California Water/Energy Efficiency Proceedings

Commissioner Catherine Sandoval
California Public Utilities Commission

June 19, 2014
California Water Utilities regulated by CPUC rely on CWP for between 0% and 100% of supply
Palos Verdes, in Los Angeles: 85%
Bay Point in San Francisco Bay Area: 89%

This year there is 0% allocation from the CWP
CPUC Regulated Utility Overview

– 115 Water Utilities
  - 9 Class A water utilities (over 10,000 connections)
  - 6 Class B water utilities (over 2,000 connections)
  - 23 Class C water utilities (over 500 connections)
  - 77 Class D water utilities (500 connections or less)

– 14 Sewer utilities, less than 1,000 connections
– Serving over 6 million Californians, or about 16% of the state’s population
– $1.4 Billion in total revenue
Water Utility Geographic Reach

- **CLASS A WATER COMPANIES**
  - Headquarters Offices

- **CLASS A WATER COMPANIES CUSTOMER SERVICE AREAS**
  - More than 10,000 Service Connections

- **CLASS B WATER COMPANIES**
  - 2,000 - 10,000 Service Connections

- **CLASS C WATER COMPANIES**
  - 500 - 2,000 Service Connections

- **CLASS D WATER COMPANIES**
  - Less than 500 Service Connections
Water Facilities and Service

- CPUC Charter: Ensure that Water IOUs provide clean, safe, and reliable water service at just and reasonable rates.

- Challenges and Cost Drivers
  - More stringent water quality standards
  - Aging infrastructure
  - Declining water use
    - Recession
    - Conservation mandates
    - Drought
California’s Water Supply

- Sierra Mountain Range
- Delta
- Colorado River
- Ground Water
- Storage Reservoirs
AB 685 “California’s Human Right to Water Bill” passed in 2012

- Existing law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water.
- This bill declares that it is the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.
- The bill requires all relevant state agencies, including the Department of Water Resources, the State Water Resources Control Board, and the State Department of Public Health, to consider this state policy when revising, adopting, or establishing policies, regulations, and grant criteria when those policies, regulations, and grant criteria are pertinent to the uses of water described above.
(a) It is hereby declared to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

(b) All relevant state agencies, including the department, the state board, and the State Department of Public Health, shall consider this state policy when revising, adopting, or establishing policies, regulations, and grant criteria when those policies, regulations, and criteria are pertinent to the uses of water described in this section.

(c) This section does not expand any obligation of the state to provide water or to require the expenditure of additional resources to develop water infrastructure beyond the obligations that may exist pursuant to subdivision (b).

(d) This section shall not apply to water supplies for new development.

(e) The implementation of this section shall not infringe on the rights or responsibilities of any public water system.
CPUC, Balanced Water Rate OIR

• Balanced Rate OIR pending before the Commission

• Guidelines to implement Water Action Plan

• Examine the consolidation of rates between multi-district water utilities

• Normalize volatility of smaller district revenues and rates

• Two-fold objective;
  – Balance utility investment
  – Keep rates affordable
The CPUC in Action

Rulemaking R.13-12-011 opened December, 2013

Order Instituting Rulemaking into Policies to Promote a Partnership Framework between Investor Owned Utilities and the Water Sector to Promote Water-Energy Nexus Programs

Goal is to examine the relationship between water and energy, especially in light of the drought.

- Gather and analyze data, consider policies, programs, and pilots to maximize effort
- Will include several workshops and a consultant “calculator” to determine how much energy and water are saved by each effort, to determine funding and marketing
- Development of a water energy cost effectiveness tool
- Multiple actions to address nexus, including landscaping, recycling, and conveyance
Water Energy Nexus Proceeding, R.13-12-011 cont.

- Examine funding and cost sharing
  - Allocation methodology
  - Strategies for overcoming barriers to joint funding
  - Availability of outside funding, including grants, programmatic funds, and cost matching

- Evaluate current & future programs to determine efficacy and barriers
  - Pilots, leak detection

- Identify safety concerns, including reliability, water quality, and public safety including fire-fighting resources
Examine the nexus of water, energy, and communications (e.g., the use of information management and data systems, high-speed internet access and apps, Supervisory Control and Data Acquisition (SCADA) systems for water management and treatment and the communications needs to SCADA systems, and steps to foster access to energy, communications technologies, and facilities that enable water management, storage, treatment, and use, including for wildfire and other public safety measures.