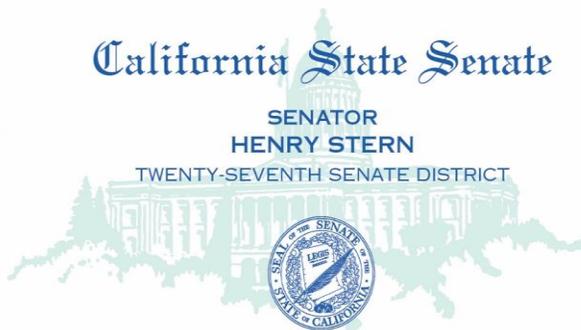


CAPITOL OFFICE
STATE CAPITOL
ROOM 5080
SACRAMENTO, CA 95814
TEL (916) 651-4027
FAX (916) 651-4927
DISTRICT OFFICE
5016 N. PARKWAY CALABASAS
SUITE 222
CALABASAS, CA 91302
TEL (818) 876-3352
FAX (818) 876-0802
SENATOR.STERN@SENATE.CA.GOV



COMMITTEES
CHAIR
NATURAL RESOURCES & WATER
JOINT LEGISLATIVE COMMITTEE ON
EMERGENCY MANAGEMENT
MEMBER
BUDGET & FISCAL REVIEW
ENERGY, UTILITIES
& COMMUNICATIONS
ENVIRONMENTAL QUALITY
JUDICIARY
SUBCOMMITTEE
BUDGET & FISCAL REVIEW
NO. 2 ON RESOURCES
ENVIRONMENTAL PROTECTION
& ENERGY

November 4, 2021

To all Commissioners
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Aliso Canyon Well Failure Order Instituting Investigation I.17-02-002
Administrative Law Judge (ALJ) Zhen Zhang Decision and Commissioner Guzman
Aceves Alternate Decision Revision 1

Dear Commissioners:

Following up on my August 13, 2021 letter detailing my concerns with authorizing new injections and increased utilization of the Aliso Canyon gas field, I was disappointed to see the proposal to either increase the field's storage levels by 100 percent or by a lower but still risky alternative 20 percent increase.

There are feasible, zero carbon, safer, and more affordable alternatives in the near and medium term to a more pressurized Aliso — the faulted facility can and must be closed altogether.

Aliso Canyon does indeed sit on a fault line, and for this reason the Legislature required in SB380 a thorough safety review be completed before resuming regular utilization of this storage field. With respect to the safety review required by Senate Bill 380, CALGEM has yet to complete their independent seismic study, and is instead relying on SoCalGas' own seismic analysis that fails to account for the changes to fault permeability after a large earthquake with updated modeling on well casing failures.¹

Moreover, the Southland can get through this winter without Aliso from an energy demand perspective. In the Aliso Canyon closure feasibility proceeding I.17-02-002, the modeling consultant's new analysis points to cost effective solutions in gas demand reduction through

¹ [May 8, 2019 letter to the Department of Conservation](#) from Dr. Matthew D'Alessio, Department of Geological Sciences, California State University Northridge.

home and building energy efficiency, weatherization, heating and cooling retrofits, as well as industrial and electric demand response and efficiency programs, under existing legal without even addressing the possibilities for new funding could have on gas demand reductions, in the electric, industrial and residential sectors.

The data driving today's unnecessary decision is driven from outdated assumptions by the California Independent System Operator that should not drive future decisionmaking even if it is relied upon today. (The Commission relies upon an ISO model that assumes an interface limit of 11,600 MW for the total transmission from outside CAISO for all periods of the year, which means solutions under consideration must increase the interface limit equal to the Base Case 2035 gas shortfall of 2,849 MW²). With the availability of near term demand response, efficiency and alternate storage options, and the following medium term actions, we can do better. Consider:

- the Commission's approval of 11.5 GW of new clean energy and long duration storage resources by 2026
- the City of Los Angeles and its Department of Water & Power's decision to procure more than 6,000 MW of new solar and energy storage by 2030 (LA 100 Plan)
- the County of Los Angeles adoption of a long-term sustainability plan that includes serving all unincorporated areas of the county with 100% renewable energy by 2025, along with 2030 to 2045 targets to add 10,000 MW of carbon free energy resources
- the California Energy Commission (CEC) adoption of new building decarbonization requirements
- the Governor's signature of Senate Bill 423 (Stern, Chp. 243, Statutes of 2021), which requires a fresh look by the CEC of firm zero carbon resources to obviate the need for relying on gas fields like Aliso.

Combined with unused existing incentives, and new public funding at the federal and state level, the path beyond Aliso isn't just possible, it is necessary.

Until a genuine multi-jurisdictional effort is undertaken to exhaust all the zero carbon and affordable alternatives, and until CALGEM has completed its own heavily delayed seismic safety review of the field, repressurizing would be imprudent and premature. I hope you will consider forgoing this decision today, and I look forward to working with the Commission and the community to finally cement a path to closing Aliso Canyon in the near term.

Sincerely,



Henry Stern
State Senator, SD 27

² Aliso Canyon OII Phase 3 ResearchWorkshop #3: Portfolio 1-4 Modeling Approach, Inputs, and Results and Portfolio 5 Considerations, (p. 66-68), November 3, 2021.

cc. Marybel Batjer, President
Martha Guzman Aceves, Commissioner
Cliff Rechtschaffen, Commissioner
Genevieve Shiroma, Commissioner
Darcie Houck, Commissioner
Grant Mack, Director, Office of Government Affairs
Miranda Hazel, Deputy Legislative Secretary, Office of the Governor