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**SoCalGas Comments on Lead Commissioner Workshop on  
Assessments of Southern California Gas System Reliability for  
Winter 2022-23**

*Additional submitted attachment is included below.*



Kevin Barker  
Senior Manager  
Energy and Environmental Policy  
555 West 5<sup>th</sup> Street  
Los Angeles, CA 90013  
Tel: (916) 492-4252  
*KBarker@socalgas.com*

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Vice Chair Siva Gunda  
California Energy Commission  
Docket Unit, MS-4  
Docket No. 22-OII-02  
715 P Street  
Sacramento, California 95814

**Subject: Comments on the California Energy Commission (CEC) Lead Commissioner Workshop on Assessments of Southern California Gas System Reliability for Winter 2022-23**

Dear Vice Chair Gunda:

Southern California Gas Company (SoCalGas) appreciates the opportunity to provide comments on the CEC’s Lead Commissioner Workshop on Assessments of Southern California Gas System Reliability for Winter 2022 and 2023 held on November 30, 2022. SoCalGas thanks the CEC for inviting us to present a high-level summary and the specifics of our technical winter assessment. SoCalGas also commends the CEC on the continued work and interest to understand, assess and monitor the reliability of our gas system to support statewide energy reliability and resiliency requirements as well as decarbonization goals. Changing weather patterns, gas system demand, pipeline outages and capacity constraints both upstream of and on our gas system continue to impact and create risk to gas system reliability. These trends underscore the importance of conducting regular assessments of gas system reliability and using this information to inform modeling assumptions and energy policy recommendations.

SoCalGas offers the following comments in response to the questions posed by the CEC to the public during the workshop: **1)** SoCalGas’s “best” case scenario is similar to the CEC and CPUC’s forecasts presented at the workshop; based on those, SoCalGas, the CEC, and the CPUC all concluded that curtailments this winter are unlikely under such circumstances; **2)** SoCalGas has projected the impact of climate change on annual historical heating degree days.

**1) *In this section, we answer: What are the differences in assumptions between CEC and CPUC’s reliability model with SoCalGas’s? What is the impact of the El Paso Natural Gas (EPNG) Line 2000 outage and when will it return to service?***

**SoCalGas’s “best” case scenario is similar to the CEC and CPUC’s forecasts presented at the workshop; based on those, SoCalGas, the CEC, and the CPUC all concluded that curtailments this winter are unlikely under such circumstances.**

SoCalGas’s 2022-2023 winter analysis analyzed two bookend scenarios for flowing pipeline capacity, a “best” case and a “worst” case that include different assumptions for pipeline outages from planned work, potential work, and supply constraints. The California Public Utilities Commission (CPUC) has mandated two design standards for the winter operating season: the 1-in-10 year cold day standard (1-in-10), in which service is to be maintained to core customers and noncore customers under a temperature condition expected to occur once in a ten-year period; and the 1-in-35 year peak day standard (1-in-35), in which service is to be maintained to core customers under a temperature condition expected to occur once in a thirty-five-year period and service to all noncore customers is curtailed. The CEC’s analysis combines the core demand from the 1-in-35 standard and the noncore demand forecast from the 1-in-10 standard, which differs from the CPUC’s design standards. SoCalGas’s analysis does not conflate the 1-in-10 year cold day and the 1-in-35 year peak day design standards. SoCalGas’s analysis additionally accounts for declining storage withdrawal rates over the winter as a result of depleting inventory.

While SoCalGas's approach differed from the CEC and CPUC analyses, SoCalGas's best case scenario forecast is similar to the CEC and CPUC forecasts presented at the workshop. Under the “best” case scenario, there is a total pipeline capacity of 3.3 billion cubic feet per day (BCFD). SoCalGas’s assessment assumes the market will utilize 85% of that capacity, resulting in a total pipeline supply of 2.8 BCFD.<sup>1</sup> The resulting flowing supply under SoCalGas’s “best” case scenario is similar to both the CEC’s and the CPUC’s assumptions presented at the workshop. Based on these pipeline capacities, SoCalGas, the CEC, and the CPUC concluded that curtailments this winter are unlikely, provided there is sufficient storage inventory and withdrawal available. With the additional assumptions made for available storage withdrawal, SoCalGas calculated a capacity to serve customers of 4.25 BCFD during the peak demand months in December and January, which would meet the 1-in-35 design standard, but not the 1-in-10 design standard.

Under a “worst” case scenario, SoCalGas accounts for potential remediation work in the Northern Zone, and potential supply limitations in the Southern Zone. The safety of our employees, customers, and the communities we serve is the highest priority for SoCalGas. As such, SoCalGas inspects its pipelines regularly for safety and compliance, and the results of these inspections may identify required remediation work. For instance, SoCalGas recently inspected Line 235 East in the Northern Zone, which could result in required maintenance this winter. In the Southern Zone, SoCalGas assumes no supply is delivered at the Otay Mesa receipt point, as historically there has been little to no supply delivered there. Additionally, upstream of SoCalGas, El Paso’s Line 2000 is out of service,

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<sup>1</sup> See Southern California Gas Company (SoCalGas), “SoCalGas Winter 2022-23 Technical Assessment,” October 26, 2022, available at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=246873>.

potentially limiting available supply at SoCalGas’s Ehrenberg receipt point. In contrast, SoCalGas’s “best” case supply scenario assumes that no remediation work is required on Line 235 East, and supply is available at both Ehrenberg and Otay Mesa. These “worst” case scenario assumptions reduce the available pipeline capacity to 2.4 BCFD, and after applying a 90% utilization factor assumption, the total pipeline supplies are reduced to 2.2 BCFD. In light of regulatory inventory constraints at Aliso Canyon and maintaining a minimum inventory level at each storage field to provide sufficient withdrawal for core customer needs, under the “worst” case scenario, SoCalGas concluded that up to 8.3 billion cubic feet (BCF) of noncore customer demand may need to be curtailed during the winter season with cold temperatures. With the “worst” case scenario pipeline supply assumptions and the minimum withdrawal rate assumptions, SoCalGas calculated a capacity to serve demand of 3.61 BCFD, which was sufficient to meet the 1-in-35 design standard, but not the 1-in-10 design standard. SoCalGas’s assessment was based on specific assumptions and cannot consider all possible scenarios; therefore, it is important to note that other unanticipated outages or supply and capacity constraints could occur throughout the season that are beyond the scope of the winter technical assessment and could impact SoCalGas’s capacity to serve demand.

Regarding the EPNG Line 2000 outage, SoCalGas only has access to the publicly available information that is posted on the EPNG/Kinder Morgan website. No return to service date for EPNG Line 2000 has been announced on the website.

2) *In this section, we answer: **Are you seeing and studying any climate change impacts on gas demand?***

**SoCalGas has projected the impact of climate change on annual historical heating degree days.**

SoCalGas studied climate change impacts on gas demand. In the 2020 and 2022 California Gas Reports (CGR),<sup>2,3</sup> SoCalGas included climate change impacts on gas demand forecasts.<sup>4</sup> SoCalGas projected an annual historical heating degree day (HDD) reduction of six HDDs to reflect climate change. Fewer HDDs are attributable to climate change indicating expected reductions in gas demand for weather-sensitive residential and commercial customer classes. Relatedly, decreases in annual total gas demand are not necessarily reflective of the hourly changes in demand and peak demand exhibited by electric generation customers to meet the needs of the electric grid, which is increasingly reliant on intermittent renewable sources, and as electrification-driven demand grows. It may be that the gas system will be called upon even more in the future as a critical tool to manage and provide a backstop for electric grid and energy system reliability and resiliency. As shown during recent extreme hot and cold weather events, SoCalGas’s system was able to provide the capacity to meet demand reliably and safely, thus exhibiting the importance of the gas system’s current and future role in the State’s energy system portfolio.

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<sup>2</sup> See The California Gas and Electric Utilities, “2020 California Gas Report (CGR),” available at:

[https://www.socalgas.com/sites/default/files/2020-10/2020\\_California\\_Gas\\_Report\\_Joint\\_Utility\\_Biennial\\_Comprehensive\\_Filing.pdf](https://www.socalgas.com/sites/default/files/2020-10/2020_California_Gas_Report_Joint_Utility_Biennial_Comprehensive_Filing.pdf).

<sup>3</sup> See The California Gas and Electric Utilities, “2022 California Gas Report (CGR),” available at:

[https://www.socalgas.com/sites/default/files/Joint\\_Utility\\_Biennial\\_Comprehensive\\_California\\_Gas\\_Report\\_2022.pdf](https://www.socalgas.com/sites/default/files/Joint_Utility_Biennial_Comprehensive_California_Gas_Report_2022.pdf).

<sup>4</sup> *Ibid.*, p. 117.

## **Conclusion**

SoCalGas applauds the CEC's efforts to develop a natural gas forecast and looks forward to working collaboratively with the CEC to gain a better understanding of its modeling assumptions and efforts. We believe that an accurate forecast is essential for understanding system needs and potential constraints. We welcome the opportunity to collaborate to the extent that SoCalGas's forecasting efforts can inform the CEC's modeling. We also appreciate the opportunity to provide insights and engage with the CEC so we may address questions and concerns related to the reliability of our gas system during the winter of 2022 and 2023. Thank you for considering these comments.

Respectfully,

*/s/ Kevin Barker*

Kevin Barker  
Senior Manager  
Energy and Environmental Policy