

State orders inspections, new rules for gas wells after SoCal gas leak

George Avalos, San Jose Mercury News, 2-8-16

SAN BRUNO -- State regulators, alarmed by a nonstop leak of a gas well in Southern California, have issued emergency regulations and orders for inspections of all gas wells in California, including those owned by PG&E, which said Sunday that it is in compliance with most of the new rules.

The inspections will include wells in three gas storage centers owned and operated by PG&E, all in Northern California. PG&E's gas storage complexes are the Los Medanos facility in the Bay Point community of Contra Costa County, the Pleasant Creek complex near Winters in Yolo County and the McDonald Island gas storage facility west of Stockton in San Joaquin County. PG&E also is a 25 percent owner of the Gill Ranch gas storage center in Madera County.

"These regulations are in effect immediately and require all gas storage companies to complete enhanced inspections and testing at every gas well in California," said Ken Harris, state oil and gas supervisor with the California Department of Conservation.

A state of emergency due to a natural gas leak at the Aliso Canyon gas storage complex prompted state conservation officials to issue the new rules and inspection requirements. The well complex, located in the San Fernando Valley community of Porter Ranch near Los Angeles, is operated and owned by utility firm Southern California Gas. Concerns over the safety of California's vast web of aging natural gas systems have intensified in the five years since the fatal explosion of a PG&E gas pipe in San Bruno.

"We intend to make these emergency regulations a permanent requirement in California and are committed to strong oversight measures that help ensure the health and safety and environmental protection of this state," Harris said in a prepared release.

The state agency is requiring gas well and storage system operators to comply with six new safety and reliability measures.

The new rules include daily inspections of gas storage well heads, ongoing verification of the mechanical integrity of gas storage wells, ongoing measurement of gas pressure or gas flow within the wells, regular testing of safety valves used in wells, establishment of minimum and maximum pressure limits for each gas storage facility in California, establishment of comprehensive risk assessment plans for each gas storage complex.

San Francisco-based PG&E said it has instituted five of the six requirements that comprise the new rules.

"PG&E will continue to work closely with the Department of Conservation's Division of Oil, Gas and Geothermal Resources, the state Public Utilities Commission and other stakeholders on these new directives," said Donald Cutler, a PG&E spokesman.

San Francisco-based PG&E, however, has not complied with one of the new emergency regulations: The utility giant has yet to establish ongoing measurement of gas pressure or gas flow within its storage wells, according to Cutler. PG&E expects to implement the state directive related to measurement of gas flow within 30 days, Cutler said.

Large quantities of methane continue to escape from a well in the Aliso Canyon gas storage complex. The owner of the well is a unit of San Diego-based Sempra Energy. Until his retirement last November, Jessie Knight, a former commissioner of the state PUC, was a longtime chairman and key executive with Sempra. Critics say a revolving door between the PUC and the power companies the agency regulates are a symptom of a culture of cozy ties and lazy oversight by the PUC of big utility operators, including PG&E.

"While we currently meet or exceed applicable state regulatory requirements related to underground natural gas storage wells, we are fully embracing all of the new regulations," said Jesus Soto, PG&E's senior vice president of gas operations.

New State gas well rules

State officials have required new emergency rules for inspections and operations of natural gas storage complexes and wells:

- Require at least a daily inspection of gas storage well heads, using gas leak detection technology such as infrared imaging.
- Require ongoing verification of the mechanical integrity of all gas storage wells.
- Require ongoing measurement of annular gas pressure or annular gas flow within wells.
- Require regular testing of all safety valves used in wells.
- Establish minimum and maximum pressure limits for each gas storage facility in the state.
- Require each storage facility to establish a comprehensive risk management plan that evaluates and prepares for risks at each facility, including corrosion potential of pipes and equipment.

Source: State Department of Conservation