Ecology Action
Email to DWR_IRWM@water.ca.gov by May 23, 2016

Questions and Comments Regarding the DWR Water-Energy Grant Program Guidelines and PSP.

Page 6, and 21-22. Project Benefits
With regard to project benefits benefitting DACs, do the project benefits have to ascribe to individual residents of the DAC, or can they ascribe to businesses and their owners? What if the owners are proven to live within the DAC? What about the the public utilities that serve the DACs, which may increase their water reliability and reduce need to develop future supplies which benefits the DAC residents in the end? The reason we are asking it in this way, is nowhere in the PSP does it specify "residents" must receive the benefit, it is more stated that the "community need" must be met, yet in the Public Hearing the verbal answer to the similar question inferred that residents must receive the benefit.

Page 5: Eligible Measures.

1. We would recommend that several additional measures be added to the fundable measure list, including:
    a. *Ozone Laundry Systems.* Since commercial hotels, nursing homes, and public prisons are on the list of eligible faciliites, ozone laundry retrofits should be included as an eligible measure because the technology eliminates hot water use, and cuts rinse water up to half. Savings are especially large in health care settings where the laundry water must be heated to very high temperatures.
    b. *Hot Water Demand Recirculation Pumps:* These systems save water by recirculating water so hot water is immediately available at point of use, and result in an net energy savings due to the decrease in hot water heating demand. https://www.energystar.gov/products/water_heaters/demand_hot_water_recirculating_system
    c. *Variable speed pumps and solar covers for commercial pools and spas*. Almost every apartment/condo complex, gym, and hotel has a pool and/or spa and they are especially prevalent in the Central Valley (with deep chilling air temps in winter) and Southern California (which has high embedded energy for water provision). Pool covers alone can reduce hot water heating by 50-70%. We do not have the stats but believe the covers reduce evapotranspiration as well, which would be a hot water saving measure.
2. Since a significant amount of time and energy goes into identifying specific project locations and engaging the owner to approve of upgrades, we would highly recommend not to leave low hanging fruit cold water savings on the table while in the facility. We would recommend that DWR revise the guidelines to

allow for a certain percentage (say 5%-10%) over the overall water savings in the project be cold water measures to leverage the investment of getting onsite and doing hot water upgrades.

Page 12-13: Proposal Ranking
It is recommended that priority ranking be provided for projects reducing water demand in groundwater basins that are ranked as Medium or High Priority basins by the DWR CASGEM program, or related ranking (like Critically Overdrafted Groundwater Basins), or that this at least be used as a tie breaker criteria.
http://www.water.ca.gov/groundwater/casgem/basin_prioritization.cfm

Page 14: Grant Agreement Template
When will the Grant Agreement Template be available for review? Will it be issued with the PSP?

Page 19-20: Eligibility Documentation
If the applicant is a non-profit organization, and not an urban or agricultural water provider, is any eligibility documentation for water management compliance required?

Page 20/26: Budget/Reimbursable Costs
1) Will a list of allowable and ineligible costs be provided in the PSP?
    a. For example, in our current Water-Energy grant contract we were surprised to learn that mileage to and from project implementation sites was not an allowable expense.
    b. Will clear direction be provided on what is allowable in terms of allowable labor rate cost inclusion, "overhead" (related and not related to project costs), subcontractor mark up and the like?

Attachment 2a & 2b, Questions and Comments Regarding the DWR Water-Energy specific methodology calculator:
Thank you for developing an excellent tool to manage the calculations of GHG reduction benefits. We have compared this to our Monitoring Plan assumptions in our current DWR Water-Energy Grant and found them to be in alignment, with some improvements we can now make based on your tool. Thank you. We have the following questions and comments about the new tool:

1. **Revise Calculator to Allow for Multiple Sites Using Baseline Assumptions.** Based on our review, it seems that the calculator is limited to a single facility (Page 9). If this is not the case, then please clarify how the calculator may be used to generate outcome data for a regional program installing measures at a number of sites. If indeed the calculator works only for a single facility, this is not efficient and my be limiting for applicants who would have to either pre-identify and recruit every individual commercial/institutional facility that we will work with

and then store each facility's data as a separate tab. This single-facility quantification does not seem to be in alignment with the grant PSP stated program preferences to give funding priority to regional projects or programs (PSP page 10). We recommend that an option to make baseline assumptions about a particular facility type and then multiply it over a target implementation group be developed so that applicants are not required to pre-recruit facilities before the grant is awarded. It would be very difficult to do all the work of individual facility recruitment and data gathering if grant money is not available to fund that development work, or if in the end the grant was not awarded to that applicant.

2. **We have a question about Phase 2 data reporting**. If DWR is going to require quantification of benefits after project becomes operational that are not based on their QM GHG estimates, then is DWR willing to fund that work and extend the grant contract through the evaluation time period?
3. **Add Calculator for Ozone Laundry.** If Ozone Laundry is added as an eligible measure then a calculator for ozone laundry should be developed. For this calculator it would be recommended to have the ability to input or select the system baseline water temperature since this varies significantly between health care facilities and general commercial settings.