



March 3, 2017

The Honorable 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 I Street, 24th floor Sacramento, CA 95814

RE: 3/7/17 BOARD MEETING—ITEM # 7 "Consideration of a Proposed Resolution Adopting a Comprehensive Response to Climate Change."

Dear Chair Marcus and Board Members:

Thank you for the opportunity to provide comments to the State Water Resources Control Board on the proposed resolution adopting a comprehensive response to climate change. The Irvine Ranch Water District (IRWD) appreciates the State Board's interest in the water-energy-climate change nexus and the role water agencies play in addressing the nexus. We appreciate that the proposed resolution is intended to provide clear direction on how the State Board will support the implementation of the State's climate action priorities as identified in the AB 32 Scoping Plan.

While IRWD has long been recognized as a leader in recycled water and water use efficiency, the District has also been a leader in addressing the water-energy-climate change nexus. For many years, IRWD has worked successfully to conserve power, reduce greenhouse gas (GHG) emissions and to understand the embedded energy that exists in its water supply, treatment, and delivery systems. These innovative resource management programs have enabled IRWD to reduce its dependence on fossil fuels, invest in renewable energy projects, and create an embedded energy map for the entire District.

IRWD supports the comments submitted by the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA), and hopes that the State Board will acknowledge the issues raised by those groups. In an effort to avoid duplication, IRWD has not resubmitted those comments, although we agree with them. Instead, IRWD offers the following additional comments for the State Board's consideration:

1) Greenhouse Gas Emissions from the Water Sector (Whereas 4, Page 1): The resolution states 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 energy intensity of the water sector." While water agencies play a key role in the energy consumed by the water sector, the vast majority of

Felicia Marcus, Chair and Members of the State Water Resources Control Board March 3, 2017 Page 2

energy used within the water sector is consumed by end users.<sup>1</sup> Thus, to truly address GHG emissions within the water sector, end user energy use for heating water must be addressed along with the other actions discussed within the paragraph. We ask that the proposed resolution be modified to recognize this fact.

IRWD supports the proposed resolution's acknowledgement that the development of local supplies, such as recycled water, can reduce the energy intensity of the state's water supplies. Use of recycled water and other locally developed supplies is especially effective in reducing energy use and the embedded energy in a local agency's water supplies when the recycled water or local supply offsets imported water. It is important to remember, however, that embedded energy is one of many factors water agencies consider when making water supply investment decisions.

We ask that the proposed resolution recognize, as the AB 32 Scoping Plan has, that the development of water supplies and investments in water infrastructure must balance multiple factors such as energy intensity, the human right to water, water reliability, cost and benefits.

2) Water-Related AB 32 Mitigation Measures (Whereas 7, Page 2): IRWD supports the proposed resolution's recognition of the California Water Action Plan call to action in Whereas 11 and the proposed resolution's recognition of the co-equal goals in Subsection II. The state must undertake the actions called for in the California Water Action Plan and must achieve the co-equal goals if we are to have greater water reliability in California. California must continue to invest in drought resiliency, water infrastructure, ecosystem restoration and the water-energy nexus if we hope to adapt to the changes expected in our climate.

Because of our support for these efforts, the District urges the State Board to fully consider the comments made by CMUA regarding Whereas 7 and consider revising the proposed resolution's narrow focus on the energy requirements of water supplies. We ask that Whereas 7 be amended to focus on the complexities surrounding water in the state and to be more consistent with the statements made in the AB 32 Scoping Plan. We also encourage the State Board, within the proposed resolution, to direct staff to work with the California Public Utilities Commission (CPUC) and stakeholders to develop a framework which would enable the CPUC and/or electric utilities to invest in the development of alternative local water supplies that have lower energy intensities than existing supplies. Electric utility investment can be justified in such supplies because it will result in GHG emission reductions and cost avoidance for the energy sector. Additionally, IRWD advocates that a portion of the Cap-and-Trade revenues be used to support the water sector's investment in these lower intensity supplies.

<sup>&</sup>lt;sup>1</sup> 12% of the state's energy is used by the water sector. Of the 12%, 2% is used for conveyance, treatment and distribution and about 10% is used for end-customer users.

Felicia Marcus, Chair and Members of the State Water Resources Control Board March 3, 2017 Page 3

- 3) Recycled Water Data Reporting (Section I, Paragraph 3, Page 4): As the State Board has recognized, IRWD has invested heavily in recycled water and is always willing to share the data surrounding its recycled water production. The District asks that the State Board consider striking the requirement proposed in Paragraph 3 which would require the Regional Boards to include the reporting of recycled water data as a requirement of water discharge permits and water reclamation requirements. Instead, we encourage the State Board to consolidate the reporting of this data with other reports water suppliers make to the Water Boards. The District asks that the State Board seriously consider allowing water agencies to include the reporting of recycled water production and general uses of recycled water within the annual reports that have been proposed within the long-term water use efficiency framework. Consolidating data reporting into one annual report balances the need for data with the administrative and financial burden placed on local agencies when multiple annual reports are required.
- 4) Stormwater Capture and Use (Section I, Paragraph 4, Page 4): Historically, California's stormwater and dry weather runoff management have been designed to capture and convey water away from people and property. As a result, stormwater and dry weather runoff have traditionally been underutilized resources which are too often viewed only as a source of flooding or nuisance flows that needs to be disposed of instead of as a potential water source. While this objective remains critical, IRWD agrees that the management of these flows must be adapted to include capturing this water for beneficial uses. For example, IRWD's water banking program captures stormwater and flood flows along the Kern River for local agencies and IRWD. The water is recharged into the groundwater and stored for later beneficial use.

Stormwater and dry weather runoff capture, use and recharge of groundwater should be encouraged where appropriate and cost effective, but stormwater capture and infiltration is not appropriate in all areas. For example, stormwater and dry weather runoff capture, use and recharge projects should not be pursued where the project may impact ongoing pollution clean-up efforts or where the risk of spreading underground contaminants is present. IRWD asks that the proposed resolution recognize this and that the phrase "in areas where appropriate" be added to the end of the first paragraph of subsection D.

- 5) The Importance of Water Storage (Section II, Paragraph 13, Page 6): Paragraph 13 directs State Board staff "to identify and recommend actions the Water Boards could take for effective permitting projects to develop new and underutilized water resources, expand surface water and groundwater storage where appropriate, and add operation flexibility to build and enhance resilience to impacts of climate change." IRWD supports this effort and would like to be helpful to the State Board staff as they look for ways to improve permitting processes to move needed water infrastructure projects forward.
- 6) <u>Use of the CPUC Water Energy Cost Effectiveness Calculator (Section V, Paragraph 22, Page 7):</u> Paragraph 22 would require the Division of Financial Assistance (DFA) to

Felicia Marcus, Chair and Members of the State Water Resources Control Board March 3, 2017 Page 4

"evaluate and make recommendations by July 1, 2017 regarding appropriate policy changes to require the use of California Public Utilities Commission's Water Energy Cost Effectiveness Calculator to quantify and report on energy savings and greenhouse gas (GHG) reductions from projects in any relevant funding programs." IRWD was a party to the CPUC rule making proceeding which developed the calculator. We remain concerned that the calculator does not properly reflect energy or GHG savings for all water supplies and should not be used in the way proposed. It was not designed for the purpose proposed in the proposed resolution, but was developed to determine if energy utility investments in cold water conservation could be justified. Like ACWA, CMUA and many others, we request that use of the calculator by DFA be removed from the proposed resolution. If the State Board chooses to retain use of the calculator by DFA, we ask that the Board consider allowing agencies, which have better data or have conducted studies on energy or GHG savings, to use their data/studies instead of the calculator.

IRWD thanks you in advance for taking our comments into consideration. The District appreciates the State Board's interest in the water-energy-climate change nexus. Please do not hesitate to contact me at (949) 453-5590 or our Sacramento Advocate, Maureen O'Haren, at (916) 498-1900 if we can be of assistance to you or your staff.

Sincerely,

Paul A. Cook General Manager