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**Re: Item 4, CF 20-0002-S22**

Dear Honorable Members of the Los Angeles City Council Rules, Elections and Intergovernmental Affairs Committee:

We are submitting this letter in response to Council File 20-0002-S22, a resolution to support any legislative and administrative action to close SoCalGas' Playa del Rey (PDR) natural gas storage facility. The resolution includes outdated information about the facility.

This letter summarizes the enhanced safety protocols implemented at all SoCalGas storage facilities, some of which were implemented after the CA Council on Science and Technology report referenced in the Resolution was published. This letter also contains information about PDR's vital role in maintaining electric and gas reliability in the West LA, South Bay and Harbor regions of Los Angeles.

SoCalGas has worked to enhance all of our storage facilities in engineering design and operations, making them among the safest and most state-of-the-art facilities in the nation. SoCalGas has taken steps to ensure the PDR facility meets and exceeds the California Public Utilities Commission and California Geologic Energy Management Division's rigorous standards for gas storage and delivery.

Each of our wells have undergone comprehensive tests and we use industry-leading technology and practices in our operations, including:

- New steel inner tubing in every active well
- Remote, real-time pressure monitoring system for all wells at the Playa del Rey storage facility
- Configuring the wells so that natural gas flows only through newly installed steel inner tubing allowing the outer casing to act as a second barrier of protection against potential leaks
- Daily patrols and real-time continuous methane monitors at every storage injection/withdrawal well to monitor for leaks
- Methane sensing equipment around the field's perimeter

Additionally, each of our storage facilities undergo rigorous safety tests multiple times each year and we continue to invest in safety and well integrity – complying with new state regulations years ahead of schedule.

SoCalGas' PDR facility is crucial to providing families and businesses in the Los Angeles area with safe and reliable natural gas, especially during periods of peak natural gas usage. The SoCalGas system was designed to operate using a combination of storage and pipeline supplies to meet customer demand

and cannot function with either pipeline supply or storage supply alone. The storage facilities are a critical operating asset within this system. Natural gas travels very slowly, at about 20 to 30 miles per hour, and because California is the end point of several interstate gas pipelines, often these out-of-state supplies of natural gas are not enough to meet our customers' needs, and gas from the storage facilities is used to make up the difference.

**In the western portion of LA, specifically, PDR serves multiple critical facilities such as UCLA, Scattergood Electric Generating Facility, LAX, Hyperion Water Treatment Facility, and the Port of LA.** Gas storage infrastructure allowed the LA region to survive this past summer's electricity outages with minimal impacts. During the August extreme heat event, in-basin power plants were using far more gas than was being delivered through interstate pipelines. **On August 14 and 15, when the California Independent Systems Operator (CAISO) was forced to order rolling blackouts, hourly gas usage during the peak electric demand period was higher than the amount delivered into Southern California.** Our natural gas storage fields—including Playa del Rey—were the key asset making up for this shortage and keeping power plants operating.

Similarly, this past month, extremely low temperatures throughout the Midwest and Texas led natural gas consumption to spike, resulting in low supplies of natural gas nationwide. All SoCalGas storage fields, including PDR, were being used to provide system support. **Without our storage fields, many noncore customers in the Los Angeles Basin, including electric generators and critical facilities, would have been curtailed.**

SoCalGas' system, including gas storage, is also a powerful and largely untapped decarbonization tool. In addition to advancing the state's ability to integrate and support more wind and solar on the electric grid, our system is beginning to enable the distribution of renewable gases. Gas, like electricity, can be renewable, generated from non-fossil sources, including dead trees and agricultural waste. Green gases are already displacing emissions from diesel fuel in the transportation sector. With support from state regulators, renewable gas will soon be delivered as an affordable clean energy option for homes and businesses as well. SoCalGas' system will also enable the growing global momentum for clean energy's new frontier – hydrogen gases harnessed from excess wind and solar electricity. Gas storage facilities support the integration of renewable energy like solar and wind during unfavorable weather conditions, keeps customer bills affordable by allowing our region to buy and store natural gas when prices are low, and promotes a diverse energy mix.

SoCalGas is committed to working with you to provide LA's residents with clean, safe, reliable, and affordable energy. We ask that the Council consider the strong safety protocols used at Playa del Rey as well as its importance to the region's grid reliability when considering this resolution.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul Goldstein", with a stylized flourish at the end.

Paul Goldstein Vice President  
Gas Transmission and Storage

