

CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION

915 L STREET, SUITE 1460 • SACRAMENTO, CALIFORNIA 95814 (916) 326-5800 • (916) 326-5810 FAX • www.cmua.org

Sent via email to: commentletters@waterboards.ca.gov

March 3, 2017

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Felicia Marcus, Chair and Members of the State Water Resources Control Board c/o Jeanine Townsend, Clerk to the Board State Water Resources Control Board 1001 | Street Sacramento, CA 95814



Re: Proposed Resolution Adopting a Comprehensive Response to Climate Change

Dear Chair Marcus and Members of the Board,

The California Municipal Utilities Association (CMUA) appreciates the opportunity to comment on the State Water Resources Control Board's (State Water Board) proposed Resolution adopting a comprehensive response to climate change (Proposed Resolution). CMUA represents publicly-owned electric utilities and 40 water agency members that deliver water to over 70 percent of Californians.

CMUA recognizes the key role of water agencies in advancing the water-energyclimate nexus including the reduction of greenhouse gas (GHG) emissions in various aspects of their water operations. In fact, our members are industry leaders in developing projects to reduce energy intensity and have successfully incorporated renewable energy facilities into their operations to reduce GHG emissions while maintaining water deliveries. For example, members have increased energy recovery in conveyance and distribution systems, installed solar generation systems, developed other renewable energy projects, performed energy studies, and audited facility energy usage. However, meeting energy intensity and GHG reduction goals for the water sector requires balancing multiple policy goals, of which reducing emissions and preparing for climate change is only one objective. This balance is important and should be recognized throughout the Proposed Resolution and in other Board initiatives.

In addition, CMUA would like to offer the following specific comments regarding the Proposed Resolution:

Water Sector Energy Use (Whereas #4)

The State Water Board outlines in this paragraph that "the principle source of greenhouse gas comes from the fossil fuel-based energy used to pump, convey, treat and heat water. Therefore, mitigation can be accomplished through reducing the

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energy intensity of the water sector, replacing fossil fuels by renewable energy, improved efficiency, and reduce water consumption." This statement is only partially correct. While reducing the energy intensity of water supplies and replacing fossil fuels with renewable energy and water use efficiency can reduce the GHGs from the water sector, the vast majority of the energy used by the water sector is through end uses. The proposed AB 32 Scoping Plan update¹ and the Department of Water Resources' California Water Plan² both state that about 12 percent of the total energy used in the state is related to water. Of the 12 percent, two percent is used for conveyance, treatment and distribution and about 10 percent is for water end uses such as heating and cooling. The State Board should explicity recognize this in the Resolution.

AB 32 Scoping Plan Water Chapter (Whereas #7)

This section states that "Water-related AB 32 mitigation measures target reducing energy requirements associated with providing reliable water supplies (water use efficiency, water recycling, and reuse of urban runoff), and reducing the amount of non-renewable electricity associated with conveying and treating water and providing adequate wastewater treatment (water system energy efficiency, and increased renewable energy production). The greenhouse gas emissions reductions from these measures are indirectly realized through reduced energy requirements, and these actions also have adaption co-benefits of improving water quality and water supply reliability."

As noted earlier, CMUA members are at the forefront of projects and initiatives to reduce energy intensity of their water supplies and resulting GHG emission reductions. However, the above statement in the Proposed Resolution does not accurately reflect the key points outlined in the water chapters of the First Update to the Climate Change Scoping Plan and the most recent draft of the 2017 Climate Change Scoping Plan Update.

The First Update listed three areas where water would play a key role— prioritizing investments in conservation, rate structures and pricings that maximize conservation and promoting less-energy intensive water management. These were all caveated with the strong recognition that many agencies have taken action on these topics and that meeting the goals for the water sector would require balancing multiple policy objectives including water supply, water and energy use, water quality standards with regional flexibility and funding, and effective data collection and analysis.

In addition, the Air Resources Board (ARB) notes in the draft 2017 Climate Change Scoping Plan Update that "While it is important for every sector to contribute to the State's climate goals, ensuring universal access to clean water as outlined in AB 685 (Eng, Chapter 524, Statutes of 2012), also known as the "human right to water" bill, should take precedence over achieving GHG emission reductions from water sector activities where a potential conflict exists." The State Board also has expressed support for the human right to water including in Paragraph 14 of the proposed Resolution. CMUA agrees with the importance of a safe and reliable water supply as the primary objective while working to reduce GHG emissions when feasible, and would like to see this prioritization outlined in the Resolution.

¹ <u>https://www.arb.ca.gov/cc/scopingplan/2030sp_pp_final.pdf</u>

² <u>www.water.ca.gov/climatechange/WaterEnergyStatewide.cfm</u>

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Recycled Water Annual Reporting (Paragraph C.3.)

In this paragraph, the State Board states that the Regional Boards should make annual reporting of recycled water a condition of waste discharge permits and water reclamation requirements. Rather than submitting an additional annual report in a separate location, CMUA recommends that this information be consolidated with other annual reporting that will be required as part of the long-term water use efficiency framework.

Effective Permitting for New and Underutilitized Water Resources (Paragraph 13)

This paragraph directs the development of recommended actions for permitting projects to develop new and underutilized water resources, expand surface water and groundwater storage, where appropriate, and add operational flexibility to build and enhance resilience to impacts of climate change. CMUA supports this concept and looks forward to engaging with the State Board and Regional Water Boards on this issue.

Recommendations to Reduce Infrastructure Vulnerability (Paragraph 15)

This section directs the Divison of Water Quality to work with the Regional Water Boards and make recommendations to the State Board on the need to modify permits and other regulatory requirements to reduce water and wastewater treatment infrastructure vulnerability to flooding, storm surge and sea level rise. Because a number of water agencies already have taken action on this front, we recommend language acknowledging these efforts and directing the state to collect information on current efforts as changes to permits or regulations may not be necessary.

Support for Atmospheric River Research (Section IV)

While sea level rise is fairly well understood, understanding how precipitation may change over the coming century in the San Francisco Bay Area remains a key uncertainty. As temperatures increase, extreme storms will have the ability to carry and deposit more rainfall in events known as atmospheric rivers (AR). Better coupling of climate forecasts with seasonal weather forecasts of ARs can improve water management decisions. In order to provide actionable information to decision makers throughout the Bay Area, more information is needed. We'd like to see language included in this resolution that specifically addresses prioritization of financial support for studies that address this issue. Specifically, under Section IV, Rely on Sound Modeling and Analyses, it would be beneficial to add the Department of Energy, Lawrence Berkeley National Laboratory.

Expanded Use of CPUC Water Energy Cost Effectiveness Calculator

Through this Proposed Resolution the State Water Board would require the Division of Financial Assistance to evaluate and make recommendations by July 1, 2017 regarding appropriate policy changes to require the use of California Public Utilities Commission's (CPUC) Water Energy Cost Effectiveness Calculator to quantify and report on energy savings and greenhouse gas (GHG) reductions from projects in any relevant funding programs. This requirement would require agencies that are receiving State Revolving Fund monies to complete Embedded Energy and GHG calculations using the CPUC's calculators. CMUA is an active party in the Water-Energy Nexus Proceeding in which the cost calculator was developed, and we are extremely concerned about this proposed requirement. The calculator was developed to determine if energy utility investments in "cold water" conservation can be justified. It does not properly reflect energy or GHG savings for all water supplies and should not

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be used in the way proposed. We strongly recommend that this direction be eliminated from the resolution.

Thank you for the opportunity to comment on the Proposed Resolution Adopting a Comprehensive Response to Climate Change. Given the significance of this Resolution, we ask that after the State Water Board considers all comments and makes the necessary changes, a revised draft be recirculated for public review and comment before the State Water Board considers adoption. Please contact me at 916-326-5802 or <u>dblacet@cmua.org</u> with any questions.

Sincerely,

Danielle Blacet Director for Water

Cc: Frances Spivy-Weber, Vice Chair, State Water Board Dorene D'Adamo, Member, State Water Board Steven Moore, Member, State Water Board Tam Doduc, Member, State Water Board Max Gomberg, Climate Change and Water Conservation Manager, State Water Board