

DEPARTMENT OF WATER RESOURCES**CALIFORNIA WATER COMMISSION**

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 651-7501



Joseph Byrne
Chair

October 24, 2013

Joe Del Bosque
Vice Chair

Richard Corey
Executive Officer

Andrew Ball
Member

California Air Resources Board
P.O. Box 2815

Daniel Curtin
Member

Sacramento, CA 95812

Kimberley Delfino
Member

Dear Mr. Corey:

Luther Hintz
Member

The California Water Commission (Commission) is submitting the following comments on the water sector section of the Draft AB 32 Scoping Plan Update, October 2013.

Adán Ortega, Jr.
Member

David Orth
Member

The Commission would first like to commend the California Air Board on its thorough work in preparing this document and specifically for highlighting the important connection between water management and energy use and generation. The document's emphasis on energy efficiency and water conservation is paramount to our collective efforts to improve the use of resources and reduce greenhouse gas emissions within California's water sector. In fact, many of the items in the Key Recommended Actions of the water section of the draft report are consistent with policies supported and promoted by the Commission in its Strategic Plan to advance Integrated Resource Management, mitigate and adapt to climate change, and facilitate sustainable water management.

Anthony Saracino
Member

Sue Sims
Executive Officer

Some of the key actions are of particular interest to the Commission:

- Assess impacts of decoupled water rates and develop rate and revenue structures to decouple municipal utility programs
- Develop policies with local partners that thoroughly and accurately reflect the economic, social, and environmental value of water in California.
- Develop and implement a groundwater management strategy that contributes to enhanced water quality and water supply reliability.
- Promote water-energy conservation outreach and education

Many, if not most, of the state's water agencies have done considerable work on the most effective ways to address pricing and conservation issues. In addition, the California Urban Water Conservation Council (CUWCC) has developed Best Management Practices to assist water agencies in attaining financial stability as they implement conservation pricing programs, which include considerations for rate decoupling. We believe that the findings of the CUWCC's body of work on this issue can help inform any future steps

on rate and revenue structures, and that those activities must involve a coordinated effort between State agencies, the CUWCC, its member agencies, and other stakeholders. In addition, given the preliminary and unclear results to date of the California Public Utilities Commission's pilot program on decoupling, we also believe that the State should wait for the final results of this decoupling assessment, before committing to moving forward with the development of decoupled rate and revenue structures.

With regard to the recommendation to develop policies with local partners on the value of water, we believe that a significant body of work on the public benefits of water is already emerging through the work of the Water Commission and the ongoing activities of the California Water Plan. We would thus recommend that future work on these topic areas be considered in these forums.

The recommendation to develop new strategies for groundwater management builds upon the growing awareness that careful management of this resource can improve water supply reliability, improve ecosystems, and prepare for future droughts, floods, and climate change. The Commission and its staff have been briefed on a number groundwater programs and activities, including the policy initiatives in SBx7 6, the state's CASGEM program, actions proposed in the California Water Plan Update, and the Association of California Water Agencies' policy framework on groundwater, and believe these represent important steps towards sustainable groundwater management. The Commission supports continued collaboration between state and local water management agencies, to ensure the sustainability of California's groundwater resources as part of a broader strategy to integrate and improve water management.

Finally, garnering increased public awareness and support for conservation is essential to the long term success of our collective efforts to improve water conservation and energy efficiency in every region of the state and every sector of our economy. The Commission, which has committed to inform and engage the public on water issues as part of its strategic plan, looks forward to opportunities to work with the Board and other agencies to promote outreach and education activities to achieve these goals.

Thank you for the opportunity to comment on the plan and we look forward to the opportunity to work together to achieve a more sustainable water and energy future for all Californians.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Byrne", is centered within a light gray rectangular box.

Joe Byrne
Chairman
California Water Commission