

Dawn Instone
Defra, Water Supply and Regulation Division Area 2C
Ergon House
Horseferry Road
London SW1P 2AL

1 August 2008

Dear Dawn

Waterwise response to draft Water Resource Management Plan consultation of Anglian Water

This letter summarises our initial views of the dWRMP for Anglian Water whose consultations close on 4th August. We also include some general comments, more of which we included in our letters to you of July 25 and 29.

It should be noted that our response to Anglian Water is more detailed than previous responses. This is due to our having more time available to review the plans and respond completely, and is a reflection of our resources as a small organisation rather than a more specific focus on Anglian Water in general.

General Comments

We strongly feel that standards and a consistent methodology should be set for and across the water industry. It is often difficult to make comparisons between Companies because their methodologies vary and/or their Plans are presented differently. This makes it especially hard, for example, to figure out why PCC varies so much now and in projections for similar Companies, such as between South East Water and Sutton and East Surrey Water.

Anglian Water Draft Water Resource Management Plan

Demand management

In addressing demand management, we welcome the top line assumption of 129 l//h/d by 2030 and recognize this as commitment to DEFRA's future water targets.

Waterwise acknowledges the good work Anglian Water has done in public information campaigns, its provision of audits to non-household customers, and its "watertight" program for supply pipe leakage. We also recognize the positive working relationships that Anglia have built with the Peterborough Environment City Trust and look forwards to working with them through our Waterwise East office.

Concerning resource planning in the future, we would encourage a more detailed outline for efficiency measures in the final resource plan. Whilst net savings for water efficiency measures have been outlined in section 6, page 109, there is a limited description of how these savings will be achieved within each resource zone. The report alternately states for each WRZ that the WRMP is based upon “maintaining demand management through leakage control, household metering and the promotion of water efficiency” or that the analysis of resource options assumed “generic demand management options for targeted customer metering and water efficiency schemes as well as the use of further targeted leakage control”, however there is rarely any detail on proposed demand management programs, such as their nature, timing, and location.

Section 40, page 27, refers to chapter 3 for details of planned demand management programs. We were unable to find details of the proposed demand management programs, the closest being a description of a “typical LCF outcome for a RZ” in sections 45-48, pages 43-45. Figure 3.5 seems to indicate a generic supply demand balance for a RZ, but it is difficult to discern the operations involved as there is no indication of units or numeric values on the scales involved. It is also noted that it appears that demand management ends simultaneously with further resource development, suggesting that demand management has been used to postpone resource development and then disregarded, this we feel is not in the spirit of the “twin track” approach. Waterwise would therefore welcome a more detailed picture of the role of demand management in each water resource zone, and how this impacts the need for further resource development.

A clearer picture of the expected impacts of demand management would need to be underpinned by prior research into the nature of domestic demand and its response to efficiency measures. Should this not be currently available, we would suggest that completing such research would not only help to inform further efficiency programs, but would also reduce the uncertainty in demand cited as a reason for raising head room values by approximately 10% for each resource zone. The uncertainty in demand management programs should also not serve as justification for their being over-looked, it appears that whilst the uncertainty in demand management has been highlighted as a reason for its limited implementation, the uncertainty concerning future extraction licenses has been over-looked in favor of further resource development (see below comments on environmental integrity).

Environmental Integrity

Waterwise recognizes that Anglian water operates in one of the driest regions of the UK, and yet simultaneously holds over 700 sites of special scientific interest (SSSI) as well as numerous Special Areas of Conservation (SAC) and Special Protection Areas (SPA). As demand is projected to increase in the majority of Anglian Water resource zones, the water available to maintain or improve environmental integrity as well as secure public supply will become increasingly limited. Anglian water has therefore more incentive than many other water companies to follow a twin track approach to water resource management, and we welcome an acknowledgement of such within its strategy.

It is unfortunate that the timing of the Environment Agency's requirements for sustainability reductions has not complimented the timing of water company resource planning, however this should not be considered a reason for potential reduction to be over looked. In almost every resource zone, it has been acknowledged that concern has been raised over the impacts of water extraction on the environment, yet in many cases the lack of clear requirements from the Environment Agency has been sighted as a reason to contribute with business as usual. For instance:

Section 25, page 23

"In the absence of specific advice from the Environment Agency we assume that all licenses will be renewed until any sustainability reduction can be imposed without jeopardizing our ability to maintain secure water supplies. We have followed the WRP guidance and not made any allowance in target headroom for the non-renewal of time limited licenses"

Having said this, we welcome the decisions to apply a precautionary approach to extractions in WRZ6 - North Norfolk Coast (section 90, page 75) and would encourage the precautionary approach throughout. We also welcome the decision to maximize demand management in the same zone, avoiding the need for desalination (section 105, page 79). We have also noticed that in some cases the plan refers to surface water abstraction from downstream sections of rivers prior to discharge to sea, to then be "recycled". As part of the Blueprint for Water group, Waterwise would strongly recommend assessing these plans for potential environmental damage to the estuaries that these rivers feed. In particular, extractions from the River Yare which feeds the Breydon Water Estuary, and the River Chelmer which feeds the Blackwater Estuary (Section 133, page 86 and section 172, page 96 respectively). Both of these estuaries are designated Special Protection Areas under the EU directive for Conservation of Wild Birds and merit special care before the volume and chemical balance of their waters are altered by reduced river flow.

Climate change

As Anglian water has recognized climate change as the biggest risk facing its company in the next 25 years (section 7, page 16), we would recommend it considers the mitigative and adaptive advantages of water efficiency. In terms of mitigation, the carbon equivalent emissions due to water use in the home represent some 89% of the total emissions originating from the UK water system (including water company operations)¹. Promoting domestic water efficiency, particularly in hot water use, presents a huge opportunity for water companies to reduce their carbon footprint and therefore contribute to mitigation. In the case of Anglian Water, the projected increase in carbon emissions through to 2036 (section 60, page 32) is disappointing from a mitigative perspective, and so any improvement would be welcomed. In terms of adaptation, a reduction in per capita consumption will reduce customer vulnerability to periods of drought, and a targeting of outdoor use will also reduce the risk of depletion of service reservoirs due to peak demand.

Building regulations

¹ Environment Agency, *The greenhouse gas implication of future water resources options (2008)*, available at <http://publications.environment-agency.gov.uk/epages/eapublications.storefront/4892ecd7005cbb6c273fc0a8029606e3/Product/View/GEH00508BOBS&2DE&2DE#>

Waterwise welcomes Anglian Water's intentions to influence future building and water supply regulation to promote efficient water use.

Meter expansion

Waterwise welcomes the proposed program of meter expansion to 90% by 2035. We feel that when combined with a suitable tariff system and mechanism to ensure affordability, charges on a volumetric basis are the most effective means of using economic incentives for efficient use whilst charging customers equitably. In regards to affordability, we advise caution in considering the method of meter expansion. In the case of optant and new build expansion only, those likely to opt for metering will be those who on average save in utility bills, as the ratio of optants and flat rate customers alters, there is a risk that those on flat rates will bear the burden of losses in revenue due to the reduced utility bills of optants. Similarly, in the case of compulsory metering, vulnerable customers may experience a sudden rise in utility bills which they may not be able to pay. Both cases may result in a rise of water poverty for customers and a rise in bad debt for water companies. We would therefore urge Anglian water to be more pro-active on this issue and not rely too heavily on the rate of economic growth, as this will be unevenly distributed across vulnerable customers and will not be sufficient to address the current general rise in utility bills. Nor do we feel that Government assistance to vulnerable customers is a sufficient mechanism to ensure affordability, as no national program for affordability currently exists (section 8, pages 16 and 17).

We will be sending further letters with more general and specific comments as the consultation deadlines approach. For more information or clarification, please contact me on 0207 344 1841.

Yours sincerely



Jacob Tompkins
Director

<END>