

## DOCKETED

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*Comment Received From: Kelly Nguyen*

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## **Support of increased inventory**

*Additional submitted attachment is included below.*



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PUBLIC UTILITIES DEPARTMENT

December 5, 2017

Robert B. Weisenmiller, Chair  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814

Dear Chair Weisenmiller:

Vernon Public Utilities (VPU) would like to thank you for the opportunity to submit comments on the Aliso Canyon Winter Risk Assessment Technical Report 2017-18 Supplement dated 11/28/17 (“Assessment”) and the proposed mitigation measures to address electric reliability and natural gas supply in the absence of three inoperable natural gas pipelines used to serve customers of the Southern California Gas Company (“SoCalGas”).

The City of Vernon was founded on an “exclusively industrial” model in 1905. Vernon is home to over 1700 businesses which provide nearly 50,000 jobs city-wide. VPU is one of the few municipal utilities in California that provides high quality electric, gas, water and fiber utilities at competitive rates to residents and businesses.

As an electric and gas utility, VPU relies on safe and reliable delivery of natural gas for its local natural gas-fired generators that provide nearly 75% of Vernon’s electric needs. This ensures electric reliability for use by VPU’s retail customers. We are encouraged by the recent Aliso Canyon Withdrawal Protocol dated 11/2/17 that allows SoCalGas to execute emergency withdrawals in order to protect public health and safety, and we appreciate your influence in adding this important contingency to the plan. However, the curtailment threat associated with the inoperable pipelines creates new uncertainty and there is concern that the inventory at Aliso Canyon will be insufficient to satisfy demand during the coldest months. As a non-core customer of SoCalGas, VPU is among the consumers that will be required to curtail gas use. This could have an impact on public health and safety due to potential blackouts. While established rolling blackout protocols protect high-risk facilities such as hospitals and critical infrastructure from service outages, general residences, particularly where the elderly and infirm are concerned, could be subject to significant safety risks. A lack of heating during a multi-day cold front could prove deadly in such cases. Furthermore, power outages that affect the operation of traffic signals, street lighting, or machinery, could result in dangerous road, neighborhood, and industrial conditions.

*Exclusively Industrial*

The Bureau of Labor and Statistics has identified that manufacturing and industrial fields are the top employers in the Gateway Cities region, which Vernon is a part of. A 10-second electric outage for our industrial customers can cost \$100,000 in loss of product, labor, and damage to equipment. Thus, the livelihood of the region depends upon the productivity of our customers, especially during the holiday season.

We support the potential risk mitigation measures defined in the Assessment; specifically, that which proposes to increase slightly the volume of gas that can be stored at Aliso Canyon in order to maintain energy reliability. As stated, the facility has reached its maximum inventory of 23.6 Bcf, which was calculated with earlier assumptions of only one offline gas line and single day withdrawals. With three pipelines out of service, the proposed 1 Bcf increase could mitigate the risk of depleting reserves during a colder-than-normal winter. While other proposed mitigation efforts - such as engaging the public to reduce usage should definitely be implemented, an operational Aliso Canyon represents a real and dependable solution to the electric reliability needs of cities like Vernon.

Again, we thank you for the opportunity to share our concerns and look forward to participating in a feasible solution that ensures gas and electric reliability while protecting the safety of all affected citizens.

Sincerely,



Kelly Nguyen  
General Manager of Public Utilities

Cc: The Honorable Ricardo Lara, California State Senate  
The Honorable Miguel Santiago, California State Assembly  
Melissa Ybarra, Mayor – City of Vernon  
Carlos Fandino, City Administrator – City of Vernon