



May 23, 2016

Leslie Pierce
Chief
Grant and Bond Services
Department of Water Resources
901 P Street, Room 213B
Sacramento, CA 94236

RE: Aclara Comments re: 2016 Water-Energy Grant Program Guidelines and Proposal Solicitation Package

Dear Ms. Pierce,

On behalf of Aclara Technologies LLC, the leading provider of smart water infrastructure technologies, with offerings in advanced metering, device networking and communications, data management, analytics and customer service, I am pleased to submit these comments regarding the Draft 2016 Water-Energy Grant Program ("Program"). Aclara believes it is critical that the 2016 Program provide opportunity for investments in technology that will most effectively advance water/energy efficiency and reduce greenhouse gas emissions.

California's water infrastructure is one of the state's largest energy users, consuming 19% of the state's electricity for treating, pumping, and conveyance and generating greenhouse gas emissions equal to the emissions from more than 7 million cars. Governor Brown's Executive Order B-37-16 directs agencies, including DWR, to transition from the emergency footing to permanent, long-term improvements in water use that strengthen California's resilience to drought and climate change. The Water-Energy Grant Program represents an important tool to help California's urban water suppliers bring solutions forward to address the state's long-term need for a more sustainable, resilient water infrastructure.

One of these long-term solutions is the implementation of water Advanced Metering Infrastructure (AMI). AMI enables California to make significant progress on many key areas:

- Reduce water loss due to leaks. AMI provides a continuous flow of water usage information, typically in hour or 15 minute intervals, which enables the use of analytics to quickly spot anomalies, identify leaks and notify users about water use restriction violations and undetected or excessive water use.
- Enable water agencies to provide consumers with specific, timely knowledge about their water use. Granular usage information, when presented in user-friendly, compelling formats, enables identification of leaks and additional water and energy savings that are cost-effective. According to a study by the California Water Foundation, customer engagement software has been shown to reduce water use by approximately 5 percent and significantly increase participation in water

agency/utility conservation programs.

- Reduce greenhouse gas emissions related to the collection of water usage data. Currently, the vast majority of California's water meters are read manually or through drive-by systems, requiring vehicles and personnel who are dedicated to that function. AMI technologies collect and disseminate water usage data through secure systems that eliminate vehicle trips for water usage data collection as well as for other functions such as account activation.
- Continue gains in water-energy efficiency. Data driven analytics are critical to provide policy makers, utilities and consumers with the means to evaluate, measure, verify and continuously improve water-energy efficiency initiatives going forward.

To realize these potential savings, Aclara recommends adoption of two changes to the proposed Guidelines and Proposal Solicitation Package.

First, Aclara urges adoption of a more technology neutral approach that allows the Department, agencies and consumers broader latitude to select technologies that may offer deeper reductions. Acknowledging that the intent of the current solicitation is aimed at commercial and industrial applications, there are only eight types of project measures that will be considered for funding: commercial dishwasher, commercial ice machine, commercial steam cooker, pre-rinse spray valve, boiler-less combination ovens, commercial clothes washer, showerheads, and faucets.

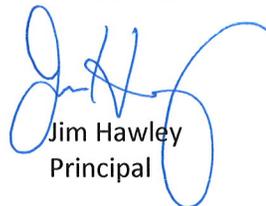
A narrow eligibility list excludes other technologies that may offer more potential to reduce water and energy waste. Allowing more technologies to compete for funding strengthens incentives for innovation and the development of products and services capable of achieving deeper water and energy savings, as well as greater greenhouse gas reductions.

Second, Aclara urges deletion of the prohibition on funding "automatic metering or controller projects where GHG emission reduction comes from replacing the vehicle miles traveled to read the meters with a remote reading system." Aclara believes that any reduction in GHGs that can be demonstrated should be counted where they are an integral result of the proposed investment. Removing trucks from the roads offers benefits not only in reduced GHG emissions and costs, but also local air pollution. The Department may wish to see evidence of other reductions in water, energy and GHGs from any investments, such as demonstrated improvements in conservation or reduced leakage losses, but applicants should not be precluded from counting reductions resulting from reduced truck rolls where those can reasonably be demonstrated.

Aclara appreciates the Department's consideration of these issues and urges adoption of the Guidelines with these proposed changes.

Best regards,

ON BEHALF OF ACLARA


Jim Hawley
Principal