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Comment Received From: Robert Pacheco

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IEPR 2016-08-26 WORKSHOP AND IEPR PUBLIC COMMENTS

see attachment

Additional submitted attachment is included below.

ROBERT PACHECO
City Councilman, City of Walnut
21201 La Puente, Road, Walnut, California 91789

August 23, 2016

California Energy Commission
California Public Utilities Commission
Los Angeles Department of Water and Power
SoCalGas,

Re: Joint Agency Workshop on Aliso Canyon Action Plan
2016-08-26 Workshop, IEPR Public Comments

Gentlemen:

Thank you to SoCalGas for your letter of August 12, 2016 outlining the progress report on steps being taken to ensure energy reliability this summer and the upcoming winter. It is understood that steps are being taken to bring the Aliso Canyon natural gas storage facility back online. The Aliso Canyon facility has in the past helped to meet shortages during peak demands. The company is at this time taking positive action by attempting to determine potential issues in meeting gas demands for our region.

I also reviewed the latest Progress Report issued by SoCalGas to constituents and the steps being taken to comply with the Division of Oil, Gas and Geothermal Resources, Order 1109 and as requested by SB 380. Your efforts are appreciated.

I am however concerned that SoCalGas may not have planned sufficiently for future Southern California needs. Heavy reliance on Aliso Canyon will have repercussions on the region. With the Aliso Canyon facility out of operation, Southern California will likely experience reliability challenges and possible gas curtailments that may cause electricity interruptions. Risks on shortage of natural gas can and may have a profound effect on the electric supply system which relies on natural gas to fuel power generators.

There is a great interdependence between the electric and natural gas industries. The problems of such interdependence, has been layered into the system for over a decade. During that time, SoCalGas has relied on delivery of fuel source on a just in time need and failed to establish long-term capability to meet high or expanded demand. Storage dependency to maintain operating pressure and too much dependency on single source resources have created some of the current problems. There has been a misalignment and lack of system flexibility and distribution of resources established into operations.

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For the coming year efforts to establish reliability are critical. Mitigation plans are needed which include review of importation capability and balancing of uses by consumers and large users. Aliso Canyon has gas supplies currently stored and that source should be utilized to curtail interruptions. Based on the interdependency of electrical energy with gas supplies, it is foreseeable that the California ISO and LADWP, who review the needs of the Los Angeles area may by necessity want to curtail electricity service to customers during the latter part of summer or winter 2016-2017.

Aliso Canyon is a critical component of the gas system in the Los Angeles Area since it supplied gas to 18 large power plants. Without adequate gas supplied to those power plants it is conceivable that there may be curtailment of supplies to consumers. At the same time, due to the Aliso Canyon component being taken out of the supply system SoCalGas will likely be looking to tariff changes as a means of curtailing usage and to encourage gas balancing practices.

As an elected official I have serious concerns that inadequate planning by SoCalGas shall result in consumers being hit hard not only with curtailment of supply but with increased charges for usage. To avoid those occurrences, I urge you to consider establishing more accurate procurement methods and a workable system to mitigate risks aligned with high demand usage and supply.

Studies show that natural gas has become the predominant fuel for electric generation. The gas and electric industries will have to closely look at that interdependence and how the infrastructure has been developed to meet contingencies. With the interruption of the Aliso Canyon facility as a supplier a closer look is required for existing fuel contracts or whether more dual-fuel capabilities need to be created.

This joint agency workshop has an opportunity to examine alternatives and to develop an action plan. I urge you to take advantage of this opportunity to create innovative and workable solutions.

Sincerely,

Robert Pacheco
City Councilman, City of Walnut
cc: Lana Wong, Lana.Wong@energy.ca.gov
cc: Robert Cruz, RCruz1@semprautilities.com