



San Diego County Water Authority

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November 1, 2013

California Air Resources Board

ATTN: David Mallory

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OTHER REPRESENTATIVE

County of San Diego

Re: San Diego County Water Authority Comments on October 2013 Discussion Draft of Climate Change Scoping Plan

The purpose of this letter is to provide comments on the California Air Resources Board's discussion draft of the Climate Change Scoping Plan released on October 1, 2013 (Scoping Plan). The San Diego County Water Authority (Water Authority) has a strong interest in the Scoping Plan as it relates to the water sector.

The Water Authority is a wholesale water agency with 24 member retail agencies. Our mission is to provide 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 2009, we completed a baseline GHG inventory to capture all of the significant elements of our operations that have the potential to produce residual GHG emissions. We are currently developing a Climate Action Plan (CAP) with a goal for minimizing our GHG emissions as a part of our 2013 Regional Water Facilities Optimization and Master Plan Update.

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 first is in the area of water conservation where we could accrue hot water savings. 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.

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

The Water Authority has pro-actively managed water conservation programs since 1990 and provides technical support to our member agencies to address key issues in water supply and conservation planning, drought response, and water rate design. We are also a member of a Regional Water Management group and program manager for the San Diego Integrated Regional Water Management (IRWM) Plan. Our recent 2013 IRWM plan update addresses climate change from both a GHG and an adaptation perspective. Our comments on your Scoping Plan are based on this wealth of experience.

The Scoping Plan includes a focus area on water supply and includes key recommended actions for the water sector. Our comments are focused on the recommended actions for the water sector that we would like to see recognized or expanded on in the Scoping Plan. We believe that CARB, CPUC and the California Energy Commission (CEC) can put into place policies and approaches that will support water and wastewater agencies proactive participation in reducing GHG emissions.

1. As a means of collecting data on energy used for water services, the Scoping Plan should encourage water and wastewater agencies to develop baseline inventories of their GHG emissions and to track their GHG reductions. CARB's policies should further recognize, account for, and allow GHG savings from water and wastewater agencies to be sold on the cap and trade market. This will provide financial incentives for GHG reductions.
2. The Scoping Plan should recognize the value of pumped storage projects in storing energy, and further advancing the use of renewable energy supplies. Large and small scale pumped storage projects have the potential to provide the most cost-effective, proven and reliable approach for energy utilities to meet peak energy demands. Through increased collaboration between water and energy providers, this has the potential to maximize the use of existing infrastructure to meet the energy storage needs for the San Diego region and the State. CPUC, CARB and the CEC should develop policies that support pumped storage projects of all sizes. As an example, the State agencies could conduct or require studies to determine the potential for broad use of pumped storage projects and the cost effectiveness of these approaches. In addition, water agencies implementing pump storage projects should be allowed to sell the GHG reductions as credits on the cap and trade market.
3. The Scoping Plan references maximizing the efficient use of California's surface and ground water supplies. It should also recognize that the State's current and future developed supplies include desalinated supplies, recycled water, and rain/storm water capture.
4. The Scoping Plan should recognize that many water agencies have already developed pricing and rate structures that promote water use efficiency while

ensuring financial sustainability. Future policies in the area of rate structures should build on existing water agency efforts.

5. The Scoping Plan states that there should be a greater State role in developing policies, providing financial and regulatory incentives, and employing regulatory oversight; however, the extent and scope of this increased State role is not clear in the Plan. In addition, the Scoping Plan does not identify any areas where existing oversight of agencies is not sufficient. We ask that the Plan be more specific in this area. We also believe that policies that provide incentives to improve and support energy efficiency in the water sector are more effective than increased regulatory oversight.

Thank you for the opportunity to comment on the Scoping Plan. We look forward to your next draft and further engagement in the process. 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: Toby Roy, San Diego County Water Authority
Kelley Gage, San Diego County Water Authority