



R.20-01-007 Track 1A Workshop: Natural Gas Reliability Standards

July 7, 2020 | 9:30 a.m. – 4:15 p.m. | Remote participation only

Remote Participation Link:

<https://cpuc.webex.com/cpuc/onstage/g.php?MTID=e6dedc7ff39c46ddb0cba180c4ac7a368>

Toll Call-in: 1-855-282-6330

Meeting Access Code: 146 885 5452 Meeting Password: Gasplanning0

Workshop Purpose: This workshop covers Track 1A of the Assigned Commissioner’s Scoping Memo and Ruling, issued on April 23, 2020.¹ This workshop seeks to provide stakeholders with a common understanding of the issues, gather information, and seek feedback. Additionally, workshop participants may begin to develop possible future scenarios and suggest potential solutions.

Intended Outcome: Participants and attendees will have a better understanding of the facts upon which testimony, hearings (if needed), and briefs (if needed) will proceed upon. Energy Division staff will publish a workshop report in September which will provide recommendations or, at a minimum, a range of options for resolving the issues.

WORKSHOP AGENDA

9:30 – 9:40

Welcome

ALJ Ava Tran
Energy Division staff

9:40 – 9:55

Overview of Existing Natural Gas Reliability Standards

The current natural gas reliability standards were established in a 2004 rulemaking, R.04-01-025, prior to changes to policy goals and infrastructure availability, and most recently in PG&E’s 2019 Gas Transmission and Storage Decision, D.19-09-025. Energy Division staff will describe the current standards and how they differ between utilities.

Gregory Reisinger, Energy Division staff

9:55 – 10:10

Q&A

10:10 – 10:30

Temperature Projections and Demand Trends

According to California’s Fourth Climate Change Assessment, climate change continues to increase average summer and winter temperatures and will cause a

¹ The scope of Track 1A can be found in the Assigned Commissioner’s Scoping Memo and Ruling here: <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M334/K581/334581865.PDF>. Question #5 explores the topic of cost recovery and cost allocation. This topic will not be covered in this workshop and will be covered in a future forum.

higher frequency of extreme weather events. Will increasing temperatures and more frequent extreme events change gas demand profiles? (Scoping Memo Issue 2b)

Susan Wilhelm and Cary Garcia, California Energy Commission

10:30 – 10:45

Q&A

10:45 – 10:55

Break

10:55 – 12:10

Can the Reliability Standards Be Met? Are They Still Adequate? (15 mins each)
PG&E and SoCalGas/SDG&E will discuss their systems' ability to meet the current reliability standards. All participants will provide their views on whether the current standards are still adequate and, if not, how they should be changed considering temperature projections and demand trends. Participants will also provide their views on how the CPUC should respond to a gas utility's sustained failure to meet minimum transmission design standards. (Scoping Memo Issues 1, 1a-c, 2 and 2a)

Roger Graham, Rick Brown, and Richard Beauregard, PG&E

Jonathan Peress and David Bisi, SoCalGas/SDG&E

Jim Caldwell, Center for Energy Efficiency and Renewable Technologies (CEERT)

Dr. Eric Woychik, on behalf of Utility Consumers' Action Network (UCAN)

Maurice Brubaker, on behalf of Indicated Shippers (IS)

12:10 – 12:25

Q&A

12:25 – 1:20

Lunch Break

1:20 – 1:50

Is a Summer Reliability Standard Needed? (15 mins each)

During the summer, the electric grid depends on gas-fired generation to meet its ever-steeper evening ramp. Those generators, in turn, rely on a gas supply that may or may not be available at a moment's notice. In this panel, electricity market and generation experts will share their views on whether the CPUC should establish separate reliability standards to meet the unique challenges of summer. (Issue 2c)

Delphine Hou, California Independent System Operator (CAISO)

Norman Pedersen, Southern California Generation Coalition (SCGC), and **Tom**

Beach, Crossborder Energy on behalf of SCGC, Vistra Energy, Middle River Power, and Calpine

1:50 – 2:05

Q&A

2:05 – 2:50

Slack Capacity: Prudent or Wasteful? (15 mins each)

In D.06-09-039, the CPUC concluded that the utilities' then-current slack capacity margins of between 11 and 25 percent were adequate but did not set an official standard similar to the N-1-1 electric standard. In D.19-09-025, the CPUC authorized PG&E to establish slack capacity, or "reserve capacity," to address significant unplanned outages. Does the gas system require a certain level of slack capacity to result in just and reasonable gas costs? (Issue 3)

Roger Graham, PG&E
David Bisi, SoCalGas/SDG&E
Catherine Yap, on behalf of Southern California Generation Coalition and
Indicated Shippers

2:50 – 3:05

Q&A

3:05 – 3:15

Break

3:15 – 3:30

**Proposed North Baja Xpress Expansion Project, FERC Docket CP20-27:
Impacts on California**

SoCalGas/SDG&E will provide a brief overview and analysis of the impact of the proposed North Baja Xpress Project to serve the Energía Costa Azul LNG export facility on supply availability and the market within their service territories. If there are supply constraints and price increases associated with increased transportation to serve Energía Costa Azul, an affiliated company of SoCalGas, what measures should be taken to bear such costs or prevent such constraints? (Issue 4)

Paul Borkovich, SoCalGas/SDG&E

3:30 – 3:45

Q&A

3:45 – 4:10

Final Comments and Q&A (Open to All)

4:10 – 4:15

Closing Remarks

Energy Division staff

Note: It is expected that one or more CPUC Commissioners may attend and participate in the workshop. One or more advisors to the CPUC Commissioners, as well as other decision-makers, may also be in attendance. The agenda will be publicly noticed on the CPUC's Daily Calendar 10 days in advance, so statements made at the workshop will not constitute a reportable *ex parte* contact. The workshop will be recorded. This agenda is subject to change.