



South Coast Air Quality Management District

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NEWS

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SCAQMD Reaches Settlement with SoCalGas for \$8.5 Million for Aliso Canyon Gas Leak

SoCalGas will pay \$8.5 million -- including funding for an independent health study -- under a settlement with the South Coast Air Quality Management District resulting from the massive gas leak at the company's Aliso Canyon storage facility.

"We are pleased to immediately kick off the process for an independent health study," said Wayne Nastri, SCAQMD's executive officer. "This study will build upon existing health information and help inform the community about potential health impacts from the gas leak."

Under terms of the settlement agreement, signed today, SoCalGas will pay a total of \$8.5 million to SCAQMD. The settlement specifies that of the \$8.5 million, \$1 million will be designated for a SCAQMD-sponsored health study; \$5.65 million will pay for emission fees related to the leak; \$1.6 million will reimburse SCAQMD for air monitoring costs and \$250,000 for its legal fees.

The settlement also specifies that \$1 million of the \$5.65 million in emission fees will help fund a renewable natural gas production project demonstrating the commercial and technical viability of renewable natural gas, subject to agreement with KORE Infrastructure, Inc. This project has the potential to reduce natural gas storage in underground facilities including Aliso Canyon.

The agreement settles a lawsuit filed by SCAQMD against SoCalGas in Los Angeles Superior Court on Jan. 26, 2016. The agreement also completes the final obligation – a health study – required of SoCalGas under an administrative order issued by the independent SCAQMD Hearing Board.

The SCAQMD-sponsored health study will include three major components: an enhanced assessment of residents' exposure to air pollution from the leak; a community health survey; and an analysis of potential associations between reported health effects and exposure to air pollutants. SCAQMD staff, in consultation with its Governing Board and partner agencies, will determine the process for implementing the independent study.

On Oct. 23, 2015, SoCalGas discovered a leak in well SS-25, one of 115 wells in the company's Aliso Canyon underground natural gas storage facility near Porter Ranch. The well was not sealed until Feb. 18, 2016.

On Nov. 23, 2015, SCAQMD issued a Notice of Violation to SoCalGas for causing a public nuisance to residents from foul odors. (Odorants are added to natural gas so it can be readily detected in the event of leaks.) As a result of that violation SCAQMD sought and obtained on Jan. 26, 2016, a comprehensive administrative order, known as an Order for Abatement, requiring SoCalGas to conduct leak detection, notify the public in the event of future leaks, provide funding for a health study and other measures.

SCAQMD has monitored air quality in Porter Ranch since late 2015 and continues to monitor for methane at two locations in the community. For more information on SCAQMD's response to the SoCalGas leak at Aliso Canyon, see <http://www.aqmd.gov/home/regulations/compliance/aliso-canyon-update>.

The SCAQMD is the air pollution control agency for Orange County and major portions of Los Angeles, San Bernardino and Riverside counties.

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