

May 23, 2014

Laura Peters
Senior Engineer, Water Resources
California Department of Water Resources

RE: Comments on the Water-Energy Grant Program Criteria

Dear Ms. Peters,

Thank you for the opportunity to provide comments on the Water-Energy Grant Program guidelines and selection criteria. The Regional Climate Protection Authority (RCPA) was created to coordinate climate mitigation and adaptation programs across the jurisdictions of Sonoma County. In this role, we have identified programs that address the water-energy nexus as a high priority and have worked to pilot innovative approaches to resource efficiency that work and have significant potential for scale.

We believe the upcoming DWR grant program will provide an excellent opportunity to support next generation programs. To do so, we suggest that DWR:

1. Prioritize holistic and innovative approaches consistent with State priorities for future programs. Traditional rebate and direct install programs are fine tools to improve resource efficiency, but more innovative and transformative programs are needed to achieve market penetration of the scale necessitated by California’s water, energy and climate goals. Programs should be designed around removing market barriers to widespread participation and harnessing multiple benefits including water and energy savings, greenhouse gas reductions, embedded energy and greenhouse gas savings, resilience to climate change and drought, reduced costs for low-income residents, and resources for underserved demographics, such as renters.

2. Prioritize self-sustaining models that create lasting impacts. Financing tools that allow participants to pay for cost-effective measures over time are a more strategic use of public funds than subsidies. On-bill financing, for example, allows a small upfront investment to create a framework that can harness significantly more private sector investment over time. Moreover, once established, these programs are self-sustaining unlike rebate programs that require continued investment of taxpayer or ratepayer money. The one-time set up costs of designing and implementing an on-bill financing program should be grant eligible.



3. Support regional projects by avoiding a maximum award. Regional projects have tremendous potential to achieve significant resources and GHG emissions benefit, by creating economies of scale. However, truly regional projects with the most potential for cost-effective savings at scale will require significant investment relative to the funding caps discussed at the public workshop.

4. To foster rapid implementation and likelihood of success, require match funds. To leverage prior investments, the grant program should allow for match funds to be counted for some period in arrears of the date of the appropriation. This will allow for existing projects with potential for scale to be rapidly expanded or for new elements to be rapidly implemented. Private or third-party investment facilitated by a project should also be eligible as part of any match requirement.

5. Also to foster rapid implementation, consider an expedited schedule. An accelerated schedule for the Water-Energy Grant would seem in keeping with the authorizing language for these funds to be expedited “to increase water supply reliability” and address California’s current “unprecedented dry period”. This could be accomplished by reducing the time between the July 1 release of draft Guidelines and the October release of the final Guidelines, allowing for a 30 day application preparation period, and reducing the review time of submitted applications.

We thank you for the opportunity to provide comment and look forward to reviewing the draft guidelines when released.

Sincerely,

A handwritten signature in blue ink that reads "Lauren Casey". The signature is written in a cursive, flowing style.

Lauren Casey
Program Manager, Sonoma County Regional Climate Protection Authority