



April 10, 2023

The Honorable Brenda Mallory
Chair
Council on Environmental Quality
730 Jackson Place NW
Washington, DC 20503

Re: Docket CEQ-2022-0005 National Environmental Policy Act Guidance on Consideration of Greenhouse Gas Emissions and Climate Change

Dear Chair Mallory:

The Association of Metropolitan Water Agencies (AMWA) is pleased to have the opportunity to respond to the interim guidance National Environmental Policy Act (NEPA) Guidance on Consideration of Greenhouse Gas Emissions and Climate Change. AMWA is an organization representing the largest publicly owned drinking water utilities in the United States, and collectively its membership serves more than 160 million people. Members serve communities of more than 100,000 people.

AMWA recognizes NEPA as a cornerstone of U.S. environmental policy. AMWA utilities have long been at the forefront of climate adaptation and have prioritized climate change mitigation, adaptation, and resilience in their utility operations and capital planning. As drinking water utilities, AMWA members sometimes have projects that are subject to NEPA review; AMWA, therefore, recognizes NEPA’s vital role in protecting its members’ water sources and the greater environment by requiring the development of environmental assessments and environmental impact statements to identify potential impacts of federal actions and activities. AMWA appreciates the opportunity to provide the following feedback on CEQ’s interim guidance.

AMWA remains concerned about the potential effects this draft guidance will have on the timeliness and related costs of NEPA review processes. AMWA encourages CEQ to address the potential hurdles these most recent revisions, which include quantifying reasonably foreseeable greenhouse gas (GHG) emissions; providing context for GHG emissions through estimating their social cost; and considering climate change in alternatives and mitigation, the effects of climate change on proposed actions, and environmental justice in decisions, impose on the timely completion of assessments. While AMWA has previously supported NEPA revisions that allowed individual agencies to develop their own NEPA procedures and the requirement for

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agencies to consider direct, indirect, and cumulative effects of projects, AMWA's chief concern remains the effects revisions will have on the timeliness of assessments. Having extremely long timeframes for project approvals under NEPA can stymie necessary projects that address critical needs, such as securing additional water supplies in climate-stressed communities. Notably, unexpected delays to capital projects can affect the creditworthiness of utilities as credit agencies seek resilience and reliability when evaluating prospective borrowers. Perceptions of unreliability can lead to lower bond ratings, which result in increased project costs and, therefore, place a greater burden on community ratepayers at a time when affordability and justice are key priorities at all levels of government.

AMWA urges CEQ to consider potential resolutions to prioritize timely, thorough NEPA reviews. AMWA reiterates its recommendations that CEQ develops guidance for analyses required under NEPA, such as climate impacts when considering cumulative effects, and newly required analyses, including the social costs of GHGs. Without more clarified guidance or with conflicting methods, projects may experience longer delays than necessary.

AMWA believes final guidance should clarify best available science recommendations, recognizing limitations. AMWA recommends CEQ outline what GHG emission levels are unnecessary to quantify in analyses. CEQ should also recognize the limitations of applied capabilities of climate models, projections, and analysis tools in NEPA reviews and specify these limitations in its guidance.

The interim guidance states that for some proposed actions an agency might not choose to provide a social cost of GHG emissions "if doing so would be confusing, there are no available estimates for the GHG at issue, or, consistent with the concept of proportionality... the emissions at issue are *de minimis*." The guidance does not clarify what would constitute *de minimis* project-level GHG emissions, and AMWA urges CEQ to explain this in the final guidance.

AMWA also urges CEQ to include in the final guidance more information about the applied capabilities of climate models, projections, and analysis tools in NEPA reviews. For the past several years, AMWA members have been assessing climate impacts on water supplies and utility operations. There is great variability in the model projections for the impacts of climate change in the future in a specific region. This variability depends on the climate model and downscaling methods used, and the difference between moving from global-scale model projections to local-scale impacts. In light of these uncertainties, AMWA is concerned about using this information to make assumptions about or pinpoint specific regional or local-scale impacts for NEPA analyses. AMWA asks CEQ to reinforce the importance of agencies to discuss their analyses in NEPA documents and, specifically, articulate what assumptions and judgments they made. AMWA recognizes that agencies have the discretion to scope projects and analyze future climate impacts on a project by making a judgment call based on the available science but believes that this clarification will improve the guidance.

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Conclusion

AMWA thanks CEQ for the opportunity to provide feedback on the NEPA Guidance on Consideration of Greenhouse Gas Emissions and Climate Change. If you have any questions, please contact Jessica Evans (evans@amwa.net), AMWA's Manager of Government Affairs and Sustainability Policy.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Dobbins". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Thomas Dobbins
Chief Executive Officer

cc: Matthew G. Lee-Ashley, Chief of Staff
Jomar Maldonado, Director for NEPA