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Secretary of Energy

c/o Ms. Brenda Edward-Jones
United States Department of Energy
Building Technologies Program,
Mail Stop EE-2J, Room 1J-018
1000 Independence Avenue, SW
Washington, DC 20585

RE: Docket No. **EE-RM-PET-100** Petition to Exempt from Preemption, California's Water Efficiency Standards for Residential Clothes Washers

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Overview

The California Urban Water Conservation Council supports the California Energy Commission Petition to exempt from preemption filed on behalf of the State of California. Sustainable water efficiency is a focus of our efforts to assure that a safe and reliable water supply is available to California citizens, businesses and the supporting environment. The Council is a consortium of more than 350 water retailers and environmental groups, working together to secure the water future of California. Our member water agencies represent more than 75% of the urban water deliveries throughout the state.

The heart of the Council is the Memorandum of Understanding that all members sign, pledging to implement the Best Management Practices (BMPs) for water efficiency. These 14 BMPs include a comprehensive roster of programs to garner water conservation from water users and within the operations of the water agency itself. Specifically, high efficiency clothes washer incentive programs are designated as BMP 6.

Water agencies implement these BMPs as a comprehensive strategy, implementing every feasible and cost effective means to improve water resources through reductions in water use. Costs for conservation are compared to costs for developing new water sources to meet the growing population's demand. All cost effective methods are included in an integrated resource plan, and all cost effective and reliable means are implemented to meet the local needs of each water provider. The security of the future water supply usually includes a large array of strategies, including but not limited to:

- Imported water from shared sources
- Local groundwater
- Distribution system upgrades
- Leak detection and repair
- Canal lining
- Water recycling
- Water reuse
- Reclaimed water

- Groundwater recharge
- Incentives and rebates for high efficiency appliances
- Direct installation of high efficiency appliances
- Plumbing retrofits
- Landscape audits and system upgrades
- Water budget based rate structures
- Water transfers
- Inclining tier rate structures

Since 1991, Council members have implemented water efficiency strategies resulting in water savings of more than 1.3 million acre-feet; this is equal to the annual water use of more than 3 million homes. California is already the most water efficient state in the nation, and yet we continue to lead the world in developing new water conservation strategies. Council members have expended between $85-90 million annually for nearly 10 years to implement these conservation strategies. The costs are borne by every ratepayer through higher water rates.

There are limits to our ability to solve our own water problems when Federal standards preempt the implementation of readily available technology. Our only means to improve clothes washer efficiency and eliminate the water waste is to offer financial incentives for the purchase of the high efficiency models. Administrating rebates and vouchers is very costly and overly burdens water agency staff and resources. In addition, financial incentive programs have only limited effect on the overall market share. Even doubling the incentive values would not achieve a 50% market share for high efficiency washers. Administering rebate programs for washers is costly to all ratepayers, has limited effect, and is only necessary due to the lack of improved and updated efficiency standards.

The members of the Council have already implemented every feasible and cost-effective method to save water. There are no additional efficiency options to substitute for the proposed clothes washer efficiency standards that are not already implemented. California is not asking clothes washer manufacturers to bear an undue burden of the State's water efficiency needs. California is only asking that the high efficiency clothes washer models already sold in this state be made the norm for all consumer purchases.

California's Interests are Unusual and Compelling

California has the most extensive water importation and distribution system in the nation. In California, 90% of the population receives water from sources more than 250 miles away. The extensive importation and distribution of water supplies not only increases costs; it greatly increases security risks.

Much of California's water supply travels through the Sacramento Delta, contained and channeled to Southern California through a myriad of levees, canals and aqueducts. Now, these aging levees are becoming increasingly susceptible to failure from high tides, earthquakes or flooding. In our recent Spring rains of 2006 two levees in this sensitive area were breached. The liability has become so great to California's water supply that the Governor of California has recently requested that the Delta levees be granted National Emergency status.

In addition to the Delta levee issue, seawater intrusion threatens groundwater sources where over-pumping for water supply has become necessary. Further surface water interruptions could cause irreparable damage to even these groundwater sources. No other state is so susceptible to the catastrophic effects of natural or intentional interruptions in water supply. Water use efficiency becomes one of the few options that can greatly minimize the severe negative impact of major interruptions in California's unique and precarious water supply network.

California's water use issues are substantially different in nature and magnitude from those in other western states. Consumer demand often outstrips the water supplies that are available, despite California consumers using less indoor water per capita than many other states. California's groundwater basins have been historically over-drafted. California's Colorado River allotment of 4.4 million acre-feet is an additional curtailment; the US Bureau of Reclamation has instructed the state to cut back nearly 800,000 acre-feet from its current consumption of 5.2 million acre-feet. In order to meet this challenge, California will need a variety of supply tools. Water efficiency appliance standards are one of many approaches California is taking to proactively diversify water supplies. Failure to deal successfully with these cutbacks will result in a severe economic impact to California, and thus the nation as a whole.

California's Unique Water-Economy Situation

California's economy, equivalent to that of the fifth largest country worldwide, is dependant on an adequate and reliable water supply. In 2004 California ranked first in the nation in gross state product: $1.5 trillion worth of goods and services. Impacting California's economy with water shortages will have a negative ripple effect on not only the State, but on the entire nation. California's industries and agriculture –- which supply the nation with computer products, manufactured goods, and 40% of its fruits and vegetables -- need water to remain viable. It is indisputable that water efficiency offers California its most cost effective source of water. Clothes washer efficiency standards can improve California's economy by making water available for other productive uses, within California and the surrounding western States.

California's Water Efficiency Benefits Other States

The Colorado River is one of California's major water sources. Many other Western States share this water source, and water allotments exceed the safe limits of water diversion. As water use efficiency improves in California, the State will be less dependent upon water deliveries from the Colorado River. This provides some relief on the Colorado River in periods of sustained drought. As California reduces its water draw from the Colorado River, this water becomes available for other western states as well as the environment.

Alternative Approaches Implemented

There are many alternative cost-effective methods to improve water efficiency, and we are already implementing them. Improving the efficiency of clothes washers is only part of the overall solution for reliable water supply, yet it is a vital part. California state law

requires water agencies to evaluate water efficiency options and water supply options equally in its planning process. Implementation is required for all cost-effective strategies. Improving the efficiency of clothes washers does not supplant other reasonable means that might be available.

The State of California cannot afford to dismiss any reasonable and cost effective methods to decrease water demand. Water availability, safety concerns and legal rights limit the state water suppliers' ability to increase water production. Reclaimed water offers potential and is being pursued throughout the State, but its applications are limited to non-potable uses and it requires a significant investment in dual distribution networks and building design. Desalinization requires development and operating costs far greater than traditional water sources and is highly energy-intensive in a state that is taking measures to reduce its overall energy use and greenhouse gas emissions.

There is no single solution to secure California's water future. We cannot afford to dismiss any reasonable conservation strategy – especially high-efficiency clothes washers that are already in evidence in the marketplace.

Exemption from Preemption is Necessary

Water efficiency standards for appliances are not the only solution, but are a very important part of a large array of strategies to solve California's impending water crisis. Clothes washers are a major water use in 80% of homes. High efficiency washers save more than 50% of the water wasted by traditional washers. A typical family using a non-efficient washer wastes more than 6,000 gallons of water per year. Currently, our only available action to reduce this wastage is to offer financial incentives such as rebates to encourage the purchase of the high-efficiency washers; this method has limited effect and is very costly to taxpayers and ratepayers, compared to appliance standards. Even doubling the incentive values would not achieve a 50% market share for high efficiency washers. Rebate values and administration costs are all passed down to the taxpayer or ratepayer, who bear an undue burden because improved washer efficiency standards cannot be adopted by the State.

Water Savings Impact Projections

The Council has reviewed the California Energy Commission (CEC) Petition. The water savings projections included in the Petition coincide with the Council's benefit-cost methodologies and savings estimates. The projections are reasonable, and are actually more conservative than Council projections. The CEC projections appear to presume that a Water Factor (WF) standard of 8.5 will result in all washers meeting that standard, and assume none will be more efficient. Our experience suggests that an 8.5 WF standard will result in many consumers purchasing washers with even greater efficiency. The Council expects that a WF standard of 8.5 might easily result in an average WF of washers purchased to average 7.5 WF, or less. The beneficial impact of water efficiency standards is probably much greater than the CEC Petition suggests.

The CEC Petition includes conservative water saving projections of more than 204,500 acre-feet of water saved annually from the implementation of the standards. This equates to

the water use of more than 450,000 homes. The Council estimates the water savings to be 10% to 20% greater than the CEC Petition reveals.

Water and energy prices are escalating faster than most other consumer costs. This problem has become more acute since the date that the CEC submitted the Petition. The rise of water and energy costs, because they are non-discretionary, has a very negative impact to the average homeowner. As stated before, 80% of homes in California have an in-home clothes washer. Water efficiency standards are a financially prudent method to improve the economic stability of 80% of California homes. In addition, the water efficiency improvements reduce operating costs of water purveyors, which benefits all ratepayers. High efficiency washers actually cost the ratepayers *less*, based on lifecycle costs. Thus, the citizens of California will financially benefit when the clothes washer standards are implemented

Efficiency Standards Do Not Limit Purchasing Options

Manufacturers are already prepared to meet the demands of the efficiency standards. According to the Energy Star listings, consumers have 26 brands and 195 different models among which to choose for washers meeting the 8.5 WF standard. The 6.0 WF standard is four years away; already 15 different brands offer 122 different models. New models meeting the standards are introduced weekly. Manufacturers have responded to the demand for water efficiency beyond any expectations. Water efficiency technology is available to all manufacturers for use in their designs.

In California, water is no longer a resource that can be wasted because efficiency is perceived to be inconvenient to manufacturers or consumers. Clothes washer efficiency standards must be implemented to meet the cost-effective technology readily available.

Preemption is Necessary, Prudent and Justified

Each year that we delay implementing a more efficient standard means approximately 7% of the clothes washers annually replaced will be replaced with inefficient water-guzzling models that will waste water and energy for estimated consumer life of 14 years. We strongly urge you to accept the CEC's Petition to allow California to determine its own water future without the need for Federal assistance. Please grant the preemption necessary for California, its citizens, and the California Urban Water Conservation Council to secure a safe and reliable water supply for the state.

Sincerely,

Mary Ann Dickinson
Executive Director