



July 31, 2008

Ms. Mary Nichols
Chair
California Air Resources Board
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812

Subject: Comments on Climate Change Draft Scoping Plan

Dear Ms. Nichols:

The California Urban Water Agencies (CUWA) appreciates this opportunity to comment on the recently released Climate Change Draft Scoping Plan. CUWA is comprised of eleven public water agencies that provide drinking water to two-thirds of California's population. Climate change is one of the key challenges faced by our member agencies. Regional climate change is affecting water supply reliability and drinking water quality and increasing the risks of floods. CUWA's members are taking a leadership role in California and the West. Our members are investing in programs and facilities to adapt to the changing climate. These efforts seek to improve water supply reliability and drinking water quality. At the same time, CUWA's members are also investing in measures to reduce their overall greenhouse gas (GHG) emissions.

The Draft Scoping Plan provides a road map for the California Air Resources Board (ARB) and the state to comply with the Assembly Bill (AB) 32 GHG emission reduction goals. CUWA is leading the way in the water industry in doing its part in meeting quantifiable and specific GHG emission reductions, and we are currently implementing programs to accomplish these reductions as quickly and efficiently as possible. Our agencies have demonstrated the ability to implement water use efficiency and related "water sector measures" as identified by ARB in the Draft Scoping Plan, and we look forward to documenting those emissions reductions and sharing them with your staff.

As detailed below, CUWA's member agencies share several specific concerns about the Draft Scoping Plan, and request that the following issues be addressed in the Proposed Scoping Plan that will be released in October:

- **Public Goods Charge.** CUWA requests that the public goods charge be dropped from further consideration. Any discussion of water use efficiency programs which might also

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City of Sacramento

Alameda County Water District

San Diego County Water Authority

Metropolitan Water District of Southern California

San Francisco Public Utilities Commission

City of San Diego Water Department

Santa Clara Valley Water District

Zone 7 Water Agency

Contra Costa Water District

East Bay Municipal Utility District

Los Angeles Department of Water & Power

reduce energy use and GHG emissions should be coordinated with water-specific activities currently underway. The water community is responding to the Governor's call to reduce per capita water use 20 percent by 2020. The Department of Water Resources (DWR) and the State Water Resources Control Board (State Water Board) are already developing strategies to meet this goal, and it is widely expected that a water surcharge of some kind will be proposed to finance the effort. Pending legislation (AB 2175) provides a road map for achieving the 20 percent goal, and is supported by many water agencies and public interest groups. If agencies require an additional charge to achieve higher levels of water use efficiency, these agencies should be permitted, and enabled, to assess such a charge. We request that fees which might be used to fund the appropriate water use efficiency efforts to meet ARB GHG reduction goals or local agency goals be levied by the agency implementing the water use efficiency program.

- **Clarify the Relationship between the Governor's 20 Percent by 2020 Program and Additional Proposed Water Use Reductions.** It is currently unclear whether the proposed water sector reductions identified in the Draft Scoping Plan already assume a 20 percent reduction in water use by 2020 (per the Governor's call). This point should be clarified in subsequent versions of the document. Further, the current Draft Scoping Plan presents aggregate energy consumption and proposed year 2020 energy savings. CUWA requests that a detailed breakdown of energy consumption and proposed year 2020 energy savings estimates be presented by sector.
- **Clarify and Leverage the Importance of End User Behavior with Regards to Water-Related GHG Emissions.** Approximately 80 percent of GHG emissions associated with water occur with the end user. CUWA's member agencies have implemented aggressive conservation programs for approximately two decades. Water agencies are able to affect end user behavior through incentives, pricing signals, and education; however, enforcement of penalties is appropriate only during drought conditions, and customer behavior remains an ongoing challenge for water suppliers in any event. CUWA's member agencies welcome the opportunity to work with other sectors to conserve energy and water and to influence end user behavior. ARB's efforts to reduce water-related GHG emissions should focus first and foremost on reducing GHG emissions from end users, while allowing the water community to continue to implement and secure funding for their ongoing initiatives to meet water conservation and recycling targets (as described above).
- **Collaboration between ARB, DWR, the State Water Board and Water Sector Representatives.** CUWA requests enhanced collaboration between ARB, DWR, the State Water Board, and CUWA to optimize water sector-related elements of the Scoping Plan. As described previously, CUWA member agencies provide drinking water to two-thirds of California's population, and CUWA is a long-time leader in water conservation, water recycling, and energy efficiency for water facilities and systems. CUWA member agencies bring the technical expertise necessary to fully understand linkages between, and water-related impacts associated with, various GHG reduction measures. For example, the level of energy savings from water recycling varies significantly across the state. In some regions, recycled water may be significantly more energy intensive than other water supplies, and should therefore not be considered an effective GHG emission reduction measure in all cases. As described above, the focus should instead be on reducing indoor water use to triple the GHG emission reduction benefit (avoided energy use associated with water conveyance and treatment, wastewater conveyance and treatment, and heating). CUWA is seeking a greater

level of collaboration with ARB, DWR and the State Water Board, similar to that occurring in the wastewater sector with the California Wastewater Climate Change Group (CWCCG). This enhanced collaboration will allow industry-specific expertise to be adequately captured and reflected throughout AB 32 implementation.

- **Remove Impediments to Implementing Water Sector Renewable Energy Projects.** Increasing the water sector's implementation of renewable energy projects will depend on having the full cooperation of electricity providers and reversing current legislative impediments that prevent these kinds of projects from going forward. For example, in-conduit hydropower is not currently recognized as a renewable energy source and does not qualify for the self-generation incentive program. CUWA requests that the Proposed Scoping Plan identify these needs and propose solutions.

CUWA requests that the issues and recommendations presented above be addressed in the Proposed Scoping Plan to be released in October. If adopted in its current form, the Scoping Plan and its targets would inadequately characterize water sector GHG emission reduction potential and preferred emission reduction strategies. The current document fails to leverage the water community's knowledge, does not address overlap with water-specific activities currently underway, and fails to recognize that the majority of water-related energy use lies with the end user. By implementing a public goods charge and focusing on water recycling and conservation efforts as primary means for achieving GHG emissions reduction targets, water agencies will be required to spend money less efficiently on programs which may not generate the desired level of GHG emission reductions relative to those expected from or attributed to the water sector.

We appreciate your careful consideration of our comments and look forward to working with ARB, DWR and the State Water Board to refine the Scoping Plan to achieve our mutual GHG emission reduction objectives. If you have any questions, please contact me at cuwaexec@sbcglobal.net or 916-552-2929.

Sincerely,



Elaine M. Archibald
Executive Director