

State Oversight of Aliso Canyon Natural Gas Leak

On October 23, 2015, Southern California Gas Company discovered a leak in one well within its Aliso Canyon storage field in the northern San Fernando Valley. The company stores natural gas underground at this storage field until it is pumped up and delivered to its customers. This storage field and others in California help meet peak seasonal demand for natural gas in our state during the winter months.

The State of California's priorities in this situation are public safety and ensuring the leak is sealed as quickly as possible. We share the concern of residents in the area and are closely monitoring the situation.

Many local, state and federal agencies are providing oversight of actions being taken by the Southern California Gas Company (the Gas Company) to stop this natural gas leak and protect public health and safety. Here is a short description of state agency involvement in oversight of this incident:

The [Governor's Office of Emergency Services \(CalOES\)](#) has led the establishment of an incident command structure and process to enable a systematic, coordinated response by local, state and federal agencies in order to bolster the Gas Company efforts to stop the leak and ensure public safety. This effort includes creation of a physical incident command post on-site at Aliso Canyon staffed by the Gas Company and other agency experts and representatives. CalOES also is coordinating information sharing among governmental agencies to ensure actions are well-coordinated and publicly transparent. CalOES is maintaining a public webpage with updated information regarding state agency actions that can be found [here](#).

The [Division of Oil, Gas, and Geothermal Resources \(DOGGR\)](#), which is part of the California Department of Conservation, is overseeing actions taken by the Gas Company to stem the gas leak. The Division is providing technical oversight of current and planned actions by the Gas Company to stop the leak, and is verifying that Gas Company actions are conducted safely, are as comprehensive as possible, and are completed as quickly as possible. Division engineers are stationed on-site at Aliso Canyon to oversee Gas Company decisions.

In the course of this oversight, the Division issued an Emergency Order to the Gas Company on November 18 that requires the Gas Company to provide testing results, data, and written plans to address the leak. The Division issued another Order on December 10 to require additional information and actions from the Gas Company. The Orders can be found [here](#).

The Division has convened a panel of technical experts from the Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory and the Sandia National Laboratory to provide independent expertise to assist the Division in monitoring and evaluating Gas Company actions. This group of scientists – with particular expertise in the areas of areas of rock mechanics, well completion, cementing, fluid dynamics, materials and corrosion – will review data and information that the Division has received and continues to receive from the Gas Company.

The Division also has initiated an investigation to determine the cause of the gas leak and whether any violations have occurred. It is coordinating with the California Public Utilities Commission, which is conducting its own investigation of the gas leak under the Commission's legal authorities. The Division's investigation will include a detailed study of the inner workings of the leaking well once it is shut down.

State law gives the State Oil and Gas Supervisor, who oversees the Division, the authority to order tests and remedial work concerning oil field operations, and the Supervisor has the authority to request any data that is necessary for the Division to evaluate underground injection projects. In an emergency, the Supervisor may order or undertake the actions deemed necessary to protect life, health, property, or natural resources. The Division's authority to assess civil penalties is found in Public Resources Code (PRC) section 3236.5. The Division can issue civil penalties of up to \$25,000 per violation (Public Resources Code section 3236.5) and/or criminal prosecution, as a misdemeanor, punishable by a fine up to \$1,000, imprisonment up to six months, or both, for each offense.

The [California Public Utilities Commission](#) is closely monitoring the gas leak and efforts to seal the leak in order to verify public safety. The CPUC is also conducting an investigation regarding the source of the gas leak and whether violations occurred regarding the operation of the natural gas storage field. The CPUC and the Division are collaborating closely and sharing investigative, technical and legal expertise in their respective investigations of the gas leak.

The CPUC's actions in response to this incident stem from the CPUC's responsibility to regulate privately owned natural gas utilities, including the Gas Company. The CPUC sets retail natural gas rates and allocates costs for all different categories of gas customers. The CPUC also sites gas storage fields through the Certificate of Public Convenience and Necessity process. Under California Public Utilities Code sections 2107 and 2108, the CPUC can impose penalties of \$500 to \$50,000 per violation on utilities under its jurisdiction. For ongoing violations, that penalty can be imposed per day. There is no cap on the total amount of penalties that the CPUC can impose.

The [California Energy Commission \(CEC\)](#) is coordinating with the California Public Utilities Commission to maintain energy reliability during this incident, ensuring that residents and business maintain electricity and building heat throughout the winter.

The [California Air Resources Board \(ARB\)](#) is monitoring total methane emissions from the natural gas leak over its duration. ARB is utilizing measurements being collected at ground level, on specially equipped airplanes flying over the site, by satellites and through its Statewide Methane Monitoring Network. ARB's efforts to measure emissions from the leak are aided by the California Energy Commission, the University of California, NASA-Jet Propulsion Laboratory, and experts at Scientific Aviation. Preliminary reports of greenhouse gas emissions from the Aliso Canyon leak are available [here](#).

ARB has also directed the Gas Company to provide its data on the volumes of gas within the storage field in order to refine its estimates on total emissions.

ARB's efforts to measure emissions from the leak stem from its organizational mission to promote and protect public health, welfare and ecological resources through the effective and efficient reduction of air pollutants, including greenhouse gases include methane. Under California Health and Safety Code sections 41700, 42400, 42402, 42402.1, 42402.2, and 42450, ARB or a local air district can seek penalties of up to \$10,000 a day for a discharge of air contaminants causing injury or a nuisance. Those penalties increase to a maximum of \$25,000 a day for negligent emissions and \$40,000 a day when corrective action is not taken to stop the emission in a reasonable period of time. Any person who violates these provisions may also be criminally liable for a misdemeanor. In addition, an air district can issue an order to abate

a discharge that causes injury or nuisance (and has done so, in this case). Health and Safety Code sections 41513 and 41700 also authorize civil actions filed in the name of the People of the State of California to seek abatement of these discharges.

The [Division of Occupational Safety and Health \(Cal/OSHA\)](#) within the Department of Industrial Relations is verifying compliance with workplace safety laws and regulations for those employees working to seal the leak and dig relief wells. This oversight has included several on-site visits. Cal/OSHA protects workers from health and safety hazards on the job in almost every workplace in California by issuing citations, special orders, and orders to take special action after investigation of hazards in a workplace.

The [Office of Environmental Health Hazard Assessment \(OEHHA\)](#), which is part of the California Environmental Protection Agency, is reviewing air quality measurements collected by air monitors in the community closest to the natural gas leak, in order to identify potential health risks and assist other state agencies in determining whether additional actions are needed beyond those already required by local public health agencies. OEHHA is coordinating with other agencies to provide technical and scientific support.