Waterwise
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Deadline 28th February. Responses to waterresourceswest@outlook.com

Dear Sir/Madam

Consultation - Water Resources West 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.

We would like to start by thanking the WRW team for clearly reviewing both our early thoughts and those of Blueprint for Water and referring to these and preparing a table in Appendix A for review. This was incredibly helpful and appreciated by the teams reviewing the plan.

Assessment of Future Needs

- We are pleased to see WRW engaging with a range of **non-PWS abstractors** to develop the plan including from the navigation and power 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. We would encourage that Table 4 (page 45-46) includes recommendations that energy should include activities to link energy and water efficiency to the benefit of both sectors. The WRAP 2030 Water Roadmap for the food and drink sector is a good example that could be referenced in the plan along with the NFU's integrated water management report and its regional reports and the 2025 water commitments of the Horticultural Trade Association.

- There is a need to improve the understanding of future **non-household PWS needs** and the opportunities for NHH demand reduction in the plan. 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 WRW plan more clearly set out

those NHH PWS sectors with high water use mapping where they intersect with areas of current or future water scarcity. The plan should 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. We would recommend that Table 7 (page 55) includes a more detailed target for NHH reduction - adopting a planning assumption that is only 'reducing NHH demand' does not feel specific enough compared to household plans.

- It is evident that there is a lot of **uncertainty** in most of the predictions of future needs and this is an area that definitely needs ongoing attention as highlighted in the report. 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 kept under review.

- In terms of **the needs of the environment** we are pleased that the companies in WRW are using the enhanced scenario to inform their adaptive plans (page 61). Any trade-offs that reduce environmental ambition should not be considered without "trade-offs" or enhanced commitments being made by other sectors to reduce their future needs (see below).

Proposed Solutions

- We fully support the plan in its ambition to deliver **PWS demand reduction** and we are pleased to see a significant increase in investment to do this. This will help deliver the savings that are needed but also help reduce the **uncertainty** in the deliverability of long term demand reductions and leakage reduction. Reference could be made of the role of the **Senior Water Demand Reduction Group** linked to the National Framework which was setup to provide oversight on progress with demand reduction. We would like to see a **breakdown of the 300 Mld** related to demand management (and the associated budget) with reference to the % contribution shown in Table 11 p79. It will make it clearer what relates to leakage management and what to water efficiency or other demand reduction activities. Also we note this table is for England only - although maybe there are no resource options planned we would consider demand management still important for Wales and encourage dialogue with the Wales Water Efficiency Group.

- With this in mind there is some confusion in the document to the **demand reduction ambitions and actions**. There is not a clear demand reduction plan in this document that sets out how WRW will reduce demand, what you will do and when. You appear to have adopted and embedded the national framework 50% and 110l planning assumptions but haven't set out a plan for how it is going to be achieved in the region. We would recommend WRSE as an example of what we would like to see. Also within Appendix A you state you are working towards a trajectory of 100l by 2050 rather than 110l - but this is not then referred to in the main document? Please

clarify as we would welcome the ambition of going further than 110l which we see as the minimum to aim for.

- 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. Water resource planning guidance requires consideration of smart meter roll-out scenario. 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 HH and NHH customers across the whole WRW region. New research by Frontier Economics and Artesia has shown that this is cost beneficial for all the companies in the WRW region.

- We are pleased to see the WRW plan clearly setting out where **government policy** is needed to help deliver the deep demand reductions needed. We fully support the calls for a mandatory water label and for more ambitious building standards.

- We note the proposed retention of **TUBs and NEUBs.** Both are potentially useful tools to reduce discretionary water use during dry weather periods and may also be relevant during peak demand events. However, it will be important that there is a strong communication plan in place for such measures, to include water retail companies, and that data is collected and their impact evaluated.

- Ongoing work is needed as the plan develops to include the future needs of **non-PWS abstractors** such as navigation, power and food and drink and we would like to see a section added to the plan highlighting the **commitment and plans** of these other sectors to manage their future demand carefully (i.e. to use water efficiently and to minimise wastage).

- A significant portion of the potential deficit is driven by future decisions on the **type and location of energy supply and large scale future housing development.** While we recognise the ultimate decisions on whether to locate these water hungry new developments in a region are not in the direct gift of the organisations developing the WRW plan we do believe the plan needs to promote a position where such large scale water hungry developments, in the area of the WRW region classed as seriously water stressed 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:
    - For new water hungry energy facilities, and decisions on where to site them, WRW 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.

- We would like to see the plan provide commentary on the potential **carbon saving benefits** for wider society achieved through reducing water demand.

Alongside the above feedback we have reviewed the consultation questions posed specifically on demand management and so we have outlined our responses to these below.

If you have any questions on our response please do get in touch and we wish you all the best with developing your draft plans.

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.

WRW demand management consultation questions

1. *Do you support a plan that relies on an average of 20% reduction in personal water consumption, and corresponding reductions in peak and non-household consumption?*

We feel this question may be misleading for those who do not have the knowledge of the context of water demand increases over recent years. Demand for water has nearly doubled in a generation. It is also worded to imply that to achieve this would mean people's enjoyment of water would be curtailed. We strongly support the emerging plan putting water demand management (including leakage reduction) as such a key response.

There is a lot that can be achieved to reduce water consumption both for household and non-household which has minimal impact on people's ability to use water for the activities they need. We look forward to seeing more detail behind the activities planned to make

these reductions and will support WRW with any advice on best practice and opportunities that exist to use water wisely.

2. *Would you support government measures to help reduce water consumption, e.g. water labelling and building standards, alongside measures that the water companies can take?*

We strongly support this and work closely with governments and the industry to ensure the opportunities for water labelling and stricter building standards are realised. We will continue to work with all stakeholders as these are developed.

3. *Would you support a plan with increased metering to help customers reduce their consumption with more and better information, and charges based on the amount used?*

We strongly support increased metering. We would encourage WRW to use smart metering and research recently published by Artesia and Frontier Economics shows that even if metered charging itself is not implemented the cost/benefits of metering are enough to encourage the adoption of smart metering.

It is important to add that metering not only helps customers reduce their consumption due to more and better information - but also helps provide a big role identifying customer-side leakage that often goes unnoticed.

4. *Do you consider an increase in customers' bills acceptable to solve deficits by reducing demand?*

We find this question strangely worded and again could be misleading for those who do not understand the context and alternatives. The costs of reducing demand need to be compared with the costs of new resources and the costs of doing nothing to make this question meaningful. Also the premise of the question does not take into account the fact that reducing demand can reduce water and energy bills, both directly in the home but also indirectly as less water needs to be treated and pumped.

We would also add that if we did not reduce demand the expected bill increases not just for customers today, but future generations too, would be significant.