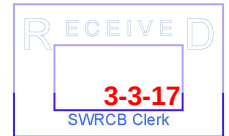




THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA



Office of the General Manager

March 3, 2017

Via E-mail (commentletters@waterboards.ca.gov)

The Honorable Felicia Marcus
Chair
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

Comment Letter --Climate Change Resolution

Dear Chair Marcus and Members of the Board:

Thank you for the opportunity to submit comments related to the State Water Resources Control Board's (Board) Proposed Climate Change Resolution (Resolution). The Metropolitan Water District of Southern California (Metropolitan) supports Governor Brown's overarching objective to reduce greenhouse gas emissions and address climate change impacts on our available resources, and we are interested in participating in any effort that the Board may undertake to implement respective changes within its purview.

Metropolitan is the primary wholesale water purveyor for Southern California and is comprised of 26 member agencies which provide water to nearly 19 million Southern California residents. Metropolitan has a service territory that spans through six counties within a 5,200 square mile area. As a major steward of Southern California's resources, Metropolitan has been committed to increasing preparedness and addressing climate change for nearly two decades.

Metropolitan's original 1996 Integrated Resources Plan (IRP), with subsequent updates, set a regional resource development path that emphasized conservation, recycled water, and water storage – all fundamental investments that increase resiliency to a changing climate. In 2002, Metropolitan's Board of Directors adopted a set of Climate Change Policy Principles that recognize the importance of incorporating potential climate change impacts in the planning and environmental review of water supply and infrastructure projects. Since then, Metropolitan has been an active participant in climate change forums, funding research and collecting data to assess the impact of climate change on current and future water supplies to determine what infrastructure modifications may be needed to adapt to forecasted conditions. Additionally, Metropolitan continues to take steps to progressively maintain and improve its own distribution and treatment system to minimize energy and to improve resiliency to climate change. It is with this particular perspective that Metropolitan provides the following comments for your review and consideration.

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1) Page 1, Whereas #4

The Department of Water Resources' (DWR) California Water Plan Update 2013, Volume 1, and the DWR's current Water-Energy Nexus webpage (<http://www.water.ca.gov/climatechange/WaterEnergyStatewide.cfm>) identify that about 12% of the state's total energy use is attributable to water use. Of that 12%, about 10% is used for end-customer uses (such as heating, cooling, pressurizing, and industrial processes) and only about 2% is used to convey, treat, and distribute water. The California Air Resources Board's (ARB) January 20, 2017 Climate Change Scoping Plan Update (2017 Scoping Plan Update) includes DWR's "pie chart" showing that of the 12% energy use related to water, the majority -- about 10% -- is for customer end-use. (Scoping Plan Update at p. 126.).

However, ARB also states in the third paragraph on page 126 of the Scoping Plan Update: "The principal source of GHG emissions from the water sector comes from fossil fuel-based energy used to 'produce' (e.g., pump, convey, treat) water and the fossil fuel-based energy consumed for water end uses (e.g., heating)." A similar sentence appears in the Board's Resolution in the fourth "Whereas" clause on page 1. Metropolitan believes that these sentences are inconsistent with information provided by DWR, which explains that the principal source of GHG emissions from the water sector results from the customer end-use sector. Accordingly, we respectfully suggest the following edit (changes are shown in underline and strikeout):

"In the water sector, The principal source of greenhouse gas emissions in the water sector comes from fossil fuel-based energy used to pump, convey, treat, and heat water consumed for water end uses (e.g. heating, cooling, pressurizing, and industrial processes)."

2) Page 2, Whereas #7

Metropolitan acknowledges the Scoping Plan is the basis for establishing mitigation efforts to address greenhouse gas emissions throughout all of California. However, it is important to note that the Scoping Plan is in the process of being updated with a newly included "Water Chapter," and the draft is still evolving with an anticipated June 2017 adoption by ARB. Also, as stated on page 127 of the 2017 Scoping Plan Update, "[E]nsuring 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."

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Metropolitan, along with many other California water agencies, are actively investing, developing, and deploying the use of renewable onsite energy generation to offset energy demands. For Metropolitan, in particular, these renewable sources would further supplement the significant hydro-powered generation that is already in use within its system.

Metropolitan interprets the Whereas #7 section as potentially inconsistent with the ARB's 2017 Scoping Plan Update. As a practical matter, energy is needed for moving and treating water; however, to arbitrarily require GHG reductions from water sector activities without acknowledging the need for water agencies to continue to provide reliable, high quality water supplies is a precarious precedent and in potential conflict with AB 685 and ARB's approach in its 2017 Scoping Plan Update.

3) Page 3, Whereas #11

Metropolitan is supportive of Governor Brown's California Water Action Plan (Plan), as it is intended to be a comprehensive approach to ensuring the sustainability of water supplies throughout the state against the backdrop of climate change. However, it is important to keep in mind that the Plan considers all supplies as a means of stabilizing access to water for all of California. To prioritize some source options, without regional considerations of past and current investment and water practices, is inconsistent with the overarching approach for water supply reliability throughout the state, as intended in the Water Action Plan.

4) Page 4, Reduce Greenhouse Gas Emissions "C"

Metropolitan is supportive of understanding the amount of recycled water being used. However, there may be unforeseen burdens placed on permit holders to make annual reporting required when the permit holders are not always the end-users with access to the use data. To ensure productive reporting, DWQ should work with stakeholders to identify what kind of water data will be required and how it can be effectively used; assess whether data collected is redundant of any other existing reporting requirements; and, identify additional burdens placed on permit holders related to bringing recycled water projects online. Furthermore, clarification is needed that this reporting requirement applies across the board to any recycled water permit holders.

5) Page 6, Respond to Climate Change Impacts #13

Metropolitan agrees that the local agencies must work in partnership with the state to help mitigate greenhouse gas emissions and address climate change. Metropolitan believes that it is imperative that any action reflects site-specific, geographically-based solutions to address water quality and reliability. In addition, water supply delivery is wholly dependent upon the availability of the source, and unlike energy, water cannot be created upon demand. Due to the need to establish a diversified resource portfolio to optimize available water supplies, any

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intention of implementing a process to prioritize investments in a manner that places a significant focus on the ability to reduce greenhouse gas emissions over providing clean, safe water supplies will not work for the water industry.

As the Board considers recommendations for effective permitting to incentivize and facilitate new infrastructure and facilities, Metropolitan urges that such recommendations consider regional and local conditions and landscapes and actively include the involvement and input of water agencies.

6) Page7, Funding #22

Since 2014, Metropolitan has been a party to the California Public Utilities Commission's (PUC) Water-Energy Nexus proceeding (Rulemaking 13-12-011), in which Metropolitan has repeatedly cautioned against using the Water-Energy Cost Effectiveness Calculator (Calculator) outside of its intended application. The Calculator was initially developed to help investor owned utilities determine if water-savings programs resulted in substantial energy savings to justify the energy utilities' continued investments in such programs. It does not make sense to require water agencies to use the Calculator when that modeling tool was specifically developed for the energy utilities to verify their own investments. Furthermore, in addition to energy intensity, water agencies consider numerous site-specific and geographically-based factors, including water quality, reliability, infrastructure, and operations, when making decisions about providing clean and reliable water supplies. While the consideration of energy intensity is important, it is not the primary factor for a water agency. Unlike energy utilities, water agencies are subject to the availability of water supplies and cannot create additional supplies upon demand. In addition, water utilities must comply with their public health and safety responsibilities to provide clean and reliable supplies for their customers. We respectfully caution the Board against requiring a methodology that was not intended to be used to assess water agency investments outside the PUC's jurisdiction. Furthermore, the Calculator may directly limit the types of projects and partnerships specifically referenced in this Resolution, and result in negatively impacting available supplies that are responsibly managed as part of a holistic portfolio.

Again, thank you for providing the opportunity for Metropolitan to submit these comments. Metropolitan supports climate change adaptation policies that are reflective of regional and local conditions, consider the viability of technology to limit cost fluctuations that impact customers, and recognize that water agencies are inherently different than energy utilities. However, given the significance of the Resolution, Metropolitan asks that after Board considers all comments and makes the necessary changes to the Resolution, a revised draft be recirculated for public review and comment before the State Water Board considers adoption.

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Metropolitan also supports the comments offered by the Association of California Water Agencies and the California Municipal Utilities Association. Metropolitan hopes to be a resource for the Board and commits to being a productive partner as the Board continues the dialogue on implementing climate change adaptation policies.

If you have any questions or would like to discuss this matter further, please contact Rosalie Thompson in Metropolitan's Sacramento Office at (916) 650-2600.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Deven N. Upadhyay', with a stylized flourish at the end.

Deven N. Upadhyay
Manager, Water Resource Management

KC:tt