What to expect in 2017

Gene Beck, CEM, CLP
Executive Director
Impact of The Election

House Before

House After
Impact of The Election

Senate Before

Senate After
Impact of The Election

SCOTUS Before
- 50% Dems
- 50% Reps

SCOTUS After
- 56% Dems
- 44% Reps
Renewables

Stability for Solar & Wind—But Not Others

• ITC (Solar)
  – 2016 ➞ 2019
    • 30%
  – 2020
    • Drops to 26%
  – 2021
    • Drops to 22%
  – 2022
    • 10% for Commercial
    • 0% for Residential

• PTC (Wind)
  • Currently (2016) at 2.3 cents per kwh
  • Phases down by 20% every year starting 2017 and then expires in 2019
Fate of Carbon Regulations

• Clean Power Plan (CPP)
  – “I will eliminate all needless & job-killing regulation now on the books – and there are plenty of them . . . It also means scrapping the EPA’s so-called Clean Power Plan.”
  – Trump
  – At least six pathways that the incoming Administration can take with the CPP
  – Without legislative action or rulemaking, the obligation to regulate carbon exists.
What’s on the Horizon in 2017 (Federal)

• More regulatory action as a result of the 2017 legislative victories.

• A focus on Access to Advanced Energy in the states – both regulatory and legislative opportunities in the states.

• Questions surround regulation of the energy industry—namely re-regulation of the market in Ohio and deregulation of the Nevada market.
California: 2016 Highlights

• Climate law extended to 2030 (SB 32)
  • GHG reduction of 40% below 1990 levels by 2030
  • Cap and trade left out of the bill
  – SGIP funding for Storage and NEM for Fuel Cells (AB 1637)
    • Increases Self-Generation Incentive program for energy storage
    • Increases NEM cap for fuel cells
California: 2017 Preview

• Cap & Trade Debate
  – Increasing concerns about cost
  – California-only program
  – Will auction results improve?

• Program Implementation
  – SB 350 and SB 32
  – IRP Development at the CPUC

• CPUC Structural Changes
  – Legislature introducing reform measures
  – Focusing the CPUC on core issues
California: 2017 Preview

• The changing Legislature
  – 2/3 Dem supermajority in both Assembly and Senate
  – Growing “moderate dem” caucus in the Assembly

• Governor’s Priorities
  – Transportation deal
  – Cap & Trade Extension
  – ISO Regionalization
Southern California Edison

Power Briefing

Mike Bushey
Director
Business Customer Division

Thursday January 12, 2017
AGENDA

Welcome and Safety

Rate Update

Regulatory Update

Program Review

Q&A
Safety First

Never Touch or Step in Water Near a Downed Wire
Stay Away. Call 911.
Rate Update
Overview of Revenue Requirement Components

(Dec 2016 Bundled System Average Rate: 15.8 cents/kWh)

**Generation**
- Investment and O&M for utility owned generation (UOG)
- Fuel and purchased power costs

**Transmission**
- Investment and O&M in transmission (typically >220 kV)

**Distribution**
- Investment in distribution: poles, wires, substations, service centers, meters, etc.
- California Solar Initiative
- Demand Response Programs
- Edison SmartConnect®

**DWR Charges/Refunds**
- Cost recovery on contracts entered into on behalf of IOUs during energy crisis (including Bond Charge)

**Public Purpose Programs**
- Legislative mandates (energy efficiency, RD&D, renewables investment, etc.)
- CPUC programs (additional energy efficiency, CARE program, etc.)

**Other**
- New System Generation: Cost recovery related to improving system reliability during times of peak demand.
- Nuclear Decommissioning: Cost recovery associated with decommissioning nuclear power plants following their retirement and shutdown.

**Conclusion**
Nearly half of retail revenues fund generation-related activities: **SCE spends the remaining revenues on non-generation services** such as distribution and transmission system development and reliability, energy efficiency, demand response, and low income assistance programs.
2017 Estimated System Average Rate*  
- SCE’s Bundled Service (cents/kWh)

* Rate levels include Greenhouse Gas (GHG) EITE & Climate Credit revenues

Increase of approximately 6%

Preliminary rate levels are estimated based on SCE’s latest forecast and is subject to change based on future CPUC decisions in various proceedings.

Southern California Edison
2017 Energy Resource Recovery Account (ERRA)

• SCE filed its 2017 ERRA Forecast Update Testimony on Nov. 10th
• Requested revenue requirement in the amount of $4.5 billion
  – An increase of $336 million from the initial May 2nd filing
  – An increase of $800 million, compared to current ERRA rates
• Increase was largely due to:
  – Increase in natural gas and power prices
  – Expiration of one-time refunds
  – Lower kWh sales and load

What is ERRA?
In an ERRA forecast application, SCE forecasts the costs of fuel that it needs to generate electricity, and the costs of additional power it purchases for its customers for the upcoming year.

The ERRA application also includes:
• Recovery of balances in ERRA and New System Generation balancing account
• Return of GHG auction revenues to eligible customers
SCE forecasts a natural gas price of $3.15/MMBtu for 2017, which is $0.58 higher than the average forecast gas price included in the 2017 ERRA May forecast.

Source: US DOE EIA. “Natural Gas Futures Contract 1 (USD per mmBtu).” https://www.eia.gov/dnav/ng/hist/rngc1W.htm

Last updated: 11/23/2016
Sales and Net Energy Metering (NEM)

Sales
• SCE is forecasting bundled kWh sales to decrease from 73.7 to 72.8 GWh in 2017
• A decrease in sales results in an increase in costs per kWh

NEM
• An increase in the number of NEM accounts results in a decrease in kWh sales
• As a result, costs per kWh increase
• SCE proposes to recover this undercollection in the current year
## 2017 Estimated Class Average Rates
### - SCE’s Bundled Service Rate (¢/kWh) (w/o GHG EITE & Climate Dividend)

<table>
<thead>
<tr>
<th>Class</th>
<th>Rate 2015</th>
<th>Rate 2016</th>
<th>Rate 2017</th>
<th>% Change from 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Residential</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>18.3</td>
<td>18.3</td>
<td>19.1</td>
<td>4.6%</td>
</tr>
<tr>
<td>Small C&amp;I (&lt; 20kW)</td>
<td>19.0</td>
<td>16.6</td>
<td>17.7</td>
<td>6.2%</td>
</tr>
<tr>
<td>Traffic Control</td>
<td>19.1</td>
<td>18.6</td>
<td>18.4</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Medium C&amp;I (20 kW - 200 kW)</td>
<td>18.2</td>
<td>15.8</td>
<td>16.7</td>
<td>5.5%</td>
</tr>
<tr>
<td>Medium C&amp;I (200 kW - 500 kW)</td>
<td>16.2</td>
<td>14.5</td>
<td>15.2</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>Total Lighting/Small/Medium C&amp;I</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total LSMP</td>
<td>17.8</td>
<td>15.7</td>
<td>16.6</td>
<td>6.0%</td>
</tr>
<tr>
<td>Large C&amp;I (Sec)</td>
<td>14.7</td>
<td>13.1</td>
<td>13.5</td>
<td>3.3%</td>
</tr>
<tr>
<td>Large C&amp;I (Pri)</td>
<td>13.3</td>
<td>11.8</td>
<td>12.4</td>
<td>4.8%</td>
</tr>
<tr>
<td>Large C&amp;I (Sub)</td>
<td>9.5</td>
<td>7.8</td>
<td>8.5</td>
<td>9.3%</td>
</tr>
<tr>
<td><strong>Total Large C&amp;I</strong></td>
<td>12.8</td>
<td>11.2</td>
<td>11.8</td>
<td>5.5%</td>
</tr>
<tr>
<td>Standby (Sec)</td>
<td>13.8</td>
<td>12.5</td>
<td>13.6</td>
<td>8.9%</td>
</tr>
<tr>
<td>Standby (Pri)</td>
<td>13.5</td>
<td>12.1</td>
<td>13.2</td>
<td>9.0%</td>
</tr>
<tr>
<td>Standby (Sub)</td>
<td>9.4</td>
<td>7.8</td>
<td>8.4</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>Total Standby</strong></td>
<td>10.6</td>
<td>9.1</td>
<td>9.8</td>
<td>7.7%</td>
</tr>
<tr>
<td>Small Ag &amp; Pump (&lt;200 kW)</td>
<td>15.8</td>
<td>12.6</td>
<td>13.2</td>
<td>4.8%</td>
</tr>
<tr>
<td>Small Ag &amp; Pump (≥ 200 kW)</td>
<td>12.3</td>
<td>10.4</td>
<td>11.6</td>
<td>11.0%</td>
</tr>
<tr>
<td><strong>Total Ag &amp; Pumping</strong></td>
<td>14.4</td>
<td>11.7</td>
<td>12.6</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Total Street &amp; Area Lighting</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Lighting</td>
<td>18.6</td>
<td>18.2</td>
<td>17.9</td>
<td>-1.6%</td>
</tr>
<tr>
<td><strong>TOTAL BUNDLED</strong></td>
<td>16.7</td>
<td>15.5</td>
<td>16.2</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate Type</th>
<th>Rate 2015</th>
<th>Rate 2016</th>
<th>Rate 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUCRF</td>
<td>0.024</td>
<td>0.033</td>
<td>0.043</td>
</tr>
<tr>
<td>Total w/o PUCRF</td>
<td>16.7</td>
<td>15.4</td>
<td>16.2</td>
</tr>
</tbody>
</table>

Last updated: 12/1/2016

Preliminary rate levels are estimated based on SCE’s latest forecast and is subject to change based on future CPUC decisions in various proceedings.
## 2017 Estimated Class Average Rates

- SCE’s Unbundled Service Rate* (¢/kWh) (w/o GHG EITE & Climate Dividend)

Preliminary rate levels are estimated based on SCE’s latest forecast and is subject to change based on future CPUC decisions in various proceedings.

* Unbundled Service rates reflect SCE's Delivery and Cost Responsibility Surcharge (CRS) costs; but exclude Generation costs.

<table>
<thead>
<tr>
<th>Class</th>
<th>Rate 2015</th>
<th>Rate 2016</th>
<th>Rate 2017</th>
<th>% Change from 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Residential Domestic</td>
<td>8.8</td>
<td>10.9</td>
<td>11.3</td>
<td>3.2%</td>
</tr>
<tr>
<td>Small C&amp;I (&lt; 20kW) GS-1</td>
<td>10.5</td>
<td>10.3</td>
<td>11.0</td>
<td>6.1%</td>
</tr>
<tr>
<td>Traffic Control TC-1</td>
<td>11.2</td>
<td>11.8</td>
<td>11.5</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Medium C&amp;I (20 kW - 200 kW) GS-2</td>
<td>7.6</td>
<td>7.6</td>
<td>8.0</td>
<td>5.8%</td>
</tr>
<tr>
<td>Medium C&amp;I (200 kW - 500 kW) TOU-GS-3</td>
<td>7.2</td>
<td>7.3</td>
<td>7.4</td>
<td>2.1%</td>
</tr>
<tr>
<td>Total Lighting/Small/Medium C&amp;I</td>
<td>7.5</td>
<td>7.5</td>
<td>7.9</td>
<td>4.2%</td>
</tr>
<tr>
<td>Large C&amp;I (Sec) TOU-8-Sec</td>
<td>6.7</td>
<td>6.7</td>
<td>7.2</td>
<td>6.8%</td>
</tr>
<tr>
<td>Large C&amp;I (Pri) TOU-8-Pri</td>
<td>5.8</td>
<td>5.9</td>
<td>6.4</td>
<td>9.2%</td>
</tr>
<tr>
<td>Large C&amp;I (Sub) TOU-8-Sub</td>
<td>3.4</td>
<td>3.2</td>
<td>3.5</td>
<td>9.2%</td>
</tr>
<tr>
<td>Total Large C&amp;I</td>
<td>5.3</td>
<td>5.3</td>
<td>5.7</td>
<td>7.1%</td>
</tr>
<tr>
<td>Standby (Sec) TOU-8-S-Sec</td>
<td>6.1</td>
<td>5.6</td>
<td>6.3</td>
<td>11.6%</td>
</tr>
<tr>
<td>Standby (Pri) TOU-8-S-Pri</td>
<td>7.1</td>
<td>6.6</td>
<td>7.7</td>
<td>16.4%</td>
</tr>
<tr>
<td>Standby (Sub) TOU-8-S-Sub</td>
<td>3.6</td>
<td>3.3</td>
<td>3.5</td>
<td>7.1%</td>
</tr>
<tr>
<td>Total Standby</td>
<td>4.9</td>
<td>4.6</td>
<td>5.2</td>
<td>12.3%</td>
</tr>
<tr>
<td>Small Ag &amp; Pump (&lt;200 kW) TOU-PA-2</td>
<td>5.9</td>
<td>5.9</td>
<td>6.5</td>
<td>10.3%</td>
</tr>
<tr>
<td>Small Ag &amp; Pump (≥ 200 kW) TOU-PA-3</td>
<td>5.9</td>
<td>6.0</td>
<td>6.7</td>
<td>11.6%</td>
</tr>
<tr>
<td>Total Ag &amp; Pumping</td>
<td>5.9</td>
<td>6.0</td>
<td>6.6</td>
<td>11.0%</td>
</tr>
<tr>
<td>Total Street &amp; Area Lighting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Lighting</td>
<td>6.4</td>
<td>9.6</td>
<td>8.7</td>
<td>-9.5%</td>
</tr>
<tr>
<td>TOTAL UNBUNDLED</td>
<td>6.1</td>
<td>6.3</td>
<td>6.6</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

Last updated: 12/1/2016

Southern California Edison
Regulatory Update
2016 Rate Design Window Application Summary

• TOU OIR Rulemaking (R.15-12-012)
  – Rulemaking to examine “peak electricity usage patterns and consider appropriate time periods for future time-of-use rates and energy resource contracts.”

• 2016 Rate Design Window (RDW)
  – Application filed September 1 proposed the following changes:
    • For the first time in over 30 years, modify the default Time-of-Use (TOU) periods for all non-residential customers to better align with SCE’s hourly costs.
      – Costs are changing due to influx of mid-day RPS energy pushing dispatch of thermal resources to later in the day.
    • Revisit Commission requirement to default small commercial customers on to Critical Peak Pricing (CPP) rate; propose other modifications to CPP to align with new TOU periods and costs and simplify program
    • Revise the Real Time Pricing (RTP) tariffs that will simplify the current RTP tariffs and will ensure consistency with the revised standard TOU cost periods.

• Targeted Implementation: October 2018
By 2020, when 33% of CA's electricity is mandated to come from renewable resources, the net load ¹/ curve is expected to look like a duck.

The 33% RPS requirement is making mid-day energy less expensive through greater supply. Load net of wind and solar drops during the day and peaks in the late afternoon/early evening.

The California ISO (CAISO) has identified this over-supply condition to occur primarily in the Spring and on weekends.

SB350’s ²/ 50% RPS requirement will exacerbate this impact and emphasizes the urgency of this work.

California’s Investor Owned Utilities (IOU) are reassessing their current TOU periods to determine the potential need to shift Time-of-Use (TOU) periods for all customer classes to later in the day.

Source: Net load curves for March 31, from 2012 to 2020, based on analysis by CAISO.

¹/ Net Load as defined by the CAISO: The difference between forecasted load and forecasted electricity production from variable generation resources, wind and solar.

²/ SB350 (2015) increased CA’s commitment to clean power, including solar.
## Proposed TOU Period Changes

<table>
<thead>
<tr>
<th>Season</th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Peak</td>
<td><strong>Summer</strong> Weekdays: 12-6pm</td>
<td><strong>Weekdays: 4-9pm</strong></td>
</tr>
<tr>
<td>Mid-Peak</td>
<td><strong>Summer</strong> Weekdays: 8am-12pm; 6pm-11pm</td>
<td><strong>Weekends: 4-9pm</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Winter</strong> Weekdays: 8am-9pm</td>
<td><strong>Weekdays and Weekends: 4-9pm</strong></td>
</tr>
<tr>
<td>Off-Peak</td>
<td><strong>Summer</strong> Weekdays: 11pm-8am Weekends: All</td>
<td><strong>Weekdays and Weekends: All except 4-9pm</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Winter</strong> Weekdays: 9pm-8am Weekends: All</td>
<td><strong>Weekdays and Weekends: 9pm-8am</strong></td>
</tr>
<tr>
<td>Super Off-Peak</td>
<td>Winter N/A</td>
<td><strong>Weekdays and Weekends: 8am-4pm</strong></td>
</tr>
</tbody>
</table>

- Proposal is generally consistent with PG&E and SDG&E proposals
- Maintains existing seasonal definitions (Summer: June-Sept; Winter: Oct-May)
- Shifts daily “peak” period to 4-9pm
- Introduces “super off-peak” period from 8am-4pm on all Winter days
- Introduces time-differentiated weekend charges (currently all weekend hours are “off-peak”)
Net Energy Metering (NEM) and the NEM Successor Tariff

• Customer’s who produce their own electricity and who have eligible energy generation systems interconnected to our utility grid and meet program requirements, are eligible for a rate options called NEM.

• Current NEM Tariff will be closed to new customers when 2,240 MW cap is reached (~Q2 2017) or July 1, 2017, whichever comes first
  – At that time, the NEM Successor tariff will become available to customers
  – Existing NEM customers will be able to continue on the current NEM tariff but may elect to switch to the NEM successor tariff

• On Jan. 28, 2016 the CPUC approved an NEM Successor Tariff (NEM 2.0), which has the following key elements:
  – Full retail credit structure will be maintained for NEM customers
  – TOU rates will be mandatory
  – The 1 MW sizing limitation will be removed under the Successor Tariff
Program Update
Energy Efficiency and Preferred Resources

• SCE maintains a robust portfolio of “incentive” programs to encourage customer adoption of more efficient equipment and operations
  – Programs range from new construction, retrofit, and customized process & operational efficiencies.
  – Specific programs and measures can change at any time.

• Preferred Resources Pilot
  – The Preferred Resources Pilot (PRP) is a multiyear study designed to determine whether clean energy resources – including solar, wind, energy storage, energy efficiency and energy conservation – can be acquired and deployed to offset the increasing customer demand for electricity in central Orange County.
  – Business and governmental customers may have opportunities to participate in the program through the various offerings, particularly in the energy storage, energy efficiency, and energy conservation portions of the pilot.

• Please contact your SCE Account Manager for portfolio and program related details.
Self-Generation Incentive Program (SGIP) Updates

• The Self-Generation Incentive Program (SGIP) provides financial incentives for the installation of new qualifying technologies that are installed to meet all or a portion of the electric energy needs of a facility.

• The incentive budgets divided between two broad categories: energy storage and generation.
  – Energy storage is allocated 75% of program funds, with 15% of the energy storage budget carved out for projects less than or equal to 10 kilowatts.
  – Generation is allocated the remaining 25%, with 40% carved out for renewable generation projects.

• Current Program Handbook can be found at www.sce.com/SGIP.
Questions?
THANK YOU
Natural Gas Rates, and Regulations impacting the business of SoCalGas
Sheraton Cerritos, Thursday January 12, 2017, 11:30 AM

Presented by Gary Lenart
1/12/2017
Topics to Cover

• Components of your Natural gas Bill
• SoCalGas Transportation Rates
• Reasons for January Transportation Rate Changes
• Status of Natural Gas Prices
• Bundled Natural Gas Rates
• Natural Gas Supply & Reliability
• Regulations Impacting SoCalGas
Components of Natural gas Bill

Average rates for 2016 Vs 2017
2016 Gas prices are the average 12 months
2017 Gas prices are January’s price
<table>
<thead>
<tr>
<th></th>
<th>2016 Rates</th>
<th>2017 Rates</th>
<th>Rate Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core C&amp;I</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>customer charge</td>
<td>$15.000</td>
<td>$15.000</td>
<td>$0.000</td>
<td>0%</td>
</tr>
<tr>
<td>tier 1</td>
<td>$0.650</td>
<td>$0.510</td>
<td>($0.140)</td>
<td>-22%</td>
</tr>
<tr>
<td>tier 2</td>
<td>$0.387</td>
<td>$0.269</td>
<td>($0.118)</td>
<td>-30%</td>
</tr>
<tr>
<td>tier 3</td>
<td>$0.211</td>
<td>$0.108</td>
<td>($0.103)</td>
<td>-49%</td>
</tr>
<tr>
<td><strong>Core C&amp;I Class Average</strong></td>
<td>$0.437</td>
<td>$0.296</td>
<td>($0.141)</td>
<td>-32%</td>
</tr>
<tr>
<td><strong>Noncore C&amp;I Distribution Level</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$350.000</td>
<td>$350.000</td>
<td>$0.000</td>
<td>0%</td>
</tr>
<tr>
<td>Tier 1</td>
<td>$0.159</td>
<td>$0.152</td>
<td>($0.007)</td>
<td>-4%</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$0.098</td>
<td>$0.095</td>
<td>($0.003)</td>
<td>-3%</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$0.059</td>
<td>$0.059</td>
<td>($0.000)</td>
<td>-1%</td>
</tr>
<tr>
<td>Tier 4</td>
<td>$0.031</td>
<td>$0.032</td>
<td>$0.002</td>
<td>5%</td>
</tr>
<tr>
<td><strong>NCCI-D Class Average</strong></td>
<td>$0.073</td>
<td>$0.070</td>
<td>($0.002)</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Electric Generation Rate</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Customer Charge Tier 1</td>
<td>$50.000</td>
<td>$50.000</td>
<td>$0.000</td>
<td>0%</td>
</tr>
<tr>
<td>Tier 1</td>
<td>$0.145</td>
<td>$0.116</td>
<td>($0.029)</td>
<td>-20%</td>
</tr>
</tbody>
</table>
Reasons for January Transportation Rate Changes

- A true-up of authorized costs to the actual revenue that was collected.

- An inflationary adjustment previously authorized in the General Rate Case.

- Use of the new demand forecast and cost study approved by the PUC that are used to develop transportation rates.
Status of Natural Gas Prices

• Nationwide gas prices have increased in December & January
  • Natural gas buyers have been looking out across the weather/ storage landscape and locking in supplies as storage surpluses are reduced.
  • Forecasters were calling for successive incursions of cold, Canadian air.
• As winter passes, the NYMEX futures show gas prices falling back to $3.00/mcf range.
Bundled Natural Gas Rates

Average rates for 2016 Vs 2017
2016 Gas prices are the average 12 months
2017 Gas prices are January’s price
Natural Gas Supply & Reliability
Natural Gas Supply & Reliability

Sempra Utilities Gas Transmission Facilities

- STORAGE FIELD
- TRANSMISSION PIPELINE
- FOREIGN PIPELINE
- RECEIPT POINT
- PROPOSED LNG TERMINAL
Natural Gas Supply & Reliability

• Los Angeles/Orange County are at the center of the SoCalGas transmission system.

• Access of supplies through
  • 11 receipt points with Interstate Pipelines
  • 3 Local and Off Shore production facilities
  • Access to Liquefied Natural Gas (LNG) input Terminal

• 3 storage fields
  • Aliso Canyon not yet open.

• This winter, we have had one curtailment watch in early December due to supply constraints
Natural Gas Supply & Reliability

• New curtailment Rules adopted in November 2016
  • These are intended to be more responsive to customers during a curtailment event by targeting large electric generation power plants before curtailing commercial/Industrial service.

• First customers curtailed are large power plants
  • 40 to 60% of power plants’ load is curtailed
  • with the coordination of the electric grid operators so that generation may be shifted to other parts of the system,
  • then C&I customers.

• Noncore contracts are now month-to-month term
  • may be changed with a notice 20-days before end of the month.
Regulations Impacting SoCal Gas

Green House Gas Cap and Trade program

– Recovery of costs for Cap-n-Trade allowances.
– To be implemented in transportation rates by summer 2017.
– Charge will be embedded in transportation rates
– Customers who are Covered Entities will receive a credit on their SoCal bill
– Credit will be provided to covered entities
  • covered entities are customers emitting more than 25,000 tons CO2/year, approx 500Mdtb that buy Green House Gas allowances themselves and provide them to California Air Resources Board.
– Proposed cost of approximately 4 to 6¢/therm.
Questions?