



500 S. Main Street, #410, Orange, CA 92868 | P: 714.953.1300 | F: 714.953.1302 | www.ACCOC.org

February 15, 2017

The Honorable Henry Stern
State Capitol, Room 3070
Sacramento, CA 95814

RE: SB 57 (Stern) Natural gas storage: moratorium–OPPOSE

Dear Senator Stern,

The Association of California Cities–Orange County (ACC-OC) represents the cities of Orange County, the County of Orange, a multitude of local government special districts, and many affiliate members from the technology, business, and non-profit sectors. Collectively, our members provide services to nearly 3.2 million Orange County residents. On behalf of the ACC-OC, I would like to express our opposition to Senate Bill 57 (Stern), which would extend the moratorium on natural gas injections at the Aliso Canyon facility until the Root Cause Analysis (RCA) has been completed.

The ACC-OC is sensitive to the concerns of the surrounding communities and of Senator Stern, and share the goal of promoting and protecting public safety. However, the results of the RCA are a separate issue from determining the appropriateness of the Aliso Canyon facility to once again begin operations. Conflating the two is not necessary and does nothing to protect the safety and welfare of the surrounding communities. According to the Federal Joint Interagency Task Force report, the leak occurred in the outer casing of SS-25. Since this discovery, SoCal Gas has taken extensive measures to ensure that this type of issue never occurs again. In addition to complying with new regulations that prohibits gas from flowing through the outer casing of wells, SoCal Gas has also undertaken many voluntary safety measures including: daily infrared video scanning, daily and weekly safety and equipment checks, additional inner-metal tubing to provide additional protection against leaks, and continuous pressure monitoring.

The necessity of Aliso Canyon returning to operational status promptly was made clear by the *Aliso Canyon Gas and Electric Reliability Winter Technical Assessment* report. In this report it was determined that Aliso Canyon was an essential part of meeting the energy needs of the Los Angeles and Orange County region. Additional independent reports, like the one from Los Alamos National Lab, reached similar conclusions. Finally, the California Public Utilities Commission (CPUC) has also determined that the current production capacity of Aliso Canyon is insufficient to meet the anticipated demand in the coming months. This is an issue of safety and reliability. As the CPUC articulated in their assessment, the Aliso Canyon facility



of safety and reliability. As the CPUC articulated in their assessment, the Aliso Canyon facility is necessary to “provide flexibility to respond to gas market conditions to support just and reasonable rates.”

The ability of our thirty-four cities to provide services to their communities is entirely dependent on their access and use of dependable energy resources. It is what keeps our cities’ schools open, their hospitals operating, and their businesses and homes running. Additionally, energy reliability is a critical cornerstone to even the most basic of municipal operations. Services like public safety, transportation, and water delivery require a certain degree of energy reliability and certainty. Independent authorities have recognized that the only way to maintain an appropriate level of energy reliability in the region is to ensure that the Aliso Canyon facility is operating as soon as practical.

Please contact Kelsey Brewer from our office should you have any questions regarding our position or about ACC-OC. She can be reached at kbrewer@accoc.org

Sincerely,



Heather Stratman
Chief Executive Officer
Association of California Cities—Orange County

CC:

Members, Senate Natural Resources and Water Committee
Orange County State Legislative Delegation
ACC-OC Board of Directors
ACC-OC Legislative and Regulatory Committee