



June 9, 2014

Ms. Laura Peters, Senior Engineer
California Department of Water Resources
1416 9th Street
Sacramento, CA 95814

Re: Water-Energy Grant Program Guidelines

Dear Ms. Peters:

On behalf of the California Water Foundation (CWF), I appreciate the opportunity to provide input on the Department of Water Resources Water-Energy Grant Program guidelines. These guidelines represent the first time that the state is formally linking water efficiency funding to related reductions in energy use and associated greenhouse gas emissions. We applaud the state for taking this step.

These guidelines represent an important opportunity for the state to begin defining a funding approach for the water element of AB32 implementation. While there is an understandable desire to ensure that these funds provide drought relief, we believe that priority should be given to projects with the highest GHG reductions. DWR also should use this opportunity to test approaches and gather data that will increase the impact of future investments in water-energy savings.

As California contends with the current drought, we are reminded yet again that water resources management is inexorably linked to climate change, and that more sustainable water management will be a necessary element of reducing greenhouse gas emissions (GHG) and adapting to climate disruption. CWF assists state leaders and interest groups to develop new approaches, technologies, and policies to meet the needs of California's farms, cities, and environment. These water-energy grants are an excellent opportunity to help communities implement some of these new approaches and technologies.

Behavioral water efficiency is one such new approach worthy of consideration. We urge DWR to include behavioral approaches in the list of potential projects eligible for these grants. A behavioral approach provides information to consumers comparing their household's water use to the average use by similar homes. Behavioral efficiency programs have been used successfully by energy utilities in the past, and a CWF-funded pilot program with EBMUD provided the first large-scale implementation of the technology by a large, urban water utility. A recent independent study of that pilot found that participants reduced their water use by 5% and were more than twice as likely to participate in other EBMUD water

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conservation programs.¹ The cost of the saved water was around \$400/acre foot, which is less than half the cost of most new supply side alternatives.

We urge DWR to pay particular attention in crafting the reporting requirements for these grants. As this is the first round of water-energy grants given by the state, it represents an important opportunity to gather information about marginal water supplies, energy use, and other parameters. Indeed, we urge DWR to give priority to applicants who commit to providing high quality data.

To ensure consistent methodology, we support having DWR calculate the GHG reductions associated with proposed projects. However, for this calculation to be meaningful, it will be necessary to ask water agencies to identify marginal water supplies, i.e., which water will not be used as a result of efficiency program implementation. Agencies should also be asked to provide, when available, additional detail on the local energy intensity of the conserved water. Recent analysis by the Center for Water and Energy Efficiency at UC Davis has shown that even within a service territory there can be a fivefold difference in embedded energy, and associated GHG emissions.² Since the source of these grant funds is the Greenhouse Gas Reduction Fund, we urge that highest priority be given to projects with the highest reduction in GHGs. This will provide the most useful information to allow the state to continue to develop and refine programs to reduce GHGs associated with water use.

Reducing water-related energy use and associated GHG emissions can help limit climate change, while improved water efficiency can help communities adapt to the current drought, and the water supply disruptions that will likely continue as a result of our changing climate. We appreciate the opportunity to provide input into these grant guidelines.

Sincerely,



Lester Snow
Executive Director
California Water Foundation

¹ Mitchell, David L. and Thomas W. Chesnutt, "Evaluation of East Bay Municipal Utility District's Pilot of WaterSmart Home Water Reports," report prepared for the California Water Foundation and East Bay Municipal Utility District, December 2013.

² <http://cwee.ucdavis.edu/pdfs/fact-sheet-energy-intensity-of-water-delivery>