WATER ENERGY NEXUS –
CHALLENGES TO STATE WATER PROJECT MISSION

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STATE WATER CONTRACTORS

Water – Energy Nexus

About 12% of the total energy used in the state is related to water.

About 2% is used for conveyance, treatment and distribution (about 0.5% for the State Water Project and 1.7% for all other water systems).

About 10% is used for end-customer uses (heating, cooling, pressurizing, and industrial processes).

California Water Plan Update 2013
Why Energy Matters
(Total Costs $1.195 Billion)

Historical and Projected Energy Costs

- The consequence of new Laws and Regulations
  - AB 1890 – 1996
  - AB 32 – 2006
  - Operational restrictions under Endangered Species Act
  - SB – 350 (de Leon) 2016
SWP Transmission Charges

SWP Transmission costs have increased at 15% per year for the last decade.

Large reason is significant build-out of California transmission grid.

A similar build-out of the transmission grid has yet to occur.

SWP and other California customers may be on the hook for those costs as well.

California Energy Policy

- EO B-30-15
  - 50% Renewables
  - 50% reduction in transportation fuel
  - Double Energy Efficiency

- SB 350 (same as EO)

- SB 32 (pending)
  - 40% Reduction in GHG by 2030
  - 80% by 2050