San Diego County Water Authority
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May 2, 2014

Mr. Michael Tollstrup, Chief
Project Assessment Branch
Air Resources Board
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812

Re: San Diego County Water Authority Comments on February 2014 Proposed First Update to California's Climate Change Proposed Update

Dear Mr. Tollstrup:

The purpose of this letter is to provide comments on the California Air Resources Board's Proposed First Update to the Climate Change Scoping Plan released on February 10, 2014 (Proposed Update). The San Diego County Water Authority (Water Authority) has a strong interest in the Proposed Update as it relates to the water sector. The Water Authority appreciates your consideration of the following comments during preparation of the final Proposed Update to be considered by the Board at a Public Hearing on May 22, 2014.

The Water Authority is a wholesale water agency with 24 member retail agencies. Our mission is to provide a safe and reliable water supply to our member agencies serving a population of over 3.1 million and supporting a $188 billion economy. The Water Authority has taken a proactive approach to supporting the State's efforts to reduce greenhouse gas (GHG) emissions. In March 2014, our Board of Directors adopted the Water Authority's first Climate Action Plan (CAP) with state-aligned goals for minimizing our GHG emissions as a part of our 2013 Regional Water Facilities Optimization and Master Plan Update.

The Proposed Update includes a focus area on water supply and includes key recommended actions for the water sector. The Water Authority supports many of the key recommended actions for the water sector in the Proposed Update including use of energy efficient technology in water system operations and education and outreach related to water-energy conservation. Our comments are directed specifically towards recommendations contained in the Accomplishments and Next Steps section of the Proposed Update. As a purveyor of an essential service, a reliable supply of drinking water, the Water Authority strenuously objects to the approach that seems to be advocated in the following paragraph in the referenced section, which states:

"Additional gains in water conservation, especially use reductions in both agricultural and urban landscape irrigation, are critical not only for meeting GHG emission reduction goals, but also for resilience to more frequent and severe droughts. Establishing a conservation-first policy for water-sector investment and action would help to sustain declining per-capita usage. This policy would be similar to the State's

"loading order" policy for energy, which prioritizes investments in energy efficiency ahead of developing new power supplies. The conservation-first policy could be implemented through legislation or joint-agency action. (The State's Energy Action Plan, for example, was jointly approved by the CEC, CPUC, and CAISO)". (pg. 73)

Firstly, the Water Authority questions whether there is authority for such a policy to be made under the California Global Warming Solutions Act of 2006 or other existing law. Water conservation is a vitally important part of the Water Authority's water supply portfolio and its diversification efforts for the San Diego region. Indeed, since 1991, over 656,000 acre-feet of water have been conserved through the San Diego region's conservation programs, including 65,000 acre-feet in 2010. However, these conservation efforts represent but one component of a broader set of strategies that are needed to address overall water supply reliability and sustainability for both the region and the state.

It is extremely important to note that the Water Authority and its member agencies have legislative mandates[1] to secure and deliver a reliable supply of water to their customers. It is critical for the health and safety of all residents, the economy, and quality of life within the San Diego region that a reliable supply of water is available to meet existing and future demands for water. For these reasons, the Water Authority includes supply reliability as the *primary* criterion in analyzing the resource strategies to be implemented. While this does not preclude the Water Authority from utilizing additional criteria, such as energy usage, these criteria only apply to the extent that they do not dictate the result and add risk of ensuring supply reliability for the region.

The specific suggestion for a "loading order" policy for the water sector for investment and action is completely at odds with the primary mission of water suppliers, and is contrary to the successful long-term strategy implemented in San Diego County and much of California over the last 20 years: water supply diversification. The Water Authority in its state mandated Urban Water Management Plan has planned to improve reliability and manage shortage through developing a diverse portfolio of water supplies, which includes aggressively conserving water and water use efficiency. The State of California, in its Bulletin 160 State Water Plan, has for many years endorsed and encouraged supply diversification or in simpler terms, doing everything we can to make our supply reliable. The dire conditions California faces this year in available water supply only validate that diversification is the right approach to supply reliability. As water suppliers face the increased challenges of reliable water in the face of climate change, climate adaptation strategies must provide flexibility in source of supply and how to use them. We must have water supplies that we can rely upon in a very dynamic environment.

The historic zero percent State Water Project allocation by the Department of Water Resources, just recently increased to a meager and historically low five percent, clearly

[1] County Water Authority Act, Water Code Appendix, ch. 545 stats of 1943, as amended

highlights the fact that people cannot conserve water that is not available, and cannot recycle and reuse water that is not there in the first place. What may be appropriate in respect to energy production is not necessarily a strategy for safe and reliable water supply development that must serve an increasing population and support one of the largest economies the world. We strenuously urge you to remove this language and its overly simplistic approach to a very complex situation from consideration in the Proposed Update document prior to its approval, and recognize that water supply diversification means pursuing multiple paths simultaneously.

We believe there are productive ways the water and energy sector can work together to achieve GHG reductions and a safe and reliable water supply. The Water Authority, and many other water agencies in the state, recognize that we must achieve both goals. It must be recognized in the Scoping Update that in a state as large and diverse as California there is no "one size fits all approach". Development of new water resources will be unique to any agency, and conditions are extremely variable throughout the state, with some regions having the benefit of gravity flow systems and potential for hydroelectric generation, and other regions required to import significant volumes of water with energy-intensive pumping to overcome natural barriers. Sources of water are equally variable, with some regions having access to multiple sources of high quality surface and groundwater, and other regions having very limited sources and variable quality, with a high level of reliance on imported water.

For regions with limited supply sources such as Southern California and the San Diego region, development of local supplies such as seawater desalination and potable reuse, which are energy-intensive, represent significant and important new water sources that are reliable, high quality, and enhance water supply safety. Seawater desalination is a particularly important source of water at a time in the state's history when existing sources of imported water are imperiled, increased availability of water for import in the future is highly unlikely, and adaptation to climate change is essential.

Based on these concerns, the Water Authority advocates for the revisions to replace the language quoted above from page 73 that was provided by the Association of California Water Agencies (ACWA), in their comment letter dated April 28, 2014, with the following:

Additional gains in water conservation are critical not only for meeting GHG emission reduction goals, but also for resilience to more frequent and severe droughts. Many local agencies throughout California have invested in water conservation and water use-efficiency activities that adhere to new efficiency requirements and fit the needs of their local or regional water system and customers. The state should encourage and facilitate local water conservation investments by eliminating barriers to co-funding projects with water and energy benefits and expand and prioritize funding and technical support for water and wastewater agencies that achieve energy efficiency co-benefits and greenhouse gas reductions.[2]

[2] California Water Action Plan, pg. 5

Lastly, the Water Authority has collaborated with our local energy provider, San Diego Gas and Electric (SDGE), for many years on several fronts where we have had the opportunity to better manage and save both water and energy. The Water Authority and SDGE have managed joint programs and provided financial incentives for replacement of pre-rinse spray valves and purchase of high-efficiency washing machines. In addition, we jointly participated with SDGE in the recent California Public Utilities Commission (CPUC) water-energy pilot program and have helped coordinate between SDGE and our member agencies on water agency energy efficiency programs. In more recent years, we have collaborated with SDGE on pump storage projects using existing local water supply reservoirs to store energy by pumping water to upper reservoirs using less carbon-intensive baseload energy during low demand periods, and then letting the water run downhill by gravity to generate clean hydroelectric power that displaces more carbon-intensive peak energy during high demand periods. This helps manage energy supply and demand and can allow for the development of more alternative energy supplies, such as wind and solar. Our recent 2013 IRWM plan update addresses climate change from both a GHG and an adaptation perspective. Our comments on the Proposed Update are based on this wealth of experience.

Thank you for the opportunity to comment on the Proposed Update. We look forward to seeing revisions to the final Proposed Update document that is to be considered by the Board later this month. If you have any questions regarding this letter, please contact Toby Roy at (858) 522-6743 or Kelley Gage at (858) 522-6763.

Sincerely,

Ken Weinberg
Director of Water Resources

cc: Mr. Richard Corey, Executive Officer, Air Resources Board
Ms. Edie Chang, Deputy Executive Officer, Air Resources Board
Mr. David Mallory, Manager, Climate Change Policy Section, Air Resources Board
Ms. Toby Roy, Water Resources Manager, San Diego County Water Authority
Ms. Kelley Gage, Principal Water Resources Specialist, San Diego County Water Authority