



COLORADO WATER CONSERVATION BOARD

DEMAND MANAGEMENT FEASIBILITY

General FAQs

NOVEMBER 2020

Q. What is Demand Management?

- A. Demand Management is a potential program that could be used to protect Colorado's water users by helping to avoid or mitigate the impacts of a mandatory Colorado River Compact administration scenario. If such a program is established, it could provide compensation for water users to voluntarily conserve water on a temporary basis.

Q. What is the Colorado River Compact?

- A. The 1922 Colorado River Compact requires the Upper Division States of Colorado, New Mexico, Utah, and Wyoming to not deplete the flow of the river below 75,000,000 acre-feet over ten years to the Lower Division States. The Upper Division States have never violated the compact, and the purpose of any Demand Management program would be to maintain compliance with the compact.

Q. What agency has the authority to consider the feasibility of Demand Management and implement a program within Colorado?

- A. The Colorado Water Conservation Board (CWCB) has authority to consider and implement a Demand Management program within Colorado. The CWCB was established for the purpose of aiding in the protection and development of the waters of the state, for the benefit of the present and future inhabitants of the state. There are several agencies that operate as political subdivisions, but the CWCB is an agency of the state and its functions are governmental functions for the welfare and benefit of the state and its inhabitants.

Q. Why is Colorado considering the feasibility of a Demand Management program at this time?

- A. In 2019, the seven Colorado River Basin States finalized the Drought Contingency Plan (DCP), a suite of agreements designed to provide more security to the Colorado River System. The [Demand Management Storage Agreement](#) was part of the DCP, through which the Upper Division States committed to considering the feasibility of a potential Demand Management program.

Q. Why might Colorado benefit from a Demand Management program?

- A. The purpose of such a program would be to protect Colorado water users from mandatory curtailment in the event of a compact administration scenario by conserving and storing water as an insurance policy of sorts, to help ensure continued compact compliance in the future. Additionally, a Demand Management program would offer a tool to share the burden across water use sectors, as opposed to potential disproportionate impacts to one sector or subbasin. A Demand Management Program may provide environmental, recreational, and other benefits as well.

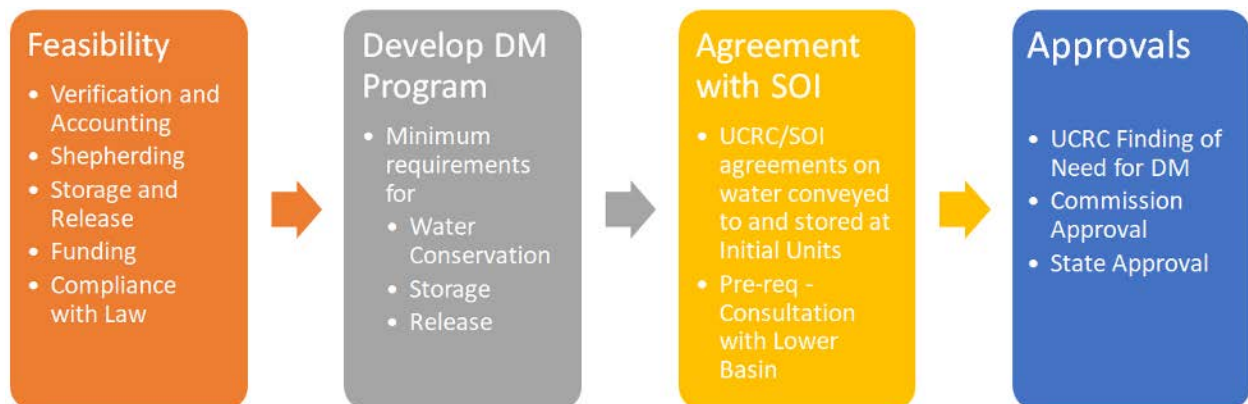
Q. How does Demand Management fit with other Colorado River issues?

A. Demand Management is only one potential tool in the toolkit when it comes to maintaining compact compliance and protecting Colorado’s water users. As part of its core mission of protecting Colorado’s water, the Colorado Water Conservation Board (CWCB) is dedicated to protecting the very people that rely on Colorado’s water (water users) for their livelihoods. It is therefore important to consider all potential mechanisms to increase water security as the CWCB considers the changing climate and uncertainty relating to future hydrologic conditions. Demand Management is one of those options that each of the Upper Basin States (Colorado, New Mexico, Utah, and Wyoming) agreed to investigate and are exploring to help face the future.

Q. Would all Upper Division States need to agree to move forward with a Demand Management program?

A. Yes. To move forward with a Demand Management program as contemplated in the Demand Management Storage Agreement (DMSA) within the [Drought Contingency Plan](#) (DCP), key elements of the program would need to be approved by all of the Upper Division States, the Upper Colorado River Commission (UCRC), and the Secretary of Interior (SOI) prior to its implementation. The Lower Division States would also need to be consulted. Below is a visual representation of the steps that must be taken before a potential program may be established.

Steps to developing a potential Demand Management Program



Q. How would a potential Demand Management program work?

A. Demand Management would be a temporary, voluntary, and compensated program that would allow Colorado River water users to opt-in and temporarily reduce their consumptive use of water in order to assist with water storage for future Colorado River Compact requirements.

Q. Is there currently a Demand Management program set up in Colorado?

A. At this time, there is no Demand Management program in Colorado. Rather, the feasibility investigation into a potential Demand Management program is underway. It is not a foregone conclusion that a Demand Management program will be established. There are many questions that would need to be answered and steps that would need to be taken before one could be set up.

Q. Is the purpose of a Demand Management program to protect Colorado water users, or to provide surplus water to the Lower Division States of Arizona, California, and Nevada?

A. The purpose of a potential Demand Management program is to protect water users in Colorado and the other Upper Division States by assisting in maintaining compact compliance for the Upper Division States. It is not to provide surplus water to the Lower Division States. A potential Demand Management program would help the Upper Division States continue to meet their legal obligations and mitigate, prevent, or delay mandatory cutbacks or compact administration in Colorado and the other Upper Division States. It would only be implemented if it is determined to be achievable and worthwhile for Colorado and the Upper Division States.

Q. Would any of the saved water become available for the growing Front Range population?

A. Pursuant to the Drought Contingency Plan and the Demand Management Storage Agreement, all of the water conserved through a Demand Management program could only be used to meet the Upper Division States' obligations of the 1922 Colorado River Compact, rather than providing for any other uses, including Front Range urban uses. [Learn more](#) about the Colorado River Compact and "Law of the River."

Q. Is there a target of water conservation that a Demand Management program would be required to meet?

A. The size of a Demand Management program would be determined by the number of water users who voluntarily decide they want to participate, subject to the cap of 500,000 acre-feet of storage among the Upper Division States, pursuant to the [Demand Management Storage Agreement](#).

Q. How can unintended consequences of a Demand Management program be avoided or mitigated?

A. If a program is established, many factors would need to be considered in its design to adequately protect Colorado's water users, communities, and the state as a whole. That is why the Colorado Water Conservation Board is committed to working with stakeholders and others across the state to ensure that if a Demand Management program is established, it takes into account potential adverse consequences and includes mechanisms to mitigate or eliminate them, and is sufficiently adaptable to respond to unintended consequences as they arise.

Q. How would Demand Management avoid adversely impacting the economies of communities in which water users participate?

A. The Colorado Water Conservation Board (CWCB) is analyzing potential economic impacts—both positive and negative—so that any negative impacts may be identified and mitigated or avoided if a program is established. Water users may choose to participate if they determine it is beneficial for them to do so. The CWCB is also dedicated to considering mitigation measures if there are secondary impacts to communities. Throughout the feasibility investigation, community leaders, stakeholders, and others will continue to have opportunities to help the CWCB consider potential program designs that could benefit communities and avoid adverse impacts.

Q. Are there any Demand Management pilot programs available?

A. At this time, there are no specific Demand Management pilot programs. There are, however, many conservation-based grant programs available through the Colorado Water Conservation Board, including [Water Supply Reserve Funds](#) and [Alternative Transfer Methods](#). These programs are not directly related to Demand Management but could help to inform the Demand Management feasibility investigation.

Q. Should a Demand Management program be established, how could it ensure all sectors reliant on Colorado River water be given equal opportunity to participate?

A. Equity is one of the most important factors in determining the feasibility of such a program. There is broad recognition that equity may be defined in different ways, including not only equitable opportunity to participate but also equity in terms of avoiding adverse impacts to a particular sector or area of the state. That's why the Colorado Water Conservation Board remains dedicated to fully understanding what equity looks like across the state, and also remains committed to ensuring it is a key consideration in the feasibility investigation, and in a potential program.

Q. What is the next step in determining if Colorado should set up a Demand Management program?

A. On November 18, 2020, the Colorado Water Conservation Board (CWCB) adopted the [Demand Management Feasibility Investigation Step II Work Plan](#). The goal throughout this Work Plan will be to build on work completed pursuant to the 2019 Work Plan and analyze outstanding questions relating to the feasibility of a Demand Management program. The CWCB remains dedicated to allocating the necessary resources to determine the feasibility of implementing a Demand Management program.



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

Colorado Water Conservation Board's mission is to conserve, develop, protect and manage Colorado's water for present and future generations.