

September 12, 2017

TO: Members, Senate Committee on Budget and Fiscal Review

FROM: Amy Mmagu, Policy Advocate 

**SUBJECT: AB 127 (COMMITTEE ON BUDGET) STATE GOVERNMENT
HEARING SCHEDULED – SEPTEMBER 12, 2017
OPPOSE/**JOB KILLER** – AS AMENDED SEPTEMBER 11, 2017**

The California Chamber of Commerce must **OPPOSE AB 127 (Committee on Budget)** as a **JOB KILLER** unless it is amended to remove the Aliso Canyon storage facility elimination. **AB 127** will eliminate jobs and place regional energy reliability at risk by eliminating the use of the Aliso Canyon natural gas storage facility.

The Aliso Canyon storage facility is integral to providing electricity and natural gas to Southern California. If Aliso Canyon is not operational, this could lead to a lack of capacity necessary to run the electric grid, resulting in job loss and potential public safety, health and negative economic consequences.

The ability to inject and produce natural gas from the Aliso Canyon facility is important to maintaining a reliable energy supply throughout Southern California. The region that Aliso Canyon serves is an economic powerhouse for California. Well over 5 million Californians work with private sector employers in various fields from aerospace and biotech to goods movement and manufacturing. Specifically, the region features key industries where the impacts of energy reliability, both natural gas or electricity, would cause major disruptions and ripple through the economy, impacting goods movement and the production of transportation fuels, industrial chemicals and medical gasses amongst others.

Last session, the Legislature passed and the Governor signed SB 380 (2016) mandating an extensive, multi-agency safety review and public hearing process to evaluate the facility. The steps required under this recently enacted law are underway. It is premature to mandate the elimination of this facility before the state agencies undergoing this extensive process have made a final determination.

For these reasons, we respectfully are **"OPPOSE UNLESS AMENDED"** to **AB 127** as a **JOB KILLER**, unless and until, the Aliso Canyon storage facility elimination is removed.

cc: Camille Wagner, Office of the Governor
Consultant, Senate Committee on Budget and Fiscal Review
Kirk Feely, Senate Republican Caucus

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