

News Release



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State Inspections Confirm Safety of Aliso Canyon Natural Gas Storage Facility

Facility cleared to resume limited activity to prevent energy shortages

LOS ANGELES – Following months of rigorous inspection and analysis of wells at the Aliso Canyon natural gas storage facility – and the implementation of multiple new safety protocols – state engineering and safety enforcement experts have concluded the facility is safe to operate and can reopen at a greatly reduced capacity in order to protect public safety and prevent an energy shortage in Southern California.

Under <u>Senate Bill 380 (SB 380)</u> the Division of Oil, Gas and Geothermal Resources (DOGGR) and the California Public Utilities Commission (CPUC) were required to concur that the facility is safe before gas injection could resume.

"In order to protect public safety and the environment, this facility will be held to the most rigorous monitoring, inspection and safety requirements in the nation and will store only the minimum gas necessary to supply the Los Angeles area," said DOGGR State Oil and Gas Supervisor Ken Harris. "The extensive testing, retrofits and new safety measures ensure the wells are in sound operating condition today."

The rigorous testing process for the facility was developed in close coordination with nationally recognized experts from Lawrence Berkeley, Lawrence Livermore and Sandia National Labs. Southern California Gas Company (SoCalGas), which owns and operates the facility, requested permission to resume natural gas injections last November.

"After careful review of testing results, our safety teams have confirmed the integrity of the wells at this facility," said CPUC Executive Director Timothy Sullivan. "Out of an abundance of caution and consideration for public safety, storage capacity will be restricted to approximately 28 percent of the facility's maximum capacity – just enough to avoid energy disruptions in the Los Angeles area."

DOGGR suspended the injection of natural gas at the Aliso Canyon storage facility after a major leak was discovered in October 2015. The leak was permanently sealed four months later. DOGGR also ordered a comprehensive safety review in which each of the 114 wells in the facility either had to pass a battery of tests to potentially be eligible to resume gas injection or be taken out of operation and isolated from the reservoir. This testing protocol – approved by independent national laboratories – included:

- Lowering sensors into the well to measure temperature and verify the integrity of the well
- Lowering an acoustic sensor to confirm no gas was leaking
- Extensive measurements of the well casing walls
- A sonic test to confirm adherence between cement and the external casing of the well
- A multi-arm caliper inspection to verify the casing's ability to withstand pressure
- A pressure test to confirm the well remains sound when the pressure is 115 percent its maximum operating pressure

In addition to all the testing requirements, approximately 60 percent of the wells have now been taken out of operation and isolated from the facility. All the remaining wells that passed the stringent battery of tests were subject to stringent new retrofit and inspection requirements:

- Active wells are now equipped with real-time pressure monitors.
- The company must conduct routine aerial monitoring for the presence of any methane.
- Well heads are inspected daily using infrared and other leak-detecting technology.
- All of the wells used for injection and production have new steel tubing and new seals (known as packers) inside the wellbore.
- The gas pressure in the storage reservoir has been reduced, from 3,600 PSI to 2,926 PSI.
- Another layer of protection ensures that gas flows only through an inner steel pipe. This allows the outer casing to serve as a secondary safety barrier.

While these aggressive new safety protocols take effect, the independent investigation into the cause of the Aliso Canyon leak continues. SoCalGas has prepared a risk management plan that identifies prevention and mitigation steps for potential hazards, and a supplemental analysis of the seismic risk to the facility is in process.

Additionally, the CPUC continues to a hold a proceeding that will decide the future of the facility.

Accompanying documents and additional information about the decision can be found at http://www.conservation.ca.gov/dog/Pages/AlisoCanyon.aspx and www.cpuc.ca.gov/dog/Pages/AlisoCanyon.aspx and www.cpuc.ca.gov/Aliso/.

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