

## DOCKETED

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***By Email***

October 30, 2017

Robert B. Weisenmiller, Chair  
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Michael Picker, President  
California Public Utilities Commission  
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Re: Southern California Winter Reliability

Dear Chair Weisenmiller and President Picker:

Southern California Gas Company (SoCalGas) customers and suppliers<sup>1</sup> share the concerns you raised in your October 17 letter to SoCalGas President and Chief Operating Officer Bret Lane, regarding the utility's ability to provide safe and reliable service this winter. As you observed, system maintenance and the current operational status of the Aliso Canyon storage facility set the stage for potential disruptions in natural gas and electric services. The undersigned customers and suppliers, whose businesses and operations depend upon energy service reliability, urge continued coordination among the CPUC, CEC and other state agencies to implement all available measures to support winter reliability.

SoCalGas's maintenance on lines 235-2, 3000 and 4000, which until such maintenance is complete reduces the SoCalGas system ability to import natural gas, is a critical activity to meet the region's supply need. Even if SoCalGas meets current schedules, this maintenance could disrupt winter reliability due to the restriction on import. Any additional maintenance would only compound the already strained nature of the system. Your agencies, along with other state and local agencies, have the authority to influence the pace of those projects. All reasonable efforts should be made to safely expedite permitting and clear any other obstacles within the state's control to enable timely completion. Moreover, any short-term, interim solutions should be pursued, both by your agencies and by SoCalGas, to expedite these projects.

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<sup>1</sup> Aera Energy LLC, California Resources Corp., Chevron U.S.A. Inc., ConocoPhillips Company, PBF Energy Western Region, Phillips 66 Company, Tesoro Refining & Marketing Company LLC.

An additional measure that could reduce the impact of maintenance on key transmission corridors would be a potential increase of supply availability at the Otay Mesa receipt point by use of Costa Azul. Maintaining standby cargo at the Costa Azul liquefied natural gas (LNG) terminal in Baja, Mexico could support Southern System reliability and, indirectly, reliability in the Los Angeles Basin. Massachusetts provides a clear example of the use of a similar reliability measure. In the winter of 2014- 2015, an LNG facility owned by Distrigas of Massachusetts LLC was credited with helping to avert natural gas supply shortages.<sup>2</sup> This solution would provide added security in the face of challenging system conditions this winter and any economic challenges or affiliate concerns can be fairly managed.

Finally, SoCalGas should be encouraged to explore all available measures to ensure winter reliability before resorting to noncore curtailment protocols, particularly since noncore customers did not create the operational limitations but have incurred cost in helping SoCalGas manage this situation to the collective benefit of the system. The aim of reliability measures should be to support service not only to the residential customers, but to the businesses that invest capital, provide jobs, and pay taxes in California.

We appreciate your continuing vigilance in overseeing the reliability of natural gas and electricity services in Southern California.

Very truly yours,



Counsel to the Indicated Shippers

cc: Saul Gomez, California Governor's Office  
Drew Bohan, California Energy Commission  
Edward Randolph, California Public Utilities Commission  
Ken Harris, Division of Oil, Gas & Geothermal Resources  
Stephen Berberich, California Independent System Operator  
David Wright, Los Angeles Department of Water and Power

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<sup>2</sup> See *Pipeline Opponents Say LNG Is Underutilized*, The Boston Globe, March 23, 2015.  
<https://www.bostonglobe.com/business/2015/03/22/with-increase-lng-supplies-does-region-really-need-new-pipelines/mrRbwgaiKwYuAJogXDIPMN/story.html>