



Comments of National Association of Clean Water Agencies (NACWA) for EFAB February 20, 2024 Listening Session

The National Association of Clean Water Agencies (NACWA) appreciates this opportunity to provide comments to EPA's Environmental Financial Advisory Board (EFAB) regarding affordability of clean water services. NACWA represents nearly 350 public clean water utilities across the nation that provide critical wastewater and stormwater management services. These utilities are anchor institutions in their communities, supporting local economies and ensuring the protection of public health and the environment.

The affordability challenges facing the public clean water sector have increased significantly in recent decades. There are many reasons for this, including decreased federal funding for water investment, increased costs due to greater regulatory requirements, aging infrastructure, inflation, and supply chain challenges. And while the recent infusion of funds from the Bipartisan Infrastructure Law (BIL) are helpful and extremely welcomed, they do not come close to meeting the true investment needs for the clean water sector. Even with the BIL funds, water affordability challenges will continue to persist across the country.

NACWA appreciates EFAB's interest in looking at new technologies and other innovations that can help lower capital costs for clean water utilities and address affordability concerns. There are many new technologies available today that were not even on the market a decade ago that can help utilities meet new and increased regulatory requirements in more cost-efficient ways.

However, it is important to understand that for utilities to feel comfortable trying these technologies – which can potentially help address their affordability challenges - there must be an appropriate regulatory climate that encourages their use. Public clean water utilities work in a very strict regulatory environment and have historically been risk adverse to trying new technologies that may not help them fully meet their regulatory obligations.

In order to facilitate the widespread adoption of new and innovative technologies in a manner that could truly help clean water agencies address affordability concerns, it is critical that federal and state regulators work collaboratively with utilities to address these risk concerns and create a path forward to trying new approaches. This is a vital element of the discussion around new technologies and affordability, and one NACWA strongly encourages EFAB to consider as part of its deliberations.

Integrated planning is one regulatory approach that can play an important role in encouraging the use of innovative technologies. NACWA played a key part in helping advance integrated planning as a regulatory concept and incorporate it into the Clean Water Act (CWA). One of the benefits of integrated planning is that it empowers local communities and utilities to be more proactive in outlining the types of approaches they would like to use to in meeting their clean water obligations. This can include use of new technologies that can be cheaper and more effective, helping reduce costs and address affordability concerns.

EPA Headquarters has been extremely supportive of integrated planning, and NACWA and its members greatly appreciate this support. And some EPA regional offices have also been supportive. But some EPA regional offices and many state regulatory authorities have been at best neutral and at worst hostile to the use of integrated planning. If these regulatory entities are not willing to allow utilities to pursue integrated planning approaches, it is going to severely limit the ability of utilities to consider and use new innovative technologies to help address affordability issues.

NACWA encourages EFAB, as part of its study of this important issue, to advise EPA to work more closely with its regional offices and state regulatory partners to promote the use of integrated planning, especially in the CWA permitting context.

NACWA also encourages EFAB to advise EPA to revise its February 2023 Financial Capability Assessment Guidance. This document will substantially limit the ability of clean water utilities to effectively address affordability concerns in their communities, including the adoption of new technologies. NACWA previously filed detailed comments outlining our concerns with the Guidance, available [here](#).

NACWA appreciates the opportunity to provide these comments. If you have any questions or would like to discuss further, please contact Nathan Gardner-Andrews, NACWA's Chief Advocacy & Policy Officer, at ngardner-andrews@nacwa.org or 202/833-3692.