

DOCKETED

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Pacific Gas and Electric Comments on the Aliso Canyon Action Plan for Local Energy Reliability for Winter of 2016 and 2017

Additional submitted attachment is included below.

September 9, 2016

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California Energy Commission
Dockets Office, MS-4
Docket No. 16-IEPR-02
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket 16-IEPR-02: Pacific Gas and Electric Company Comments on the Aliso Canyon Action Plan for Local Energy Reliability for Winter of 2016 and 2017

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide comments on the August 15, 2016 Joint Agency Workshop regarding the Aliso Canyon Action Plan for Local Energy Reliability for Winter 2016 and 2017 (Plan). PG&E provides comments on the following topics in response to the Plan and Aliso Canyon Winter Risk Assessment Technical Report (Report):

- Assumptions in the Plan and underlying Report may be optimistic, and;
- The Plan and Report overlook the rest of the electrical system while focusing analysis on Southern California.

I. Many Assumptions in the Aliso Canyon Gas and Electric Reliability Winter Action Plan and Aliso Canyon Winter Risk Assessment Technical Report may be Optimistic

PG&E appreciates the thorough, detailed work that went into the Plan and Report that were produced to assess Aliso Canyon-related risks heading into winter months but there are key points that may understate risks for the season ahead. Specifically, the Report assumes that inventory at the storage fields will be sufficient to provide full deliverability at certain times in the day from Honor Rancho as well as 80% and 75% of the maximum withdrawal capacity at La Goleta and Playa del Rey respectively. Thus, per the Report, these storage fields will need to be full or nearly full throughout the winter season to maintain the withdrawal capacities assumed in the Assessment. Keeping the three gas storage fields nearly full may require daily management of withdrawals and injections which could require a gas burn operating ceiling on non-peak gas load days.

Additionally, some gas storage inventory is contracted by noncore customers and their contracted inventory level, roughly 5-10 Bcf, may not be available on all peak gas load days. In this event, management of the remaining inventory becomes even more crucial for Southern California. While the tubing-only withdrawal rate scenario serves as one example of a limited withdrawal case, it does not alleviate the need for storage inventory management to maintain far less than maximum withdrawal rates.

The mitigation measures detailed in the Plan¹ should allow for a gas burn operating ceiling for gas storage inventory management to maintain adequate withdrawal deliverability throughout the winter season, predominantly in December and January, not just on peak gas load days.

II. *The Aliso Canyon Gas and Electric Reliability Winter Action Plan and Aliso Canyon Winter Risk Assessment Technical Report Overlook the Rest of California's Electrical System*

The analysis in the Plan and associated Report is Southern California focused and makes very broad assumptions that the rest of electric and gas systems will be operating at full capacity throughout winter 2016 and 2017. The analysis does not reflect the integrated nature of the gas and electric systems across the West. A widespread or sustained cold event (e.g. polar vortex) across the West would stress the entire gas and electric system's ability to serve customers – not only in Southern California.

Furthermore, the analysis in these documents focuses on a single one-in-ten scenario and the system's ability to meet demand on a single peak day. The Plan and Report provide little analysis about a winter with extended periods of above-average cold which would lead to overall tightening of gas supply in California and the West. This scenario would be even more critical if a cold event were to occur later in the 2016-2017 winter when storage inventory would be lower. Given uncertainty in west-wide winter cold scenarios as well as potential legislative and regulatory impacts on gas storage, assessments of Southern California risk for winter 2016-2017 should consider the potential for system-wide shortages in the upcoming season.

III. *Conclusion*

PG&E appreciates this opportunity to comment on the August 26th Joint-Agency Workshop regarding the Aliso Canyon Action Plan for Local Energy Reliability for Winter 2016 and 2017 and looks forward to continued participation in this process.

Sincerely,

/s/

Wm. Spencer Olinek

¹ http://docketpublic.energy.ca.gov/PublicDocuments/16-IEPR-02/TN213406_20160901T073434_Aliso_Canyon_Gas_and_Electric_Reliability_Winter_Action_Plan.pdf, pg. 20-22