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County of San Diego

November 21, 2016

Mary D. Nichols, Chair California Air Resources Board 1001 I Street Sacramento. CA 95814

Subject: Public Workshop on the 2030 Target Scoping Plan Update: GHG Policy Scenarios, Natural & Working Lands, and Public Health Analysis

Dear Chair Nichols:

The San Diego County Water Authority (Water Authority) participated in the November 7, 2016 Public Workshop on the 2030 Target Scoping Plan Update: GHG Policy Scenarios, Natural & Working Lands, and Public Health Analysis, and appreciates the opportunity to provide comments. The Water Authority is a regional wholesale water agency serving 24 member retail agencies in San Diego County. We sustain the region's \$222 billion economy and the quality of life for 3.3 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. The Water Authority supports the California Air Resources Board's (ARB) efforts to address climate change by reducing GHG emissions in California. In addition, the Water Authority voluntarily developed and adopted its first Climate Action Plan in March 2014, with a goal of minimizing greenhouse gas emissions (GHGs) in fulfilling its primary responsibility to provide a reliable, high-quality, and safe water supply to the San Diego region.

At the Public Workshop, ARB sought input on a carbon tax structure in-lieu of a post-2020 cap-and-trade. As ARB explores the concept of a carbon tax and potentially including other sectors that may contribute indirect emissions from electricity consumption, the Water Authority requests that you exempt critical water supply

A public agency providing a safe and reliable water supply to the San Diego region

infrastructure¹ from a carbon tax. These include facilities that provide a local, drought-resilient supply for our region and already have GHG mitigation measures as part of their operational plans. If critical water supply infrastructure was subject to a carbon tax it would lead to higher water rates, which in turn to would impact water customers including disadvantaged or underserved communities.

At the Public Workshop, ARB also sought comments on where to return carbon tax revenues. The Water Authority strongly believes that carbon taxes generated locally should be reinvested locally. We support the Natural and Working Lands Update draft goal for wetlands that promote healthy wetland and riparian ecosystems along streams, rivers, deltas, bays, and coastal zones to provide long-term carbon sequestration benefits.² For example, local reinvestment could contribute to wetland creation regionally. Wetlands creation or restoration have the ability to improve water quality thus benefiting our regional water supplies. Wetlands also provide carbon sequestration benefits, habitat, and recreational opportunities.

The Water Authority appreciates the opportunity to comment and thanks ARB for its review and consideration of the comments. Please contact me with any questions at (858) 522-6743.

Sincerely,

Toby Roy, Water Resources Manager

Water Resources Department

¹ NIPP, 2006, Glossary of Key Terms, is the source for the definitions of critical infrastructure and key resources. These definitions are derived from the provisions of the Homeland Security Act of 2002 and HSPD-7.

² Healthy Landscapes 2030: California's Climate Change Vision and Goals for Natural and Working Lands, Page 5