March 24, 2016

The Honorable Ben Hueso  
Chair, Energy, Utilities and Communications Committee  
State Capitol  
Sacramento, CA  95814

RE:   SB 919 (Hertzberg) – SUPPORT

Dear Chair Hueso:

The California Association of Sanitation Agencies (CASA) is pleased to support SB 919 (Hertzberg). For 60 years, CASA has been the leading voice for public wastewater agencies on regulatory, legislative and legal issues. We are an association of local agencies, engaged in advancing the recycling of wastewater into usable water, generation of renewable energy, and other valuable resources.

SB 919 would require the California Public Utilities Commission (CPUC) to adopt and implement policies or tariffs to address the oversupply of renewable energy resources, through a tariff or other economic incentive, for use by customers operating facilities that create or augment local water supplies, including water recycling, or water reuse facilities.

This bill represents an inspired approach to a unique and complex problem. California’s Renewable Portfolio Standard (RPS) and other programs designed to encourage renewable energy production have been highly successful, but have led to an oversupply of energy during times when renewable energy production is at its peak. Namely, solar power is at peak production in the afternoons, but that is not necessarily the peak consumption time for energy consumers. This oversupply can strain the energy grid and lead to inefficiencies.

By developing a program to incentivize energy consumption at water recycling facilities during these peak production hours, SB 919 provides a benefit to both the energy grid and water supply in a drought-plagued state. Many of CASA’s member agencies, particularly those engaged in recycled water production and transport (which can be energy intensive), are able to increase or reduce energy consumption on relatively short notice. Currently this flexibility is often used to go “off-grid” at peak consumption times and use the energy produced onsite at wastewater facilities. However, accomplishing the inverse by ramping up electrical consumption during periods of renewable energy oversupply could provide similar benefits.

The lower cost energy during these times could sufficiently affect the economics of recycled water projects to prompt some agencies to pursue projects that might not otherwise be economically viable. In other words, the program envisioned by SB 919 would (1) address a growing concern in the California energy grid, (2) reduce energy costs for local agencies (and their ratepayers), and (3) promote increased recycled water production across the state.

This is truly a win–win bill. For these reasons, CASA is pleased to support SB 919.

Sincerely,

Adam D. Link  
Director of Government Affairs

cc:   Senator Robert Hertzberg  
Senator Jean Fuller, Vice Chair, Senate Energy Committee  
Members, Senate Energy Committee