California Public Utilities Commission
505 Van Ness Ave., San Francisco

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Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov Docket #: I.17-02-002

CPUC ISSUES STAFF PROPOSAL ON WAYS TO ELIMINATE ALISO CANYON NATURAL GAS STORAGE FACILITY

SAN FRANCISCO, Sept. 23, 2022 – The California Public Utilities Commission (CPUC) today issued for comment a staff proposal presenting a framework to replace Southern California Gas Company's (SoCalGas) Aliso Canyon Natural Gas Storage Facility by using non-gas fired electricity generation and storage, building electrification, and energy efficiency.

The staff proposal was issued along with a Ruling that details the findings of the CPUC's review of the reliability and economic modeling from Phase 2 of the Aliso Canyon investigation. The Ruling finds that based on the analysis, Aliso Canyon is currently needed for SoCalGas to reliably meet energy demand in the Los Angeles basin, and therefore sufficient replacement resources must be available for the eventual elimination of Aliso Canyon's use. The Ruling requires utilities and invites other parties to provide implementation proposals in response to the staff proposal, including commenting on the portfolio of non-gas-fired electric generation and storage, building electrification, and energy efficiency needed to replace Aliso Canyon.

The staff proposal quantifies the current need for Aliso Canyon. This approach estimates that an annual reduction of 214 million metric cubic feet per day (MMcfd) in forecast peak gas demand, or an annual increase of 1,084 megawatts of non-gas-fired electric generation capacity, or some combination of both, will be necessary to reliably serve all energy demand in 2027 without the use of Aliso Canyon. These annual reductions equate to about two percent of electric capacity or four percent of forecast peak gas demand.

The Ruling and staff proposal is available at docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=497170260.

Members of the public can comment on the Ruling, and access documents related to the proceeding, at apps.cpuc.ca.gov/p/I1702002.

Background:

The Aliso Canyon Natural Gas Storage Facility, located in the Santa Susana Mountains of Los Angeles County, is the largest natural gas storage facility in California. Southern California Gas Company crews discovered a leak at the natural gas storage well at Aliso Canyon on October 23, 2015.

On July 19, 2017, after inspection and analyses of all the wells at Aliso Canyon, the California Geologic Energy Management Division (CalGEM) along with the CPUC determined that the facility was safe to operate. It was reopened at a reduced capacity. CalGEM, which has primary jurisdiction over Aliso Canyon's underground facilities, decided the maximum allowable operating pressure in the field to be 2,926 psi, which translates to an inventory of 68.6 billion cubic feet (Bcf) of natural gas. This is a 17.4 Bcf reduction compared to Aliso Canyon's pre-leak capacity of 86 Bcf.

Senate Bill 380 (Pavley, Chapter 14, Statutes of 2016) tasked the CPUC with determining "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 reliability for the region." Since 2017, extensive monitoring and testing at Aliso Canyon has improved safety. In 2018, stringent new regulations went into effect for natural gas storage fields to further protect public health.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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