

Testimony of Rick DeGolia
California State Water Board
August 24, 2007

Good afternoon, I am here today on behalf of Environmental Entrepreneurs – otherwise known as E2. I would like to thank you for sponsoring the workshop today and acknowledge the enormous opportunity that you have to set the standard for how water policy and water programs can dramatically reduce greenhouse gas emissions. The panelists today have been remarkable. Your conclusions could provide much needed leadership for other states and other countries.

E2 is a national organization of more than 800 business leaders who support environmental and water policies that are designed to grow the economy. E2 members have created over 800 companies, 400,000 jobs, and our venture capital members currently manage more than \$20 billion.

California's E2 members actively built business support for the passage of AB32. I am personally leading a team that is looking at getting significant GHG reductions from water policies that encourage energy efficiency and water conservation.

E2 believes that California needs a broad package of policies to achieve the 2020 carbon emission reduction goals. We believe that there are significant opportunities for serious reductions as a result of water policies that consider the energy intensity of each water management and water conservation decision. We believe that it is critical for the Board in the course of its water policy deliberations and for every Environmental Impact Statement that relates to water to assess the energy intensity implications of each alternative course of action.

It is clear to us that water conservation offers the cheapest and the most plentiful source of additional water to meet California's growing needs. The Board should mandate and enforce strong, conservation-focused Best Management Practices by the organizations that you have jurisdiction over. The Board should also carefully assess the highly successful energy conservation programs of the PUC and CEC over the past 20 years. The State Board has the ability through your water rights authority and under the state Constitution's reasonable and beneficial use requirement to mandate broad and reasonable water conservation. These decisions could set a national standard.

As you know, when making long-term investment decisions investors want regulatory certainty. The best way to provide this certainty is to set strong and enforceable policies. Strong, conservation-focused water policies will motivate businesses to explore innovative, highly competitive solutions and that will advance California businesses and cause the rest of the world to look to California for leadership in this new carbon-conscious world.

E2 is and will remain very active throughout the implementation AB32 process. I would like to support your work in any way that would be helpful. Thank you.