

DOCKETED

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SCE's Comments on CEC Docket No. 16-IEPR-02: Joint Agency Workshop on Aliso Canyon Action Plan for Local Energy Reliability for Winter 2016 to 2017

Additional submitted attachment is included below.

September 9, 2016

California Energy Commission
Docket Office, MS-4
Re: Docket No. 16-IEPR-02
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission Docket No. 16-IEPR-02: Joint Agency IEPR Workshop on Aliso Canyon Action Plan for Local Energy Reliability for Winter 2016 to 2017

Dear Commissioners:

On August 26, 2016, the California Energy Commission (Energy Commission), conducted a Joint Agency Workshop with the California Public Utilities Commission (CPUC), the California Independent System Operator (CAISO), and the Los Angeles Department of Water and Power (LADWP) to discuss the near-term gas and electricity reliability risks to the Los Angeles Basin due to the restricted use of the Southern California Gas Company's (SoCalGas) Aliso Canyon gas storage facility ("the Workshop"). The Workshop was held as part of the 2016 IEPR Update proceeding, and included discussion of the Aliso Canyon Gas and Electric Winter Action Plan¹ (Winter Action Plan)—a plan that describes the local reliability risks for the winter period of 2016 to 2017 and recommends near-term mitigation measures to address those risks. Southern California Edison (SCE) participated in the Workshop and appreciates the opportunity to provide these written comments on the Workshop.

SCE supports and appreciates the Joint Agencies' collaborative effort in preparing the Winter Action Plan. SCE agrees with the Winter Action Plan's recommendations to help support gas and electric system reliability. The Winter Action Plan appropriately recognizes SCE's primary concern: the safe and reliable operation of the natural gas and electric grid systems in Southern California. The mitigation measures identified in the report, in addition to the measures implemented in the Aliso Canyon Action Plan to Preserve Gas and Electric

¹ Aliso Canyon Gas and Electric Winter Action Plan, prepared by the Staff of the California Public Utilities Commission, California Energy Commission, the California Independent System Operator and the Los Angeles Department of Water and Power, August 22, 2016.

Reliability for the Los Angeles Basin² (Summer Action Plan), help mitigate the risk and magnitude of natural gas curtailments and electricity service interruptions for the upcoming winter.

In particular, SCE agrees with the Joint Agency's recommendation to add core balancing rules as a mitigation measure for the winter. As stated in the report, "Noncore customers (including electric generators) can be completely in balance, while SoCalGas is responsible for doing nothing to reduce a core customer imbalance that could be large enough to put the system in stress."³

The Winter Action Plan and Risk Assessment Technical Report Assessment identifies conditions where the SoCalGas system will be unable to meet a forecast 1-in-10 peak winter load without curtailing noncore customers, including electric generation customers. Specifically, the Winter Action Plan states that the SoCalGas forecast 1-in-10 year peak winter demand is 5.2 billion cubic feet (BCF) per day⁴ while the SoCalGas hydraulic analysis concludes that the gas system can only serve a maximum of 4.5 BCF⁵ to preserve operating pressures to serve customers.⁶ If the gas load exceeds gas system capability, the new curtailment rules in place effective November 1, 2016 would curtail electric generators first to make up for any shortage in gas supplies.⁷ As a result, electric generation will be the first customer group curtailed to make up for gas system supply shortages, regardless of the customer group that is the source of the gas supply shortage.

The Summer Action Plan identified that during the summer the electric generation segment represents 60% of the peak summer gas load and core represents only 20% of the gas load.⁸ The Winter Action plan identified that during the winter the core represents 60% of the peak winter load and electric generation represents only 20%.⁹ As a result, the dominant driver of gas system reliability on the SoCalGas system changes from electric generation to core loads from summer to winter. In recognition of this change, the Winter Action Plan concludes that

² Aliso Canyon Action Plan to Preserve Gas and Electric Reliability for the Los Angeles Basin, prepared by the Staff of the California Public Utilities Commission, California Energy Commission, the California Independent System Operator and the Los Angeles Department of Water and Power, April 2016; available at: <https://efiling.energy.ca.gov/getdocument.aspx?tn=211671>.

³ Ibid, at p. 21.

⁴ Ibid, at p. 16.

⁵ Ibid, at p. 17. SoCalGas initially found that it could serve a load of 4.7 BCF per but that number would be further lowered if gas supplies do not show up as has been the case in previous cold spells. In addition, the number of 4.7 BCF per day was reduced to 4.5 BCF per day because of work on Line 3000 and because maximum withdrawals from Honor Rancho cannot be realized when Line 225 is full.

⁶ Ibid, at p. 17.

⁷ Ibid, at p. 18.

⁸ Aliso Canyon Action Plan to Preserve Gas and Electric Reliability for the Los Angeles Basin, April 5, 2016, Table 4 at p. 15.

⁹ Aliso Canyon Gas and Electric Winter Action Plan, August 22, 2016, Table 1 at p. 11.

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core gas supplies must closely match actual core demand in order to assure gas and electric system reliability.

The Winter Action Plan acknowledges that measures taken in the Summer Action Plan added complexity and increased costs to noncore customers.¹⁰ While the mitigation measures for summer have contributed to gas and electric system reliability to date, the additional 10 measures identified for the winter help reduce the possibility of gas curtailments effecting electric system reliability.

In conclusion, SCE appreciates the Energy Commission's consideration of these comments and looks forward to its continuing collaboration with the Energy Commission and stakeholders. Please do not hesitate to contact me at (916) 441-3979 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/ Catherine Hackney

Catherine Hackney

¹⁰ Ibid (Winter Action Plan) at p. 8.