

DOCKETED

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Comment Received From: Catherine Reheis Boyd

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Aliso Canyon Action Plan to Preserve Gas and Electric Reliability for the Los Angeles Basin and Aliso Canyon Risk Assessment Technical Report

Additional submitted attachment is included below.



Western States Petroleum Association
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Catherine H. Reheis-Boyd
President

April 22, 2016

The Honorable Robert B. Weisenmiller, Chair
California Energy Commission
California Energy Commission Dockets Office, MS-4
Re: Docket No. 16-IEPR-02
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Aliso Canyon Action Plan to Preserve Gas and Electric Reliability for the Los Angeles Basin and Aliso Canyon Risk Assessment Technical Report

Dear Chair Weisenmiller:

The Western States Petroleum Association thanks you for the opportunity to comment on the *Aliso Canyon Risk Assessment Technical Report*. The ability to inject and produce natural gas from the Aliso Canyon facility is critical to the maintenance of reliable energy supply throughout Los Angeles and Orange Counties. The *Aliso Canyon Risk Assessment Technical Report* demonstrates that simply decommissioning Aliso Canyon would place all of Southern California at risk of a severe disruption of electricity and natural gas supplies. As customers of the natural gas and electric utilities, we are critically concerned about the reliability of energy supplies. The *Technical Report* forecasts as many as 16 days of natural gas curtailment and up to 14 days of electricity curtailment this summer if no gas can be withdrawn from Aliso Canyon.

Service outages, whether gas or electric, will have significant economic consequences and, in some cases, further risk public safety. A steady supply of natural gas and electricity are necessary and integral components of the management of refineries. The Western States Petroleum Association, and its members who operate refineries and other facilities, is particularly concerned about the impact any service outages may have on the state's transportation fuel supply – 60% of which is produced in the LA Basin. The availability of gasoline, diesel fuel and aviation fuel is critical to ensuring public safety and health. These fuels are used by police vehicles, ambulances, fire trucks, the military, etc. Virtually all of these customers currently defined as "essential use" are not only consumers of electricity; they are also consumers of transportation fuels. Without these fuels, their ability to operate would be

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seriously impaired. In addition, rapid shutdown of a refinery can result in excessive flaring; destabilize refining operations, and present potential safety concerns.

During the electricity crisis in January of 2001, California experienced significant shortages of gasoline, aviation fuel, and diesel fuel caused by the interruption of electric service to terminals and pipelines transporting these fuels to market¹. Frequent interruptions over a period of several days resulted in several pipeline companies being unable to deliver refined products. Production of gasoline, diesel and jet fuel was curtailed at more than half of the state's refineries due to an inability to transport these products through the distribution system. Based on that experience, we understand that the threat that Aliso Canyon poses to the state's transportation fuel supply is serious. Therefore, we recommend that the state take three steps to reduce this risk.

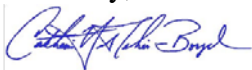
First, the most responsible and effective solution to Aliso Canyon will require that all stakeholders do their part to mitigate the risks of natural gas and electric service disruption while safely and incrementally returning Aliso Canyon to full operation. WSPA supports the prompt return of Aliso Canyon to service to the extent it can be done safely. Regulators should continue to explore all alternatives, especially the partial or incremental return to service, and commit all necessary resources to achieve this goal. If the storage facility were able to safely return to service in stages so that injection could begin this summer, the state would make considerable progress toward mitigating curtailments.

Second, the State needs to ensure that refineries are not put in a position to curtail electric or natural gas service. All five refineries are in the South Los Angeles Basin which is in a zone that Southern California Gas Company has identified as at risk. WSPA requests that refinery and any ancillary operations, including cogeneration and pipeline operations, are properly protected.

Third, because of the risk Aliso Canyon poses to transportation fuel supply, WSPA recommends that the state assemble a Transportation Fuel Action Team of stakeholders to develop a set of recommendations to reduce the risk posed to the state's transportation fuel supply. These recommendations must include comprehensive monitoring of electric and natural gas supply to ensure that regulators can forecast any possible reliability issues that could impact transportation fuels.

We look forward to continued dialogue with you on this important matter. If you have any questions, please contact me at this office, or Tiffany Roberts of my staff at (916) 325-3088 or by e-mail at: troberts@wspa.org

Sincerely,



¹ AB X1 57 (Dutra)—Committee Analysis, <http://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml>
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