

**DOCKETED**

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*Comment Received From: Chelsea Haines  
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**Association of California Water Agenciesâ€™<sup>TM</sup> Comments on the SB 100 Report**

*Additional submitted attachment is included below.*

September 19, 2019

Comment letter submitted via electronic commenting system

The Honorable David Hochschild, Chair  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814

The Honorable Mary Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

The Honorable Liane Randolph, Commissioner  
California Public Utilities Commission  
505 Van Ness Ave,  
San Francisco, CA 94102

Re: Association of California Water Agencies' Comments on the SB 100 Report

Dear Interagency Principals of the SB 100 Report,

The Association of California Water Agencies (ACWA) appreciates the opportunity to provide public comments for the SB 100 Joint Agency Report. ACWA represents more than 450 public water agencies that collectively deliver approximately 90 percent of the water in California for domestic, agricultural, and industrial uses. ACWA supports the joint agency approach called for in SB 100 to evaluate the 100 percent zero-carbon electricity policy in a manner that promotes cost-effective energy supplies, grid reliability, and reasonable, predictable, and competitive utility rate designs.

Water agencies' primary mission is to provide a reliable water supply. Notwithstanding, our member agencies are uniquely positioned to help the State meet its energy policies and support a reliable electric grid. For decades, local water agencies have been actively contributing to the State's clean energy supply. ACWA members have implemented a wide range of renewable energy projects, including large and small hydropower, biogas, microturbines, geothermal, wind, energy storage, and photovoltaic solar. In addition, ACWA members have participated in a combination of energy efficiency, demand-side management, and peak-use reduction programs. These projects have helped make water more affordable for their customers, while contributing to the State's greenhouse gas emissions reduction goals.

For SB 100 implementation, ACWA recommends the following key principles.

1. Affordable and Reliable Energy Is Necessary in Providing Long-Term Water Supply

Long-term water supply adequacy and reliability are critical to maintaining public health and safety and the economy. About twelve percent of the State's total energy consumption is attributed to all water use, with ten percent of the State's total energy consumption identified for end-use customer uses (heating, cooling, pressurizing, and industrial processes), and two percent attributed for conveyance, treatment and distribution). To responsibly manage water, local water agencies need access to affordable and dependable energy supplies. As the State transitions to a zero-carbon future, policies and programs must be developed in a manner that ensures cost-effective energy supplies and reliability.

Furthermore, SB 100 implementation should preserve the financial integrity of water agencies' investments, ensure predictable energy markets, and incentivize effective distributed energy generation and storage projects that enhance grid stability and competitiveness of water agency assets. Policies should enable and encourage local water agencies to continue to develop energy storage projects, including battery storage, pumped storage and bulk storage, for on-site or grid-level electric reliability that are cost-effective and economically viable for water agency customers. SB 100 implementation should not result in the stranding of clean energy assets that public dollars are funding (e.g. hydropower).

## 2. SB 100 Implementation should Create Opportunity for All Clean Energy Resources, Including Large Hydropower

In order to achieve the goal of 100 percent of total retail sales of electricity from eligible renewable energy resources and zero-carbon resources by 2045, SB 100 implementation must allow for the appropriate investments in all types of technology used to generate electricity. Proven clean, dispatchable energy generation technologies, such as large hydropower, cannot be dismissed for unscientifically based reasons. SB 100 eligible resources should not be excluded based solely on the size of the generation facility, or the technology or electric generation method used in the generation. The State should consider electricity generated from all types of in-state renewable energy and zero-carbon resources as eligible and equal in meeting the State's energy policy if: (1) the technology or electric generation method used does not rely on traditional, non-renewable fossil fuels as the source of the energy and (2) the generation technology itself does not release greenhouse gas (GHG) emissions.

California must ensure that there are sufficient resources to meet both the State's base load and peak load electric needs. Ensuring an adequate supply of electricity will be challenging as demand is expected to increase due to electrification and the reliance on intermittent resources continues to rise. In moving to 100 percent renewable energy resources and zero-carbon resources, the State must ensure that there is sufficient dispatchable and base-load capacity from sources that do not rely on traditional, non-renewable fossil fuels as the source of energy.

## 3. Local Water Agencies Are a Key Partner

Water agencies' end-use customers will bear a part of the costs of achieving the SB 100 goals, as well as addressing aging infrastructure and making investments to prepare for adapting to changing hydrologic patterns. The water community looks forward to collaborating with the Newsom Administration in SB 100 implementation.

SB 100 should recognize the key role that water agencies have played and will continue to play in decarbonizing the economy in a safe, reliable and equitable manner for all Californians. ACWA stands ready to work with the interagency principals, staff, and diverse stakeholders on this high priority effort. Please do not hesitate to contact me at [chelseah@acwa.com](mailto:chelseah@acwa.com) or (916) 441-4545 if you have any questions regarding ACWA's input.

Sincerely,

Chelsea Haines  
Senior Regulatory Advocate

CC: Drew Bohan, Executive Director, California Energy Commission  
Marybel Batjer, President, California Public Utilities Commission  
Richard Corey, Executive Director, California Air Resources Board  
Dave Eggerton, Executive Director, Association of California Water Agencies  
Cindy Tuck, Deputy Executive Director, Association of California Water Agencies