WaterSmart SOFTWARE
20 California Street, Suite 200
San Francisco, CA 94111
415.366.8622
WaterSmart.com

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California Air Resources Board

1001 "I" Street

Sacramento, CA 95814

Dear Chairwoman Nichols, members of the Board, and California Climate Investments staff,

We appreciate the opportunity to comment on the Cap and Trade Auction Proceeds Funding Guidelines for Agencies that Administer California Climate Investments. We strongly support the Air Resources Board's objectives to significantly reduce greenhouse gas emissions, achieve the state's aggressive climate goals, and provide benefits to disadvantaged communities through the implementation of Greenhouse Gas Reduction Funds.

Innovative water management technologies have an important role in helping the state to achieve these goals. Such technologies provide immediate water conservation, and the associated energy savings significantly reduce greenhouse gas emissions. About 20% of California's total electricity use goes toward the movement, heating, and treatment of water around the state. The Governor's Executive Order B-29-15, implementing the Water Energy Technology (WET) Program, recognizes that investment in new technologies, including "water-use

monitoring software," is necessary to reduce statewide water and energy use and related greenhouse gas emissions.

Water-use monitoring software technology provides a valuable tool that immediately and cost-effectively conserves water and energy. WaterSmart has over two dozen projects in California and is helping utilities educate their customers about how much water their households use, how this usage compares to that of other households, and how they can save water, energy, and money, all with the goal of motivating them to use significantly less water. The resulting benefits translate into significant system-wide water, energy, and cost savings for utilities in the form of avoided costs for water, energy, treatment, and future capital investments.

Increasing public education and awareness with more precise and comparative information on water-use through deploying monitoring software has been proven by independent evaluations to reduce water demand by 4.6% to 6.6% within the first 6 to 12 months.[1] In addition, customers participating in the project and receiving social-norms based messaging are between two and six times as likely to participate in water conservation programs offered by the utility, such as appliance rebates, on-site water evaluations, and landscape conversions, further reducing demand for water and energy and providing additional GHG emission reductions.

[1] California Water Foundation, 2013 http://californiawaterfoundation.org/uploads/1389391749-Watersmart_evaluation_report_FINAL_12-12-13(00238356).pdf

Specific Comments to the GGRF Guidelines include:

1. Water Use and Energy Efficiency: We strongly support prioritizing those projects that maximize benefits to disadvantaged communities. In order to help ensure that the projects provide both water and energy efficiency benefits, and related reduction in water and energy costs, we respectfully suggest the guidelines include "proven success" and "cost effective" in Table 2.A-5 on page 101. See draft language in italics below.

    - Table 2.A-5: When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favor projects which provide multiple benefits or the most significant benefits, *have proven success, and are cost-effective).*

2. Water Use and Energy Efficiency: Increasing customer education and awareness with more precise and comparative information on water-use through monitoring software is proven to reduce water consumption and reduce direct and indirect energy use. To help deploy this innovative technology, we respectfully suggest the following language in italics:

- Table 2.A-5 (page 101): A. The project provides water and energy use efficiency *information*, incentives, *feedback*, or other services that *are proven to* reduce *direct and indirect* energy use *and associated costs* to water users (e.g., residential, commercial, agricultural) with a physical address in a disadvantaged community; or

- Table 3.A-2 (page 141): Water Use Efficiency/Energy Efficiency

  For each grant to a water agency or other entity, submit data on:
  - Each infrastructure project;
  - Each capital project/equipment upgrade;
  - *Each water-use monitoring software and feedback program, a*nd
  - A summary of each water efficiency/rebate program, by census tract, ZIP code, and legislative district.*

- Table 3.A-9 (page 161): End of Year Report

  3. For residential incentive/upgrade/*behavioral efficiency* programs (rebates, water fixture upgrades, *water-use monitoring software* etc.), provide the following data summaries for each grantee:

  - Number of dwellings that received an incentive/upgrade/use report and type of incentive/upgrade/*use report* [summarized by census tract, ZIP code, and legislative district];

- Dollar amount of incentives/upgrades/*use report* provided [summarized by Census tract, ZIP code, and Legislative district]; and

- Estimated benefits [e.g., water savings, energy savings, *GHG savings*]

We thank you for the opportunity to submit comments on the Cap and Trade Auction Proceeds Funding Guidelines for Agencies that Administer California Climate Investments, and appreciate your support in accelerating the deployment of needed technologies to reduce greenhouse gas emissions and respond to the state's historic drought.

Sincerely,

Peter Yolles

Founder