



January 22, 2014

Peter Brostrom
Water Use and Efficiency Branch
Division of Statewide Integrated Water Management
California Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-001

Subject: Comments on the Independent Technical Panel's Public Draft Report to the Legislature on Urban Water Management Plan Demand Management Measure Reporting and Requirements

Dear Mr. Brostrom:

California Urban Water Agencies (CUWA) is pleased to provide comments on the Independent Technical Panel's (ITP) Public Draft Report to the Legislature on Urban Water Management Plan (UWMP) Demand Management Measure (DMM) Reporting and Requirements.

CUWA recognizes the substantial effort and time commitment by the ITP and DWR staff in developing the Public Draft Report. We appreciate the ITP's willingness to listen to our concerns and to incorporate our feedback throughout the development of its recommendations. The ITP's work has a broad reach on utilities and UWMPs throughout the state, including CUWA's 10 members that directly and indirectly serve water to over 24 million Californians.

The proposed addition of energy intensity reporting was of particular interest and concern to CUWA. CUWA and its member agencies are committed to water and energy efficiency. We strongly support the recommendation for energy intensity reporting to remain a voluntary, not mandatory, element of UWMPs. Some agencies, particularly those that are responsible for both water and power, currently collect energy intensity data to some degree. However, others that do not have direct experience with energy would be challenged by an energy intensity reporting requirement. CUWA acknowledges the importance of water-energy utility partnerships. CUWA and its member agencies are developing working relationships with CPUC and local energy utilities, and support further focusing on productive and targeted partnerships, rather than overly burdensome reporting.

The ITP's report includes a recommendation that DWR would be the agency responsible for developing methodologies for estimating and reporting energy intensity. Since the ITP developed their recommendations, through the opening of a Rulemaking proceeding, the CPUC has been tasked with developing a partnership framework between investor-owned energy utilities and the water sector, along with methodologies to measure the embedded energy savings and cost-effectiveness of water/energy efficiency projects. In light of this new development, CUWA recommends that DWR does not develop guidance in these areas, but rather allows the CPUC proceeding to develop the methodologies that DWR can insert into guidance at a future date. This would ensure that any information that water agencies voluntarily include in their UWMPs is consistent with the information needed by the CPUC.

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The ITP's avoided cost proposal was a particular concern to CUWA, and we support the ITP's decision not to include it in the Draft Report recommendations. All CUWA member agencies are committed to conservation and diversification of water supply portfolios to meet future demand, as described in detail in the CUWA's Water Supply Reliability Report from 2012 (http://cuwa.org/pubs/CUWA_WaterSupplyReliability.pdf). As noted in the Water Supply Reliability Report, our member agencies consider a number of factors in long-term water supply planning, and avoided cost of water is only one aspect of a complex and multi-faceted decision when determining a supply portfolio. Agencies must consider all the factors relevant to their sources, some of which include:

- Reliability
- Diversification
- Water quality
- Cost-effectiveness
- Environmental impacts/benefits

CUWA recognizes that the ITP process will continue, and there are a number of other important issues to consider. We will continue to participate at a high level of engagement and coordination.

Please contact me at (925) 210-2477 if you have any questions on our comments.

Sincerely,



Cindy Paulson, Ph.D.
Executive Director