

## DOCKETED

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<b>Document Title:</b>	8.21.17_PatriciaHoffman_Letter_to_Chair Weisenmiller re Natural Gas in Aliso Canyon
<b>Description:</b>	8.21.17_PatriciaHoffman_Letter_to_Chair Weisenmiller: re: Natural Gas in Aliso Canyon
<b>Filer:</b>	Raquel Kravitz
<b>Organization:</b>	California Energy Commission
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Department of Energy  
Washington, DC 20585

August 21, 2017

Dr. Robert Weisenmiller, Chair  
California Energy Commission  
1516 9th Street  
Sacramento, California 95814-5512

Dear Dr. Weisenmiller:

Despite protracted hot weather and other stresses, you and the leaders of the electric and natural gas industries in California—and across the West—have thus far successfully avoided any major summer disruptions in the supply of energy to Californians. On that, the Department congratulates you.

Nonetheless, we have concerns with the recent decisions to limit injections and withdrawals of natural gas at the Aliso Canyon underground gas storage facility, and your plan for permanent closure of Aliso Canyon within ten years. As you are aggressively taking actions to meet the Governor's environmental goals, the state should consider important resilience concepts to mitigate consumer impacts during potential emergency situations. Fuel storage plays an important role and is currently critical to reliability with gas generation that is providing ramping support for intermittent resources.

We have three lines of inquiry that we would like to discuss with you:

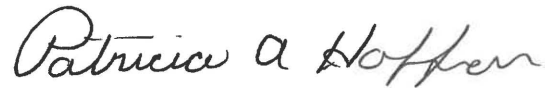
- 1) The state has imposed restrictions on the number of operable wells at Aliso Canyon, which limits the rates of injection and withdrawal. What scenarios were considered in determining these restrictions? Will these limits result in a sufficient inventory of stored gas to minimize the risk of potential reliability problems this coming winter?
- 2) Regarding the projected permanent closure of Aliso Canyon within ten years, as well as the Governor's proclamation of a long-term viability assessment of all natural gas storage facilities in California, the state should conduct important analyses on new capabilities and infrastructure and facility investments that will be required in the next five to ten years in order for closure to be reasonable and prudent and protect consumers against future weather-related or other large scale risks. Would some new facilities need to be constructed outside California (*e.g.*, transmission lines or electric storage)? What would be the price impacts, in California and across the West?
- 3) Closure of Aliso Canyon will have significant direct and indirect effects across the western states. Do you intend to discuss this matter with your colleagues in other states? Will there be discussions with relevant West-wide organizations, such as the Western



Governors Association, the Western Interstate Energy Board, or the Western Electricity Coordinating Council?

I look forward to further dialogue with you on these subjects.

Respectfully,

A handwritten signature in cursive script that reads "Patricia A. Hoffman".

Patricia A. Hoffman  
Acting Assistant Secretary  
Office of Electricity Delivery and Energy Reliability