

From: Osann, Ed [eosann@nrdc.org]
Sent: Wednesday, August 11, 2010 7:34 PM
To: Water Use Efficiency; Alemi, Manucher
Cc: Obegi, Doug; Ronnie Cohen
Subject: Urban Water Use Methodologies Comments
Attachments: USC Comments-8-11-10.pdf

Attached please find the comments of the Natural Resources Defense Council regarding the July 12 draft Urban Water Use Target Technical Methodologies, Methodology 9.

Edward R. Osann
Senior Policy Analyst
Natural Resources Defense Council
1314 Second Street
Santa Monica, CA 90401
310-434-2349



August 11, 2010

To: Manucher Alemi, Chief, Water Use Efficiency Branch, DWR

From: Edward R. Osann, Senior Policy Analyst

Re: Comments on Urban Water Use Target Technical Methodologies – July 12 Draft Methodology 9

Methodology 9: Regional Compliance

Regarding compliance with 2015 and 2020 water use targets via regional alliances, NRDC maintains the key remaining causes for concern are the need to ensure against double counting of water savings and the need to provide for administrative feasibility and transparency.

The law contains no specific provision permitting multiple alliances.

Although section 10608.28(a) does not specifically forbid more than one regional alliance, the language in the law, including the use of singular nouns for each of the six possible aggregations for alliances and the term ‘any,’ suggest more than one alliance was not contemplated.

The benefit of allowing for multiple alliances remains unclear.

There is little basis for the comments during the recent USC#4 meeting that suggested alliances are necessary components of grant funding. Water suppliers can cooperate on a host of different efficiency projects, regardless of whether they are jointly reporting on 20X2020 as each will benefit from the savings that accrue within its individual service area. Furthermore, limiting water suppliers to one alliance will not undermine existing regional water management efforts, as reporting on 20 x 2020 does not change the other reasons for regional cooperation, such as joint project implementation or shared water sources, among others.

Water savings must only be accounted for once.

Water savings achieved by a retail water supplier should be counted once towards the statewide reduction. If a water supplier is permitted to join more than one regional alliance, then it is possible its water savings will be accounted for more than once. For example if agency A joins an alliance with agency B yet agency B has also joined an alliance with agency C, then agency B’s water savings will be accounted for twice. However, supposing agencies A and B form an alliance and agencies C and D form an

alliance, if all four agencies were to form a 'super' alliance, then no double counting will occur. Thus if a restriction is placed requiring all second alliances must include each and every agency involved in primary alliances with any other agency in the alliance, then the accounting problem is resolved.

Once selected, the method for selecting a target should not be changed.

A water supplier should not be permitted to change which method (1 through 4) it selects to use for setting its target in the 2011 UWMP. Section 10608.20 (d) and (g) allow a water supplier to change the target it sets but do not state that a supplier can change the method used to set the target. (The statute does appear to allow for water suppliers that have initially chosen Method 4 to revise their target to no more than 20% or to select a different compliance path if DWR revises Method 4.)

Allowing a water supplier to change the method it uses to set its target not only encourages gaming of the system, it also impedes DWR's administrative tasks. DWR is charged with recommending changes to water efficiency standards or urban water use targets in order to achieve the 20% reduction (10608.42) and with monitoring compliance. If a supplier cites multiple targets or changes its target (for reasons other than those specified in the legislation), DWR will be unable to determine in 2015 if the state is on a path to 20% reduction or if adjustments will be required.

All alliances a water supplier lists in its plan should be used to determine compliance.

During the USC #4 meeting, several water suppliers stated they wanted to be allowed to list all possible alliances in their UWMP and then, in 2020, to select which in alliance(s) they would participate. If this were allowed, it would be infeasible for DWR to determine in 2015 whether or not the state is on a path to compliance, as DWR would have to evaluate each and every possible combination of alliances listed. The methodology should require that if a water supplier selects to participate in a regional alliance(s), that alliance must be specified in the 2015 UWMP update and cannot be changed. A water supplier is not placed at risk from such a commitment, because in any case it is in compliance with the law if it meets its individual target. Moreover, setting a commitment in the 2015 plan creates contract security for water agencies, strengthening the terms of an alliance.