

## DOCKETED

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Tuesday, December 16, 2014

## **Responses to Questions/Comments from George Wayne, Director West Region Strategy/Market Analysis, Kinder Morgan in reference to the November 18, 2014 AB 1257 Staff Workshop on California's Natural Gas Infrastructure, Storage, and Supply**

***Silas Bauer, Energy Commission Specialist, AB 1257 Report Project Manager***

**GW:** Regards to pipeline capacity to border, I'm not sure I understand the CEC rationale for not including Ruby capacity ... it doesn't send the right message in my view. Let's look at it this way. If CA demand were such that they wanted to expand all take-away capacity to match all the current inter-state capacity at the CA border, how much more would they need to expand to? The answer would be closer to 10 Bcf/d not 8.5 Bcf/d. In other words, if the in-state take way were built to handle as much as they possibly could, then the interstate pipes to the CA border could deliver up to 10 Bcf/d.

**CEC Response:** Slide 7 of the *California Gas System Overview* presentation included a table showing the interstate pipeline delivery capacity of all of California's interstate pipelines. The capacity of the Ruby pipeline was not included in this table, in error. The overall goal of the slide was to show that the delivery capacity exceeds California's intrastate pipeline take-away capacity, and therefore, the state has ample delivery capacity for a potential peak day that could exceed the intrastate system's delivery capacity. The CEC is not suggesting that California should build the intrastate system to match the capacity of the interstate system that delivers to its borders.

**GW:** Based on the most recent info we have on Wild Goose Storage capacity, based on their most recent certificated expansion it now stands at 75 Bcf of storage.

**CEC Response:** Slide 8 of the *California Gas System Overview* presentation included a table showing Northern and Southern California existing and proposed underground natural gas storage maximum working capacity. The table was taken from the CEC's *2013 Natural Gas Issues, Trends, and Outlook* report, and the information contained in the table was current at the time of writing that report. The 25 billion cubic feet (Bcf) of maximum working capacity listed for Wild Goose was a proposed increase for the facility at the time the table was assembled, and is listed along with one other facility under the "Proposed" heading in that table. Wild Goose had a maximum working capacity of 50 Bcf at the time the table was created, which was

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accounted for in the 215.2 Bcf listed at the top of the table as the subtotal of existing Northern California storage. Wild Goose's 25 Bcf proposed increase was subsequently approved and today the facility's maximum working capacity is 75 Bcf. The purpose of the slide was to demonstrate that California has a great deal of natural gas storage capacity.

**GW:** We show CA demand in 2013 at 5.8 Bcf/d which includes storage withdrawals. You stated 6.4 Bcf/d, I believe you are including the 600 MMcf/d of CA production on top of that, but that is a supply component, not a demand component. In other words, either you add interstate pipeline deliveries to CA ... add production, and then net out net inj/wtd over the period OR you add interstate pipeline deliveries to the coincident time period for withdraws ... then that is the true demand. In my view you are over stating demand if you add all three together without netting out portions of these activities.

**CEC Response:** Slide 6 of the *California Gas System Overview* presentation included a table titled the Statewide Total Supply Sources-Taken in California, and stated that in 2014 California used ~6.4 Bcf/day. The table is a copy of the table on page 17 of the 2014 California Gas Report prepared by California's gas utilities. Questions regarding the origin of the data should be addressed to the utilities.