expected to extend through October 31, 2029, placing the next major BTS Open Season in mid-2029. A June 15, 2028 deadline for issuance of the next Biennial Assessment Report would synchronize smoothly with the 2029 Open Season.

Importantly, market participants do not always wait until commencement of an Open Season to evaluate transportation needs and procurement and contracting strategies. Rather, BTS customers routinely assess expected demand, reliability conditions, transportation requirements, and commercial alternatives well in advance of formal procurement deadlines. A June 15, 2028 Biennial Assessment Report deadline would have the report issued during the period in which market participants are likely preparing for future BTS procurement decisions. By contrast, a June 15, 2027 Biennial Assessment Report could be more than two years old by the time those same decisions are being made, and a June 15, 2029 subsequent Biennial Assessment Report would clumsily issue in the middle of the 2029 Open Season process. Adopting the requested one-year shift from June 15, 2027 to June 15, 2028 would alleviate this dissonance and synchronize the Biennial Assessment Report with the 2029 Open Season.

The requested modification would accordingly provide stakeholders with more current and reliable information regarding Aliso Canyon storage requirements, system reliability, and

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[37] *Backbone Transportation*, SoCalGas, https://www.socalgas.com/business/energy-market-services/backbone-transportation, last updated Aug. 2, 2024 (SoCalGas Backbone Transportation Website).
[38] *Id*. (This means that 2026 BTS contracts will end October 31, 2029, the 2029 BTS contract period will begin November 1, 2029, and the 2029 BTS pre-contract process will begin around July 1, 2029).

the Commission's analytical framework during a critical planning period. It would also allow market participants to evaluate future BTS commitments with only approximately one year remaining in the existing BTS contract term, rather than relying on an assessment issued when more than two years remain. Information regarding future reliability needs and storage requirements is generally most useful when provided closer in time to the decisions it is intended to inform. A June 15, 2028, Biennial Assessment Report would therefore provide more relevant and contemporaneous regulatory guidance for market participants preparing for the next BTS cycle than would a June 15, 2027, report. It would increase certainty and reduce the risk that stakeholders make long-term commercial decisions based on report assumptions and recommendations that later change.

Similarly, a June 15, 2028 Biennial Assessment Report would allow the Commission to better consider information made available through implementation of Senate Bill (SB) 1221’s neighborhood decarbonization pilot program.[39] The deadlines for natural gas utilities to submit first- and second-round pilot project deadlines are April 1, 2027, and January 15, 2028, respectively.[40] Consequently, the Commission and stakeholders are expected to possess significantly more information on actual project applications, approvals, customer participation, and implementation efforts in June 2028 than in June 2027. More, better developed information will reduce uncertainty and promote confidence in the assumptions underlying both the 2028 Biennial Assessment Report and future neighborhood decarbonization efforts.

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[39] *SB 1221 Implementation*, California Public Utility Commission, https://www.cpuc.ca.gov/industries-and-topics/natural-gas/sb-1221-implementation, last visited Aug. 17, 2026).
[40] *Id*.

Lastly, the requested timing modification would better align the next Biennial Assessment with ongoing state energy planning efforts, including the California Energy Commission's (CEC) Integrated Energy Policy Report (IEPR) process. The next full IEPR is scheduled to issue in 2027.[41] Allowing an additional year before service of the next Biennial Assessment Report would provide the Commission and stakeholders with a better opportunity to consider information from the IEPR process alongside input and methodology changes adopted in A.26-01-009. Doing so will also reduce the risk that stakeholders are required to navigate multiple planning processes with different or evolving assumptions at the same time. Greater alignment between these state planning efforts will promote consistency, improve regulatory certainty, and provide utilities, customers, and market participants with a more reliable basis for long-term planning, contracting, and investment decisions.

D. Specific Wording to Carry Out Requested Modification to D.24-12-076

Commission Rule 16.4(b) states "[a] petition for modification of a Commission decision…must propose specific wording to carry out all requested modifications to the decision." The following changes are requested below, with bold/italics/underline representing proposed additions and strikethrough representing proposed deletions.

1. Finding Of Fact #22

It is reasonable for the first biennial assessment report to occur in 2025***<u>, then 2028,</u>*** and biennially thereafter.

[41] *2025 Integrated Energy Policy Report*, California Energy Commission, https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report-iepr/2025-integrated-energy-policy-report, last visited Aug. 17, 2026 ("The California Energy Commission Adopts an Integrated Energy Policy Report…every two years and an update every other year").

2. **Conclusion Of Law #7**

~~Starting on June 15, 2025,~~Energy Division should serve the biennial assessment report on the service list of this proceeding, IRP, and any long-term natural gas rulemaking proceeding~~.~~ **on June 15, 2025, then June 15, 2028, and biennially thereafter.**

3. **Ordering Paragraph #4**

The biennial assessment report will be served on the service lists of this proceeding, energy efficiency (Order Instituting Rulemaking (R.) 13-11-005 and successor proceedings), building decarbonization (R.19-01-011 and successor proceedings), Resource Adequacy (R.23-10-011 and successor proceedings), Integrated Resource Planning (R.20-05-003 and successor proceedings), and any long-term gas proceeding (R.24-09-012 and successor proceedings), on June 15, ~~starting in~~ 2025, ***then June 15, 2028,*** and biennially thereafter.

V. CONCLUSION

The Joint Petitioners appreciate the opportunity to submit this Petition for Modification.

Respectfully submitted,

BUCHALTER LLP

By:

Nora Sheriff

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August 21, 2026