CALIFORNIA, 30TH DISTRICT

CONGRESSMAN BRAD SHERMAN

July 13, 2017

Mr. Tim Shular
Regulations Manager
Department of Conservation
801 K Street MS 24-02
Sacramento, CA 95814

Re: Underground Gas Storage Regulations

Dear Mr. Shular,

Thank you for this opportunity to advocate for improvements to the Division of Oil, Gas, and Geothermal Resources (DOGGR)'s proposed regulations of natural gas storage facilities in California.

I commend you for proposing the strongest requirements in the nation for underground gas storage facilities. However, just because they are stronger than standards in other states or the federal government, does not mean they are sufficient.

I remain concerned that the proposed regulations neglect to require positive-pressure subsurface safety valves on active wells. Additionally, these regulations do nothing to address the "too big to fail" issue with the state's natural gas storage system. No one natural gas storage facility should be so large that its closure can adversely affect the statewide economy or cause a significant portion of the State to be without heating, cooking, or electricity.

As you know, the gross inadequacy of current regulations was made painfully aware to the community of the San Fernando Valley when the 2015 blowout at the Aliso Canyon natural gas storage facility operated by So Cal Gas resulted in the largest methane leak in U.S. history.

My family lives about as close as any to the source of the leak. The leak continued for nearly four months. More than 7,000 families were displaced from their homes and forced to relocate because they experienced adverse health symptoms. Two schools in the area were closed for the duration of the school year.

Proposed Changes

Subsurface Valves

One of the tragic ironies of the Aliso Canyon leak is that the broken well, SS25, had previously been equipped with a subsurface safety valve that was removed in 1979 and never replaced.

Subsurface safety valves can protect against ruptures along the length of the well where valves located at the surface would be insufficient. Moreover, subsurface safety valves with "positive

pressure" ensure that if there is any interruption of pressure (due to a malfunction, earthquake, power outage, etc.) subsurface safety valves will close. This would add an additional layer of protection to the current proposed tubing and casing requirements.

The state should require deep subsurface positive-pressure safety valves on all active wells at subsurface natural gas storage facilities. Only permanently sealed wells should be excluded.

Too Big To Fail

Additionally, there must be a commitment to address the overdependence upon very large natural gas storage facilities like Aliso Canyon, a problem endemic in the state's natural gas storage system.

The residents of Porter Ranch, many of whom remain engaged in a legal battle with So Cal Gas over injuries suffered during the blowout, are currently being told that injections must resume at Aliso Canyon or we run the risk of blackouts to the entire Los Angeles metropolitan area.

There should be a more redundant natural gas storage system. **The state should mandate that when any major metropolitan area is reliant on one facility for over 25% of its power, other facilities are developed.** So by the implementation deadline, none of our major metropolitan areas should be dependent on any one facility for more than 25% of its natural gas storage.

Implementation Deadlines

I recognize that neither of these recommendations can be implemented immediately. The foregoing two standards should be implemented by 2025, or another date that the Department of Conservation determines to be appropriate.

Then California residents would have proof that the State is doing everything in its power to ensure that a disaster like Aliso Canyon never happens again.

Very truly yours,

Brad Sherman
Member of Congress