Waterwise
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21st February 2022

Deadline 28th February. Responses to contact@wre.org.uk

Dear Sir/Madam

Consultation - Water Resources East Emerging Plan

Many thanks for the opportunity to comment on the emerging plan. We have focussed our response on the demand management elements of the plan. We have also taken into account in our response the Waterwise briefing issued to the five regional groups in December 2020 that set out our thoughts on what we would expect to see in the emerging plans as well as a similar document issued by Blueprint for Water in 2021.

Question 1:
Have we gained a clear initial view of the problem of future water deficits across all sectors and the environment?

- We are very impressed by the approach of WRE to engage with a range of **non-PWS sectors** to try to better understand their current and future needs and to engage with them on potential solutions. This is a major step forward in water resource planning and WRE has led the way.

- We believe the plan **must look further than the 25 year horizon** set out in the current document. The National Framework guidance indicates the plans should look at least 50 years ahead and given the size of the deficits in the WRE region we believe this is essential for the WRE plan both in terms of future needs and potential solutions. As part of this the regional simulator needs to be extended out to look beyond 2050.

- It is evident that there is a lot of **uncertainty** in most of the predictions of future needs, for example for future housing or energy, and this is an area that definitely needs ongoing attention. In light of these uncertainties the approach of looking at scenarios and of developing **an adaptive plan** makes a lot of sense, providing the uncertainties are explored further and kept under review. In terms of demand management and demand reduction uncertainties reference could be made of the role of the **Senior Water Demand Reduction Group** linked to the National Framework which was setup to provide this oversight.

- As the plan highlights there is a need to improve the understanding of future **non-household PWS needs** and the opportunities for demand reduction. This area was weak in WRMP19 and has been challenging since retail market separation. However, it is an area where significant savings can be made. Evidence from Thames Water's smart meters indicates as much as 26% of the supply to NHH sites is continuous flow and may be leaking and their Smarter Business Visits have yielded significant savings from NHH sites. We would therefore like to see the WRE plan more clearly set out those NHH PWS sectors with high water use in the region mapping where they intersect with areas of current or future water scarcity. The plan should also include a commitment to collaborate with water retailers, NHH users, their "trade" bodies and Waterwise to help encourage and support them in reducing demand and improving resilience

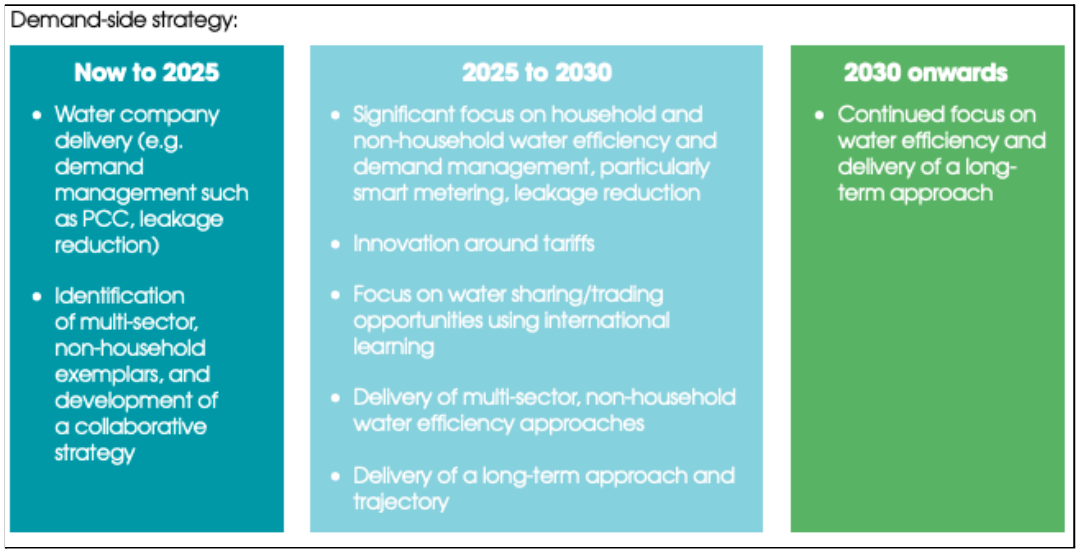
- In terms of **the needs of the environment** we are pleased that WRE has modelled the Enhance and BAU+ environmental destination scenarios. We believe that this first regional plan should be ambitious in terms of what it sets out to achieve for the environment, especially as the difference between BAU+ and Enhance appears to be relatively small. We want to see Environmental needs embedded in the forecast of future needs before considering making more water available to other sectors. Subsequent trade-offs to reduce environmental ambition (such as shifting to BAU) should not be considered without "trade-offs" or enhanced commitments being made by other sectors to reduce their future needs (see below).

- In the current version of the plan it is very difficult to understand, in layman's language, what has gone into the **demand scenarios** included in Section 5.1 and Appendix B and why. Figure 5.1, 5.2 and Table B1 are very confusing and difficult to understand, especially as they don't refer or relate to achieving the 110 lppd planning assumption from the National Framework. Given the critical importance of demand management in addressing the deficit in the plan and the uncertainties associated with it we believe that a much more thorough, clearer explanation is needed of the rationale for the demand scenarios and their content as well as an explanation of which scenario has been taken forward in the core plan and why.

Question 2:
Are we taking the right approach to identify potential solutions to mitigate the Challenge?

- Currently there is **no demand reduction plan** set out in the emerging WRE plan for any of the key sectors (including PWS HH or NHH) beyond the very general comments in the schematic below. This is a **major omission** given the reliance on demand management to deliver such a large proportion of the deficit. We would have expected to see far more detail on the actions that are needed / will be taken across each major water using sector, when and how much they can potentially contribute. The WRSE emerging plan (including Annex 2- The Solution) or the

WCWR Plan could be referred to as examples of the information that could be included.



- Where demand reductions rely or would be enhanced by **government policy** interventions such as a National Demand Reduction Target; a mandatory water efficiency label or tighter building standards then we expect these to also be set out, including an assessment of their significance to realising the plan (i.e. what can be achieved with and without those policies). Policy opportunities are briefly mentioned on p40 and in Appendix B however it is incorrect to refer in both sections to “water efficiency labelling for white goods” as the mandatory scheme being progressed includes taps and showers. It is also incorrect to imply on p40 that the 110 lppd National Framework planning assumption included the effect of such government policy interventions, it did not. The minutes of the National Framework Senior Steering Group confirm this including an agreement that ambition could be greater than 110 lppd with supportive policy in place. That said, we fully agree with the statement that efforts to reduce demand need to be collaborative with supportive government policy put in place.

- We believe the plan could take a clearer position on **smart meter roll-out.** There is a growing body of evidence of the benefit they can deliver both in terms of leakage management and engaging with HH and NHH customers on consumption reduction. We would like to see a commitment that no new “dumb” meters will be installed and a timeline to roll out new smart meters and/or convert existing meters to smart meters for both HH and NHH customers across the whole WRE region. New research by Frontier Economics and Artesia has shown that this is cost beneficial for all the companies in the WRE region.

- A significant portion of the potential deficit in the WRE plan is driven by future decisions on the **type and location of energy supply and large scale future housing development.** Whilst we recognise the ultimate decisions on whether to locate these water hungry new developments in a region with a significant water deficit are not in the direct gift of the organisations developing the WRE plan we do believe the plan needs to take a much less passive, clearer position on them. For example; it could promote a position where such large scale water hungry developments, in a region with such a large water deficit, should be **water demand neutral….**in much the same way as regulators require new developments in flood prone areas to be flood neutral. For example:
    - With the OxCam Arc development WRE could join others such as Blueprint for Water and Waterwise in calling for the new development to be made water neutral so that its additional water demand footprint is minimised and any residual demand is offset through savings locally. Recent work Waterwise has seen for the OxCam Arc has shown that such an approach is technically and economically feasible.
    - For new water hungry energy facilities, and decisions on where to site them, WRE should be advocating for freshwater availability to be a material consideration. If such developments proceed and significant additional demand is located in a region with a serious water supply deficit then the new energy development should be required to both minimise its freshwater demand and also to offset any residual footprint by funding demand reductions elsewhere in the region.

- It is important that the **carbon emissions** implications of the various solutions (including demand management options) are set out in the next iteration of the plan and it is clear how they have been taken into account in the selection of preferred options.

Question 3:
Does our emerging adaptive plan, including the immediate low-regret options such as reservoirs, look like it will help address the problem?

- Potentially yes although, as highlighted above, the **lack of any detail** on the demand management plans for any of the water using sectors, including PWS, is a major omission given the reliance on demand management to address the deficit.

Question 4:
Are the technical methodologies, processes and decision support tools which we have used robust and appropriate for the task?

- We are aware of the detailed technical work that underpins the emerging WRE plan and also of the challenge of presenting it in a readable and digestible manner.

- Section 5.1 of the plan talks of a **98% increase in "demand"**. We think this needs rephrasing as most of this is not additional demand as people would understand it (i.e. demand for use by people and businesses). It is related to changes in water availability due to climate change, a new drought resilience standard and the need to protect and enhance the environment. It would be useful to separate out what these underlying changes are from those caused by population growth and increased business demand for water.

- We expected to see the **starting and target PWS leakage and PCC figures** included in the plan both for the WRE region as a whole and for the component water companies. We appreciate the point that the starting position on leakage and PCC varies by company but we need to be able to see this variation and we need a clearer explanation of exactly why it is not possible to achieve similar levels of performance by 2050 despite the companies collaborating.

Question 5:
Has our emerging regional plan been co created in a fair, open and transparent process involving the right stakeholders and organisations?

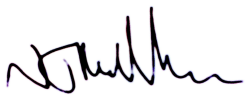
- Yes, by and large we believe so.
- We have highlighted several times that we wanted to see more engagement with the water retailers serving NHH customers and this still holds.
- Overall, we have very much valued the opportunities afforded to us to engage in the plan development process and appreciate the efforts of the team to engage with a wide range of sectors and organisations. It has been a transformational change in water resource planning!

Question 6:
Are there any areas which you feel WRE should be considering which are not currently reflected in our plan? What have we missed?

- As highlighted above there is a lack of information in the emerging plan on how PWS and non-PWS demand management reductions will be achieved and some of the information included (Figure 5.2, Figure 5.2 and Table B1) is currently very difficult to understand.
- We would like to see more evidence from other, non-PWS sectors who are forecasting a need for significantly more water as to what they plan to do to use current and future water efficiently.

If you have any questions on our response please do get in touch.

Regards



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Who is Waterwise

Waterwise was founded in 2005 and is the leading authority on water efficiency in the UK. We are an independent, not-for-profit organisation, receiving funding from supporters across and beyond the water sector and wider sponsorship and research projects. We like to be at the front, leading and supporting innovative efforts to realise our mission; that water will be used wisely, every day, everywhere.