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Oppose Senate Bill 57

Additional submitted attachment is included below.



February 15, 2017

The Honorable Henry Stern State Capitol, Room 3070 Sacramento, CA 95814 Via Email: <u>Senator.Stern@senate.ca.gov</u> Fax: (916) 651-4927

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RE: SB 57 (Stern) - OPPOSE

Dear Senator Stern:

Sweetener Products Company must oppose Senate Bill 57, which would continue the prohibition of natural gas injections at the Aliso Canyon storage facility (Aliso Canyon) until the third-party root cause analysis of the leak that started in October 2015 has been completed and released. It would further require the California Public Utilities Commission (CPUC) to complete its analysis regarding the need for the Aliso Canyon storage facility by December 31, 2017.

We are extremely concerned that extending the moratorium on injections could have significant and farreaching consequences on the stability of the region's energy supply, potentially resulting in natural gas shortages, which, in turn, could lead to electric blackouts.

SB 57 does not enhance safety at Aliso Canyon. Safety concerns about the facility have already been addressed by the California legislature through Senate Bill 380 (Pavley), which required a Comprehensive Safety Review to be completed at the facility and approved by the State Oil and Gas Supervisor and the Executive Director of the CPUC before injections of natural gas can resume.

Over the last year, SoCalGas has gone beyond the requirements of SB 380 and by making extensive physical upgrades and deploying advanced technologies to enhance safety at Aliso Canyon. These state-of-the-art enhancements strengthened the facility's infrastructure, introduced real-time pressure monitoring, and enabled improved communications with stakeholders. This was confirmed by the CPUC in a January 17, 2017 report, which found that SoCalGas was⁴ in full compliance with all of the new, forward-looking safety provisions pursuant to SB 380. That report also found that there is not enough natural gas stored at Aliso to maintain a reliable supply of power this summer.

Aliso Canyon is an important part of interdependent natural gas and electricity systems in Southern California and is necessary for SoCalGas to maintain safe and reliable service. The unnecessary destabilization of the region's energy supply would negatively impact thousands of businesses and crucial infrastructure providers, as well as the safety and well-being of our communities. 2050 E. 38th Street • Vernon • California 90058

(323) 234-2200 · (800) 305-2200 · FAX (323) 232-3608 www.sweetenerproducts.com We are not alone in these concerns. In fact, a series of technical reports issued by state regulatory agencies and independently vetted by internationally-recognized technical experts at the National Laboratories have determined that the natural gas supplies at Aliso Canyon are necessary to address reliability concerns and to support reasonable utility rates.

The confirmation of Aliso Canyon's safety, along with the clear need for the storage facility, as articulated in the above-mentioned technical reports, points to a simple conclusion: it is time for the facility to resume operation without further delay.

Thank you for your consideration.

Sincerely,

Joseph E. Tack President

cc: The Honorable Edmund G. Brown, Jr. Governor, State of California State Capitol, 1st Fl. Sacramento, CA 95814

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