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August 5, 2009

California Energy Commission Dockets Office, MS-4 Re: Docket No. 09-011-1 1516 Ninth Street Sacramento, Ca 95814-5512

Sent via electronic mail and U.S. Mail

Re: Energy Efficiency Projects and State Energy Programs: Federal Stimulus Fund Eligibility

Dear Commissioners:

On behalf of the Inland Empire Utilities Agency (IEUA), I am providing comments on the July 15, 2009, workshop of the American Recovery and Reinvestment Act Ad Hoc Committee on the Energy Efficiency and Conservation Block Grant (EECBG) and State Energy Programs (SEP) held in Sacramento, California.

IEUA is primarily concerned about the California Energy Commission's (CEC) determination of eligibility requirements for the competitive grant funding, and whether public agencies like IEUA will be eligible to apply for this funding. In addition, IEUA is concerned that the array of projects is too narrowly defined, and excludes important water conservation, water recycling, and renewable generation projects that will improve the State's energy portfolio consistent with the Water Energy Committee/Climate Action Team recommendations for implementation of AB 32.

IEUA understands that the current eligibility requirements for the federally implemented EECBG include only cities and counties. However, eligibility under California's SEP competitive process is *unclear* regarding whether other forms of local government, such as water and wastewater agencies, could participate in this program. IEUA strongly encourages the Commission to formally recognize the eligibility of all local agencies to compete for these funds. Given that the Commission, through its Integrated Energy Policy Report, has recognized that the state uses 19% of its electricity and 40% of its gas to pump, treat and deliver water supplies, it is particularly important that water and wastewater agencies have the opportunity to compete for funds that will enable them to reduce these energy impacts to the state.

In addition, IEUA strong supports the expansion of the types of energy efficiency projects that would qualify for funding under the SEP competitive program. In particular, water efficiency and recycled water projects have been identified by the Water Energy Committee/Climate Action Team as core actions that need to be implemented to reduce the state's greenhouse gas emissions. Similarly, renewable energy generation projects have also been identified as a climate change mitigation. There are many local projects that would help achieve the goal of Section 544 (which targets energy efficiency and conservation in buildings and facilities) including water efficiency (low water use toilets, landscape irrigation efficiency, replacement of landscaping with water conserving plants), recycled water (irrigation or double plumbing) and renewable energy generation (roof top solar or wind) while helping

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the state implement AB 32 mitigation programs. Local governments should be given the opportunity to submit these water efficiency and renewable generation projects for consideration in the SEP competitive program.

IEUA appreciates the opportunity to provide comments on this important ARRA program. Please do not hesitate to contact me if you have questions at 909-993-1742 or mdavis@ieua.org.

Sincerely,

Martha Davis

Executive Manager of Policy Development

Cc: Assemblymember Jared Huffman

Richard Atwater, IEUA Tom Love, IEUA Patrick Shields, IEUA

Metropolitan Water District of Southern California