



December 17, 2024

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**RE: Support for Continued Operation of Aliso Canyon Natural Gas Storage Facility**

Dear Commissioners:

On behalf of California's diverse business community, representing millions of employees and thousands of companies across the state, we write to express our strong support for maintaining operations at the Aliso Canyon natural gas storage facility. This critical infrastructure plays an essential role in ensuring energy reliability and price stability for California businesses and residents in the Los Angeles region.

The events of 2023 demonstrated the vital importance of maintaining adequate natural gas storage capacity in our state. During the winter price spike of 2023, natural gas prices in California surged to more than \$50 per million British thermal units (MMBtu), compared to the national average of around \$5 per MMBtu. This unprecedented spike led to electricity rate increases that severely impacted businesses across the state, with some companies reporting energy cost increases of up to 300%.

The Aliso Canyon facility's storage capacity of 86 billion cubic feet serves as a crucial buffer against such price volatility. During peak demand periods, it provides up to 60% of Southern California's daily natural gas requirements, helping to prevent the kind of devastating price spikes we experienced in 2023. The facility's role in maintaining grid

reliability cannot be overstated, particularly as our state continues to integrate increasing amounts of renewable energy.

We strongly support Governor Newsom's balanced approach to California's energy transition. The governor's support for maintaining strategic natural gas infrastructure, while simultaneously advancing renewable energy projects, represents the kind of practical policy-making our state needs.

As California's business community, we strongly believe that:

1. Maintaining Aliso Canyon operations is crucial for energy reliability and price stability
2. The facility's modernized safety systems and enhanced monitoring make it an essential part of our energy infrastructure
3. Natural gas storage capacity remains vital for supporting renewable energy integration and grid reliability

We urge the Commission to consider the severe economic impacts that could result from closing this facility prematurely. Many businesses, particularly in manufacturing and industrial sectors, rely on stable and affordable energy prices to maintain operations and protect jobs in California. It will also create a buffer against higher prices for residents, especially as we head into the colder winter months.

Thank you for your consideration of this critical matter.

cc: Governor Gavin Newsom  
California Energy Commission  
California Legislature