CalDesal

A Unified Voice for Water Desalination and Salinity Management in the Golden State

January, 13, 2012

Honorable John Laird,
Secretary, the Natural Resources Agency and
Chair, Ocean Protection Council
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

SUBJECT: Ocean Protection Council Second Draft Strategic Action Plan Recommended Amendments

Dear Secretary Laird:

CalDesal is a nonprofit association of public water agencies and private organizations that promote environmentally responsible water desalination and salinity management. The public water agency members of CalDesal are leaders in water supply management practices that utilize a menu of options to meet the water supply demands of their service areas. Each is unique and best suited to make its own decision about which water supply to pursue and how those projects should be designed and configured based on the unique circumstances of their service area. Each is implementing a diversified water supply portfolio that includes a variety of water supply options that may include a combination of any or all of the following: aggressive conservation, imported water, stormwater capture, groundwater management development and conjunctive use, water recycling and oceanwater or brackish groundwater desalination.

Each public water agency is providing clean, safe, reliable water to their ratepayers and all of those water supply options are an important public benefit to society including ocean desalination.

CalDesal would like to express its sincere appreciation to the Ocean Protection Council (OPC) and its staff both for the very public and open process and for addressing a number of the concerns CalDesal raised in our September 9, 2011 letter relating to the first draft Strategic Action Plan for 2012-2017 dated August 1, 2011.

Having said that, we have three issues we wish to raise with the Second Draft Strategic Action Plan. They are:

1. We think it is important for the plan to recognize that ocean desalination is an essential public health and safety benefit critical to California's economy and jobs. Therefore, it is very important for the OPC to account for Ocean Desalination's public benefit when balancing with environmental impacts.
2. We think it is important for the plan to distinguish Ocean Desalination from Once Through Cooling.
3. Finally we would like to take issue with the presumption that Ocean Desalination is substantially more expensive than other new local and regional water sources.

CalDesal submits the following detailed explanation of our three points:

1. The first paragraph of section E speaks to several industrial uses including 1, desalination, 2, marine and renewable energy development, and 3, offshore aquaculture. Municipal and domestic uses of water are clearly defined in the water code as high priority water uses.

Just as section E acknowledges the importance of certain non-commercial uses (of coastal marine waters) to society, Cal Desal requests that you add a sentence to the end of section E that recognizes the importance of desalination as an important new municipal water supply for the State of California. To this end, we urge the OPC to balance between the competing need for ocean protection with the equally important need to beneficially use ocean water to meet well documented municipal water supply demand.

2. Our second issue will require three changes in the second draft strategic action plan. Under Issue 12: Desalination. A major concern from the original draft that has carried over to the second draft is intention to consider consistency for ocean desalination with the OPC OTC resolution. The first example is found in the last sentence of the second paragraph on page 25 wherein it states: "*In development of the SWRCB's desalination policy, there is a particular opportunity to consider consistency with the goals to reduce impingement and entrainment that underlies the OPC's OTC resolution and the SWRCB's May 2010 Policy."*

As we stated in our September 9, 2011 letter, CalDesal disagrees with that statement and submits that there are very important reasons to differentiate ocean desalination from the OTC policy. For example, the use of ocean water is secondary to the primary use of power production whereas it is the primary purpose for desalinated water production. Moreover, ocean water desalination facilities and power plants that use once-through cooling technologies have very different operational characteristics. Water intake volumes are substantially less with ocean water desalination, than intake water volumes used for cooling power plants. Ocean water desalination is included in the California Water Plan and is an important water supply option for local or regional water managers that must be preserved as an option when appropriate for the circumstances. If a desalination policy that limits ocean water intakes to subsurface intakes is promulgated, several current ocean desalination projects would be made unfeasible. That would necessarily reduce the potential for an important public benefit of a clean, safe, reliable water supply. Substantial time, funding and effort by public agencies along the coast would be potentially lost and the benefit not realized. Finally, the Once -Through Cooling (OTC) Policy does not apply to ocean water desalination intakes.

Therefore, we respectfully request that the OPC delete this sentence calling for consistency with OTC goals.

For the same reason, CalDesal also has concerns with Objective 12.2 , which establishes an OPC measure of success that states: *"Work with relevant state agencies to develop policies that are consistent with OPC resolutions related to existing and emerging uses, such as development of statewide desalination policy that addresses marine intakes, in-plant dilution and brine disposal."* If the intent of this statement is to apply the OPC OTC resolution policy to desalination, CalDesal respectfully objects because, as previously stated, the OTC policy does not apply to ocean water desalination and because there are significant operational characteristics that warrant differentiating ocean water desalination from OTC. Therefore, for the same reasons we expressed in amendment 1, supra, we also submit that Objective 12.2 should be amended to clarify that the OPC OTC resolution should not be viewed as an opportunity to find consistency between desalination and OTC. Otherwise, the objective would be appropriate in terms of the OPC working with relevant state agencies and in particular the SWRCB as it develops its pending desalination and brine disposal policies.

In order to further clarify that desalination should be distinguished from OTC, we respectfully request that the OPC amend the sentence on page 24 that states: "*The OPC will focus on (1) desalination and once*

through cooling, (2)...." to state: "*The OPC will focus on (1) desalination, (2) once through cooling, (3)...."*

3. Finally, while your Desalination chapter mentions that the cost and power usage for ocean desalination is relatively high, but are anticipated to become more cost competitive and efficient, we would like to share with you information that will demonstrate that ocean desalination is already cost competitive with other new sources of water such as water recycling, stormwater capture and brackish groundwater. We have attached a chart from the San Diego County Water Authority that favorably compares their two ocean desalination projects to other new water sources in San Diego County.

Thank you for the opportunity to provide comments. If you have any questions relating to CalDesal's comments, please do not hesitate to contact me at (916) 492-6082.

Sincerely,

Ronald L. Davis
Executive Director

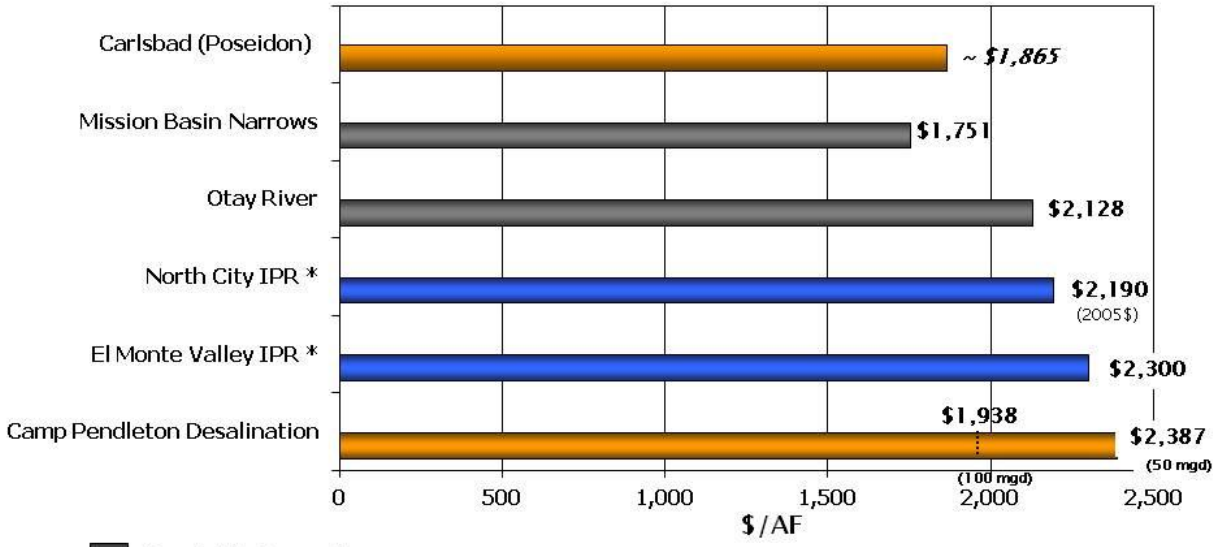
Cc: Members of the Ocean Protection Council
Amber Mace, PhD, Executive Director, Ocean Protection Council
Samuel P. Schuchat, OPC Secretary, Executive Officer State Coastal Conservancy

Cost of the Next Increment of Local Supply

Actual Proposed San Diego Region Project Unit Costs - $/AF

(Before incentives, grants, or netting out avoided costs

2011 Dollars unless otherwise noted



* Cost of re-treatment not included