CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION

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Submitted electronically via submission form at www.arb.ca.gov

December 16, 2016

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

Re: 2030 Target Scoping Plan Discussion Draft

Dear Chair Nichols:

On behalf of the California Municipal Utilities Association (CMUA), we are pleased to submit comments on the 2030 Target Scoping Plan Discussion Draft (Discussion Draft). CMUA represents water agencies statewide and the majority of the publicly-owned electric utilities in the state.

CMUA supports the Air Resources Board's (CARB) comprehensive approach to managing greenhouse gas (GHG) emissions and the overall goals of the Scoping Plan pursuant to Assembly Bill 32 and the Governor's Executive Order B-30-15. CMUA members are industry leaders in developing projects to reduce energy intensity and have successfully incorporated renewable energy facilities into their operations to reduce GHG emissions while maintaining water deliveries. For example, members have increased energy recovery in conveyance and distribution systems, installed solar generation systems, developed other renewable energy projects, performed energy studies, and audited facility energy usage. CMUA has reviewed the Discussion Draft and offers the following comments, primarily related to the Water Sector section found on pages 75-80:

Cap-and-Trade

As we have previously stated, CMUA supports the continuation of the Cap-and-Trade program and believes that it represents the most balanced and cost effective-approach to achieving California's long term GHG goals. In combination with complementary measures such as energy efficiency and the 50 percent renewable portfolio standard, the Cap-and-trade program will continue to lead to emissions reductions within California. The structure of the Cap-and-Trade program ensures that California will meet statewide emission reduction targets while allowing electrical distribution utilities (EDUs) to minimize compliance costs. Any reduced role for Cap-and-Trade would likely lead to increased costs for consumers, as well as negatively impact the programs that currently rely on funds generated by the Cap-and-Trade Program including innovative water-energy projects.

Safe and Reliable Water Supply
CMUA recommends that the following text from pg 78 be moved forward to the opening paragraph for the Water Sector section (pg 75). This text helps to recognize that water utilities' primary mission is to provide safe and reliable water and it takes priority over GHG emissions reductions. This should be one of CARB's key points in the Water Sector section.

Page 75, opening paragraph:

Recommended text to be moved forward:

"While it is important for every sector to contribute to the State's climate goals, ensuring universal access to clean water as outlined in AB 685 (Eng, Chapter 524, Statutes of 2012), also known as the "human right to water" bill, should take precedence over achieving GHG emission reductions from water sector activities where a potential conflict exists. AB 685 states that it is the policy of the State that "every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes." As described in this section, water supplies vary in energy intensity and resulting GHGs due to the source of the water, treatment requirements, and location of the end user."

Water-Related Energy Use
CMUA supports CARB utilizing the Department of Water Resources' (DWR) calculations for water-related energy use in California. The associated graphic correctly notes on page 76 that most of the water-related electricity consumption is for end-uses such as heating and cooling. In addition, in 2005 the California Energy Commission (CEC-700-2005-011-SF) found that the primary GHG emission source from the water sector was these various end uses of water, primarily household heating of water. As a result, over the past 25 years CMUA members have implemented numerous innovative water conservation programs targeting water end-uses to reduce demands and maximize available supplies. We recommend the Discussion Draft be revised as noted below to give priority to methods and processes that reduce the embedded energy of water end uses.

Page 76, top paragraph:

"One of the State's largest uses of energy is attributed to several aspects of the water life cycle, including ~~treatment,~~ end uses such as heating and cooling, and water treatment and conveyance~~heating, and conveyance of water~~."

Page 78, middle paragraph:

"Likewise, energy is used in multiple ways in end uses and at multiple steps in water delivery and treatment systems, including energy for heating and chilling water; treating and delivering drinking water; ~~heating and chilling water;~~ conveying water; extracting groundwater; desalination; pressurizing water for irrigation; and wastewater collection, treatment, and disposal."

CMUA also recommends that the following sentence be rewritten to focus on the end-use components of the water sector:

Page 76; middle and last paragraph:

Original:

~~*"Therefore, emission reduction strategies are primarily associated with reducing the energy intensity of the water sector. Energy intensity is a measure of the amount of energy required to take a unit of water from its origin (such as a river or aquifer) and extract and convey it to its end."*~~

Revision:

"The principal source of greenhouse gas (GHG) comes from the fossil fuel-based energy consumed for water end uses (e.g. heating). Therefore, emission reduction strategies are primarily associated with water conservation programs and other strategies targeting the reduction of energy intensive customer end uses. In addition to conservation, additional strategies also target the embedded energy in water supplies."

Looking to the Future
CMUA recommends that CARB add a bullet on page 77 that states: *"Understand that adapting to climate change impacts and increasingly stringent regulations may require many water utilities to increase their energy use in order to achieve their primary mission of protecting public health and safety by providing safe, clean reliable water supplies and maintaining reliable public infrastructure."*

Known Commitments and Potential New Measures to Reduce Greenhouse Gases
CMUA recommends the following changes to clarify the regulatory environment surrounding GHG issues for water utilities:

Page 79, second paragraph:

"The measures below include some ~~required and new~~ potential measures to help achieve the State's 2030 target and to support the high-level objectives for this sector." Some of these measures are existing activities or recommendations, not requirements.

Page 79, second bullet:

"If hydrologic conditions warrant, SWRCB ~~will develop long-term~~ may extend the emergency water conservation regulation. The SWRCB also will initiate a rulemaking to permanently prohibit practices that waste potable water."

Page 79, last bullet:

"Cal/EPA will oversee development of a voluntary registry for GHG emissions resulting from water-energy nexus, as required by SB 1425." SB 1425 only requires a "voluntary" registry for GHG emissions."

In addition, CMUA will submit comments on December 19 to the Department of Water Resources and the State Water Resources Control Board on the state's Public Review Draft of the *Making a Conservation a*

Water of Life Report. We will provide you with a copy of that letter, which includes our thoughts on many of the state's upcoming water use efficiency/conservation actions.

New Potential Measures or Supporting Actions

CMUA members understand and agree that the water sector has an important role to play in energy resource stewardship and reducing GHG emissions. As previously noted, our members consistently work to reduce energy use and carbon emissions through innovative programs and activities. However, we are extremely concerned about the first bullet on page 80, which states that *"Local water and wastewater utilities should adopt a long-term goal to reduce GHGs by 80 percent below 1990 levels by 2050 (consistent with DWR's Climate Action Plan), and thereafter move toward low carbon or net-zero carbon water management systems where technically feasible and cost-effective."* CMUA strongly opposes the inclusion of this proposed action in the Discussion Draft without any context to what is achievable and feasible, and without a thorough technical and cost analysis. CMUA supports the development of a working group that includes water and wastewater utilities to study measures, such as those proposed in the Water Sector section of the Discussion Draft.

CMUA also recommends adding a bullet targeting energy intensive end uses. Suggested language would be: *"State agencies including DWR should fund water and energy conservation programs targeting energy-intensive customer end uses."*

Appendix D

The recommendations of the EJAC for the Water Sector are the result of brainstorm meetings with the EJAC members, and have not been presented to or vetted by the water community, including DWR or the State Water Contractors. These should not be included as recommendations in the Scoping Plan.

Conclusion

CMUA member agencies will continue to provide leadership on projects that reduce energy intensity and GHG emissions in their water operations, carefully considering embedded energy in water supplies as a key factor in resource development planning and decision-making. However, long-term water supply adequacy and reliability are intrinsically critical factors to maintaining public health and safety and the economy. CMUA acknowledges CARB's inclusion of statements reflecting this balance and appreciates the consideration of our comments that would further enhance this important theme as the Discussion Draft is refined.

Sincerely,

Danielle Blacet
Director for Water