



Annual Report Number 2
Work of the Aliso Canyon Well and Storage
Operations Safety Committee
July 2020 – June 2021

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Overview

SoCalGas (Defendant) and the State Attorney General, City Attorney for the City of Los Angeles, County Counsel for the County of Los Angeles, and the County of Los Angeles (collectively referred to as Government Plaintiffs) entered a Consent Decree to resolve claims raised by the Government Plaintiffs associated with the natural gas leak that occurred at the Aliso Canyon natural gas storage Facility (Facility) in October 2015. The terms and conditions of the Consent Decree required SoCalGas to, among other things, form an internal safety committee, and select and retain a third-party subsurface gas storage industry expert (Safety Ombudsman) who shall act as a safety advocate for the Facility. A copy of the Consent Decree may be accessed via this link: [Click Here](#)

Section 4.2 of the Consent Decree outlines the requirements for SoCalGas to establish a Well and Storage Operations Safety Committee (WSOC). The duties of the WSOC generally include, but are not limited to, the following:

- Meet quarterly to review safety issues at the Facility;
- Review operational safety issues and promote safe operations at the Facility consistent with applicable laws, rules, regulations, and orders;
- Review Facility-related information, materials, or work product to assess safety at the Facility;
- Make recommendations to SoCalGas for repairs, improvements, policies, and/or upgrades to the Facility or infrastructure therein;
- Facilitate the role of, and work in cooperation with, the Safety Ombudsman;
- In coordination with the Safety Ombudsman, conduct periodic safety audits or safety-related Strengths, Weaknesses, Opportunities, Threats (“SWOT”) analyses of the Facility; and
- Review California Public Utility Commission (CPUC), California Department of Conservation Geologic Energy Management Division (CalGEM), audit reports of the Facility.

Section 4.3 of the Consent Decree outlines the requirements for SoCalGas to select and retain a Safety Ombudsman and the duties associated with that role. The duties of the Safety Ombudsman generally include the following:

- Participate in all Well and Storage Operations Safety Committee (WSOC) meetings;
- Have access to all non-privileged materials, information, records, and work product in SoCalGas’ possession, custody, and control necessary to accomplish the tasks required of the Safety Ombudsman;
- Review CPUC and CALGEM audit reports of the Facility;
- Review and evaluate all incidents reported to the public and State and local agencies pursuant to Section 4.1 of the Consent Decree;
- Review and advise on the WSOC’s efforts, findings, and recommendations for improvements;
- Serve as a non-exclusive repository for safety-related concerns reported by the public with respect to the Facility;



- Serve as a point of contact to receive safety complaints or concerns relating to the Facility from anyone who wishes to remain anonymous, and provide any anonymous reports of safety concerns to SoCalGas;
- Maintain the confidentiality of the person or member of the public making any confidentially-made safety complaints or concerns relating to the Facility;
- Generate annual reports (Annual Reports) that detail the following:
 - The work of the Safety Ombudsman;
 - The work of the WSOC; and
 - Recommendations, if any, for improvements related to safety and prevention of leaks at the Facility.
- Provide the Annual Reports to the Attorney General, the City Attorney, County Counsel, the CPUC and CalGEM. The Annual Reports shall also be made public via the Aliso Canyon Website and the local community shall be provided with an opportunity to comment on the Annual Reports. The Safety Ombudsman shall schedule at least one public meeting each year to explain and respond to questions regarding the Annual Reports.

This report has been prepared in accordance with the requirements outlined in Section 4.3, (b), (ix), (2) of the Consent Decree, and summarizes the work of the WSOC during the period of July 2020 – June 2021. It is the second such annual report.



I. Well and Storage Operations Safety Committee (WSOC) Charter and WSOC Meetings

WSOC Charter

SoCalGas established a Well and Storage Operations Safety Committee (WSOC) to review safety issues at the Facility. The committee purview includes, but is not limited to, safety issues related to well integrity and maintenance and associated unintended leak prevention; it excludes issues related to occupational health and safety as those are administered by a separate department.

The WSOC is comprised of nine members, including a committee Chair, Vice Chair, and Secretary. There are five (5) voting members and four (4) non-voting members. The five voting members include one (1) SoCalGas Director of Storage, two (2) SoCalGas Managers of Storage, and two (2) SoCalGas Storage Supervisors. The non-voting members of the WSOC include subject matter experts with relevant storage technical expertise.

The role of the WSOC is to review and provide recommendations regarding safety issues at the Facility to SoCalGas and coordinate with the Safety Ombudsman. Their duties generally include:

1. Review operational safety issues and promote safe operations consistent with applicable laws, rules, regulations, and orders;
2. Review Facility-related information, materials, or work product to assess safety at the Facility;
3. Make recommendations to SoCalGas for repairs, improvements, policies, and/or upgrades to the Facility and its infrastructure;
4. Facilitate the role of, and work in cooperation with, the Safety Ombudsman;
5. In coordination with the Safety Ombudsman, conduct periodic safety audits or safety-related Strengths, Weaknesses, Opportunities, Threats (SWOT) analyses of the Facility; and
6. Review of California Public Utilities Commission (CPUC) and California Geologic Energy Management Division (CalGEM) audit reports of the Facility.

The Chair, Vice Chair, and Secretary of the Committee are nominated by the Senior Vice President and/or the Vice President of Storage and confirmed by the WSOC. Those three positions are elected to two-year terms, although individuals may serve more than one term. Remaining members of the Committee are selected by the Senior Vice President and/or the Vice President of Storage; members are appointed biennially or as necessary to fill vacancies. The Chair manages WSOC meetings and must be a voting member of the committee. The Vice Chair performs the duties of the Chair in the Chair's absence. The Vice Chair may be a non-voting member; however, they will have voting rights when performing the duties of the Chair. The Secretary may be a non-voting member and prepares the minutes of the WSOC meetings.

The WSOC normally meets quarterly but may meet more frequently if it deems there is a need to do so. A majority of WSOC voting members is required, either in person or telephonically, to convene a meeting. Recommendations for formal action require a majority vote of the voting membership. The Safety Ombudsman is required to participate in all WSOC meetings, either in person or telephonically. Legal counsel is required to attend all WSOC meetings.



The SoCalGas Aliso Canyon Well and Storage Operations Safety Committee Charter provides a complete summary of the WSOC's function and defines roles, responsibilities, and governance of the WSOC. A copy of the Charter may be accessed via this link: [Click Here](#)

Quarterly WSOC Meetings

During the period of July 2020 – June 2021, a total of four (4) WSOC meetings were held, all of which were held virtually due to the coronavirus. They occurred on the following dates:

- August 14, 2020;
- December 4, 2020;
- March 2, 2021; and
- June 10, 2021

The Safety Ombudsman participated in all four of the virtual meetings via video conference. The agenda for these quarterly meetings generally includes the following:

1. Review and approval of the prior meeting minutes;
2. Update from Safety Ombudsman concerning public inquiries and other relevant topics;
3. Update from WSOC members concerning safety related matters associated with the Aliso Canyon Facility;
4. CalGEM audit status; and,
5. Joint discussion of other relevant matters related to the Aliso Canyon Facility.

The meetings provide a forum for face-to-face discussions between the WSOC members and the Safety Ombudsman on safety-related matters at the Facility. Topics vary from meeting to meeting depending upon current issues, maintenance and construction work activity at the Facility, and safety concerns. Members of the WSOC typically provide updates of construction and/or maintenance work at the Facility with the emphasis on safety, the status of ongoing discussions with CalGEM staff concerning SoCalGas' Risk Management Plan for the Facility, and the status of periodic audits of the Facility by CPUC and CalGEM staff. These updates provide an opportunity for the Safety Ombudsman to probe any safety concerns and establish a dialog directly with the appropriate subject matter experts. They also provide an opportunity for direct feedback to the WSOC concerning committee work or other safety-related initiatives at the Facility. During the period of July 2020 – June 2021 discussion topics included, but were not limited to:

- The development of additional and enhancement of existing Gas Standards relevant to the safety of underground natural gas storage facilities;
- Preparation of the Safety Ombudsman Annual Reports;
- Audits performed by the WSOC examining adherence to SoCalGas' Gas Standards;
- Status of CalGEM/PHMSA audit report from October 2020;
- SIMP (Storage Integrity Management Program) Reassessments/Update
- Status of review of the Aliso Canyon Risk Management Plan (RMP) with CalGEM;
- Safety Ombudsman virtual public meeting in November 2020;



- Concerns/Issues submitted to the Safety Ombudsman by members of the public;
- Recommendations for safety improvements generated by the Safety Ombudsman;
- SoCalGas action plan in response to Safety Ombudsman's 2020 recommendations for improving safety;
- Well assessment/re-assessment updates;
- 2021 CalGEM audit schedule;
- PHMSA Project; Risk Assessment and Treatment of Wells; and,
- Status of seismic risk events study.

Individual links to the minutes of the WSOC meetings are included immediately below (June 2021 meeting minutes are not yet available as of the date of issuance of this report). Names of individuals have been redacted from the meeting minutes.

- August 2020 meeting minutes link: [Click Here](#)
- December 2020 meeting minutes link: [Click Here](#)
- March 2021 meeting minutes link: [Click Here](#)

II. Review of Operational Safety Issues and Information, Materials, or Work-product to Assess Facility Safety

During each of the quarterly meetings of the WSOC a portion of the agenda is dedicated to the review of current operational activities. Topics of discussion have included:

- Seismic events in June and July 2020;
- Well Integrity Assessment updates;
- Risk Management Plan Submittal Update;
- Summary of work performed around Catch Basin 3 which continued to burn after the Saddle Ridge fire;
- The status of well remediation work to address the requirements of Order 1109, which required SoCalGas to take specified actions at the Facility in response to the blowout of the SS-25 well, and the new CalGEM Underground Gas Storage Regulations;
- Abandonment of existing wells deemed unnecessary for storage operations; and
- The fence line methane monitoring system and methane emission exceedances above threshold criteria.

Details concerning these discussions may be found by accessing the link to the minutes of each meeting at the bottom of [Section I](#) of this report, immediately above.



III. Recommendations for Repairs, Improvements, Policies, and/or Upgrades to The Facility

On June 1, 2021, the Safety Ombudsman requested a listing and summary of any safety recommendations developed by the WSOC and submitted to SoCalGas for repairs, improvements, policies, and/or upgrades to the Facility during the period of June 2020 – May 2021.

On June 7, SoCalGas provided the following response to the Safety Ombudsman:

In June 2020, the WSOC submitted the following recommendations to SoCalGas:

1. UGS/AGS Process Enhancement – The WSOC recommends SoCalGas develop a Company Gas Standard outlining the process for taking wells out of service/returning wells to service.

During the WSOC meeting on December 4, 2020, the WSOC reported that this recommendation had been completed/implemented by modifying existing Gas Standard 224.104 Well Isolation Standard. The updated standard was republished on October 1, 2020.

2. PHMSA Audit – The WSOC recommends SoCalGas review and address the PHMSA audit letter dated May 28, 2020, prior to the next scheduled PHMSA Audit for Aliso Canyon.

The WSOC reported during the December 4, 2020, meeting that the concerns outlined in PHMSA's May 28, 2020, letter were addressed to CalGEM's/PHMSA's satisfaction during the October 2020 CalGEM audit of the Facility.

No additional recommendations were made during the time requested.

On July 8, the Safety Ombudsman inquired whether the WSOC had submitted any recommendations for safety improvements to SoCalGas during the month of June. On July 21, SoCalGas responded as follows: The WSOC did not submit any recommendations during the month of June 2021.

The Safety Ombudsman has developed several specific safety recommendations for consideration by the WSOC/SoCalGas. These recommendations are contained in Annual Report Number 2, Recommendations for Improvements to Safety and Leak Prevention, Section II.

IV. Conduct Periodic Safety Audits (SWOTs) Associated with the Facility

The WSOC conducted one safety audit during the period covered by this report. No strength/weakness/opportunity/threat analyses were performed during the report period.

The safety audit examined staff/contractor compliance with SoCalGas' Gas Standard 224.106, Casing and Tubing Inspection Field Procedure. An audit team was formed consisting of three members of the WSOC. A kick-off meeting was held virtually on March 12, 2021; the Safety Ombudsman participated in the meeting, setting the audit scope including the criteria for selecting wells, and the actual wells subject to the audit. Selection criteria included the age of a well, its location in the field, and whether it had new tubing installed or the existing tubing was re-run into the well. The wells selected for inclusion in the audit had been



subjected to a complete downhole integrity inspection during 2020. The audit specifically focused on adherence to the requirements associated with preparation for and running/completing the following:

1. CLIP (Inspection procedural check list);
2. Ultrasonic Inspection Tool;
3. Magnetic Flux Leakage Tool;
4. Noise/Temperature Log;
5. Gamma-ray/Neutron Log;
6. Third Party Tubing Inspection Process;
7. Pressure Testing (Tubing/Casing);
8. Inspection Frequency
9. Response Criteria (associated with logging results); and
10. Record Retention.

Of the ten (10) main elements listed above, the audit process tested compliance with a total of 63 specific sub-elements/requirements contained in Gas Standard 224.106. For example, under the CLIP Form, nine (9) specific sub-elements were checked for completion against the requirements contained in Gas Standard 224.106.

It was reported by the audit sub-committee that a total of 48 wells had casing/tubing integrity inspections during the 2020 calendar year. Ten wells from this population (roughly 20 percent) were selected by the Safety Ombudsman for inclusion in the audit based on the selection criteria noted above. The audit team set an objective of completing the audit prior to the June 10, 2021, WSOC meeting.

During the June 10 WSOC meeting, the audit sub-committee reported that the audit was approximately 50 percent completed; they expected to complete/finalize the audit by early July.

On July 8, as part of Data Request No. 10, the Safety Ombudsman requested an update on the status of this audit. SoCalGas responded on July 21 that the WSOC sub-committee was currently reviewing the audit data and that the results are expected in Q3 2021.

V. California Public Utility Commission (CPUC) and California Department of Conservation Geologic Energy Management Division (CalGEM) Audit Reports

A discussion of audits performed by the CPUC and CalGEM during the period covered by this report is contained in Annual Report Number 2, Work of the Safety Ombudsman, Section IV, and will not be repeated here. CalGEM is acting as agent for the US Department of Transportation Pipelines and Hazardous Materials Safety Administration (PHMSA) during all mandated safety inspections of the Facility.