

Opportunities and challenges for the next price control period

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Nicci Russell
Managing Director, Waterwise

Why is water efficiency important?

More people, less water

Drought – all of UK

Dry winters – springs – summers (see 2018; now) – all of UK

Rivers are drying up – need to *improve* environment

1 in 4 chance over next 30 years of extended cut-offs for large no of households & businesses (NIC)

Investment cost of resilience £21bn - half the £40bn economic cost of an extreme drought (NIC)

Others are doing better – Spain/Denmark/Germany

Climate breakdown - mitigation and adaptation

The right thing to do – legitimacy, trust etc

Bills – water and energy

Customers want to see more ambitious water efficiency and want help to do it themselves

And because JAWS OF DEATH



Waterwise Conference 19th March 2019, Channel 4 News, Radio 4 Today programme, News 24, Radio 2 Jeremy Vine, The Guardian, The Times, the New York Times, etc

Reflections on (wholesale) industry ambition

More ambition than ever before, but we'd like to see even more

Long term

A few exceptions aiming for 100 or lower by 2045, but more ambition needed across the sector. **Most are still planning for 115 or more by 2045!**

Percentage reduction to 2045 varies from 4.3% to 27%.

Short term

Business plan ambition for England and Wales ranges from 120 to 151 PCC, and percentage reduction between 1 and 11% - most bunching around 3 and 6%.

We'd suggested Ofwat challenge at a 10% reduction in the IAP... and NB UU lower quartile on PCC by end of period...

It's not just about the wholesale industry

To help deliver ambitious PCC reductions, we also need

- Mandatory water efficiency label
- Product and building standards (#LeakyLoos)
- Water neutrality
- Water-efficient procurement
- Metering
- Customer engagement beyond companies
- Seat at the table - economic, housing, energy, health policy; PCC target as a filter



And what about the retail market?



Just 0.2% of switchers reporting water efficiency and leak reduction services as a benefit of switching

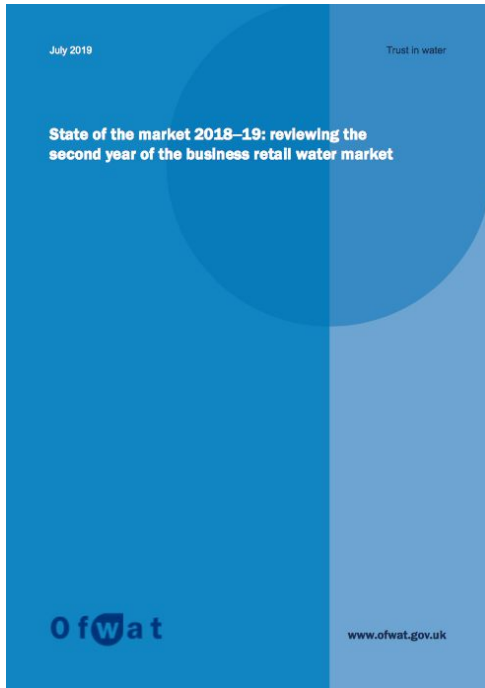
80% of active customers said that water efficiency, leakage control and enhanced metering services were important when comparing providers, rising to 88% among large customers, who are likely to be large water consumers.

Customer experience Y1

Nobody's approached me with anything like that now. I can see on various websites that they'd offered to do this and do that. But they're all charging for it. I can't see anything innovative that it had brought to the table just yet. At least not in my mind. (LARGE ORGANISATION)

We are targeted for water reduction as a part of our corporate statement and therefore I need to be able to have true visibility of exactly what water is being used for what and where the waste water is coming in and obviously there are waste water charges associated with it and we want to be able to actually ensure we reduce that charge as low as possible. (LARGE ORGANISATION)

Customer experience Y2



Market has potential to deliver significant water savings and contribute to reduced pressures on infrastructure, abstraction and the environment

Retailers are increasingly offering water efficiency services - but less clear how proactively to smaller customers

Offer and take up of water efficiency measures slow to develop - 0.3% of switchers/4% of renegotiated

Barriers to further water efficiency at all levels of the market including eg reliance on accurate and frequent measurement...

Customers primarily motivated to switch by financial savings

Some good wholesaler schemes

Remains untapped potential, offer/take up

A blue graphic with a green circle at the top and a purple circle on the right. The text reads: "Water Efficiency" in bold, followed by "At Business Stream, we are passionate about water efficiency and its benefits, that's why we have committed to helping our customers save 20% on their water usage."/>

Water Efficiency

At Business Stream, we are passionate about water efficiency and its benefits, that's why we have committed to helping our customers save 20% on their water usage.

We also need a water-saving culture

Australia and California – sustained engagement drives sustained reductions

National, regional, independent/third party engagement

Do we think that 2018 freeze-thaw and heatwave messaging (and 2012 drought messaging) would have landed better with context and tips at a UK level, via an independent UK website/source...?





#WaterSavingWeek



April 29th - May 3rd

Meat Free Monday

Toilet Tuesday

Wash Wednesday

Tap Thursday

Freshwater Friday



137 000 people reached
with our posts alone

5 000 visits to WSW
pages on website

Final challenge –
companies are halving leakage,
why not PCC...?

Thank you

nicci.russell@waterwise.org.uk
@nicci_vasey
@waterwise

