

# Water Resources Management Plan

## Consultation: Resource sharing

### Introduction

In line with the guidance for preparing Water Resource Management Plans (WRMP) we are seeking the views of our stakeholders on water resource sharing (including bulk supplies, transfers of water, shared assets and water trading). There are three options we can consider:

1. Supply options within our region
2. Supply options from outside our region
3. Other opportunities

Appendix 1 sets out the high level timeline for producing and consulting on our WRMP.

### Options for consideration

#### 1. Supply options from within our region

For each of our water resource zones we have identified a wide range of potential water supply and demand management investment options that would allow us to maintain long term supplies in an environmentally sustainable way. The full, unconstrained list of investment options available to us and the process we will go through to derive the feasible and preferred list of options will be explained in the draft WRMP.

#### 2. Supply options from outside our region

As well as considering new water supply options within our region, we are also exploring the potential for new water transfers to and from outside of our region, as well as new water resource development opportunities with third parties.

We have adopted a three stage approach to exploring water transfers with neighbouring water companies.

1. Stage 1: Establishing the potential need and opportunities for transfers based on the quantity of water involved, timescales when needed and water resource zones involved.
2. Stage 2: If Stage 1 confirms that the need and opportunities exist, then we will carry out more detailed design and costing appraisals of the potential routes and assets involved in facilitating the transfer.
3. Stage 3: Agree the commercial and pricing arrangements between the trading parties.

These discussions cover both the potential for transferring water into our region as well as options to transfer water out of our region to help meet neighbouring companies' future supply / demand needs. Our main activities and timescales for this are set out in Appendix 2.

#### 3. Exploring other Opportunities

We would be pleased to receive your views on any other potential water trading or water resources development opportunities that we might consider as we update our WRMP.

In particular if you own abstraction licences or assets that you believe could help us to resolve the long term water supply needs illustrated in Appendix 3 then we would like to hear from you.

Consistent with our three stage approach to understanding water trading options, we first need to understand the outline concept of any potential options to take water from you. To inform our early thinking, as a minimum we will need to understand:

- the size of any potential abstraction licence or water supply you could make available,
- the water resource zone to which it would be supplied, and
- the number of years that it would likely be available to us as a reliable supply.

If these options progress to stage two, we will need to understand them in more detail. If you have resource trading or sharing options that you will ultimately wish us to consider in our WRMP, at stage 2 we will need you to provide an outline description of that option, giving sufficient detail to allow us to assess how we might utilise the volume of available water and whether the option is feasible.

For example, we will need to understand the quality of water available, the location and size of assets involved and the environmental impacts of developing the option. Appendix 4 shows the criteria we are using to screen out potential options that we do not consider to be feasible.

**Please send your comments by Friday 30 November to:**

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**Or by email to: [future.consultation@severntrent.co.uk](mailto:future.consultation@severntrent.co.uk)**

## Appendix 1: Water Resources Management Plan timetable

Every five years we are required to produce a Water Resources Management Plan. The plan sets out how we intend to provide supplies of water to our customers over the next 25 years and beyond. It consists of several elements, including:

- A 25 year demand forecast describing how much water customers will need in the future, considering factors such as climate change and population;
- A 25 year supply forecast describing how much water is available for use now and how this may change in the future, considering the impacts of climate change and potential reductions in the volume of water we are allowed to take from rivers and groundwater.
- An assessment of the options to manage demand including leakage reduction and to provide new water supplies where necessary.

We are currently developing our plan to cover the period 2015 – 2040 and will finalise it in 2014. Between now and then we will take the plan through a number of stages to ensure that is robust and meets our stakeholders' needs.

### **Phase 1 – Shaping the Plan (currently – March 2013)**

During the development of the draft plan we will engage with stakeholders to understand the views and priorities of customers and other stakeholders.

### **Phase 2 – Balancing the Plan (April 2013 – September 2013)**

Publication of draft plan and stakeholder consultation

### **Phase 3 – Assessment and Challenge (September 2013 – December 2013)**

We will publish a statement of response, which will set out how we have considered the representations received during the consultation phase and any changes we have made to the draft plan.

### **Phase 4 – Final decision (2014)**

Following review of our plan and the statement of response, the Secretary of State will announce a decision on the next steps of our plan. If our plan is considered to be good quality we will be directed to publish our final water resources management plan.

**Appendix 2 - Water trading with neighbouring companies, Stage 1 and 2 high level activities and timescales.**

<b>Stage</b>	<b>Stakeholders</b>	<b>Date Completed</b>	<b>Comments</b>
Stage 1	Anglian Water Bristol Water South Staffordshire Water Thames Water United Utilities Welsh Water Yorkshire Water	End of September 2012	Stage 1 discussions completed with all other water companies that share a water resource zone border. All parties agreed to progress to Stage 2.
Stage 2	Anglian Water Bristol Water South Staffordshire Water Thames Water United Utilities Welsh Water Yorkshire Water	End of December 2012	Discussions to scope out in more detail the feasibility, engineering requirements and costs of these potential transfers.

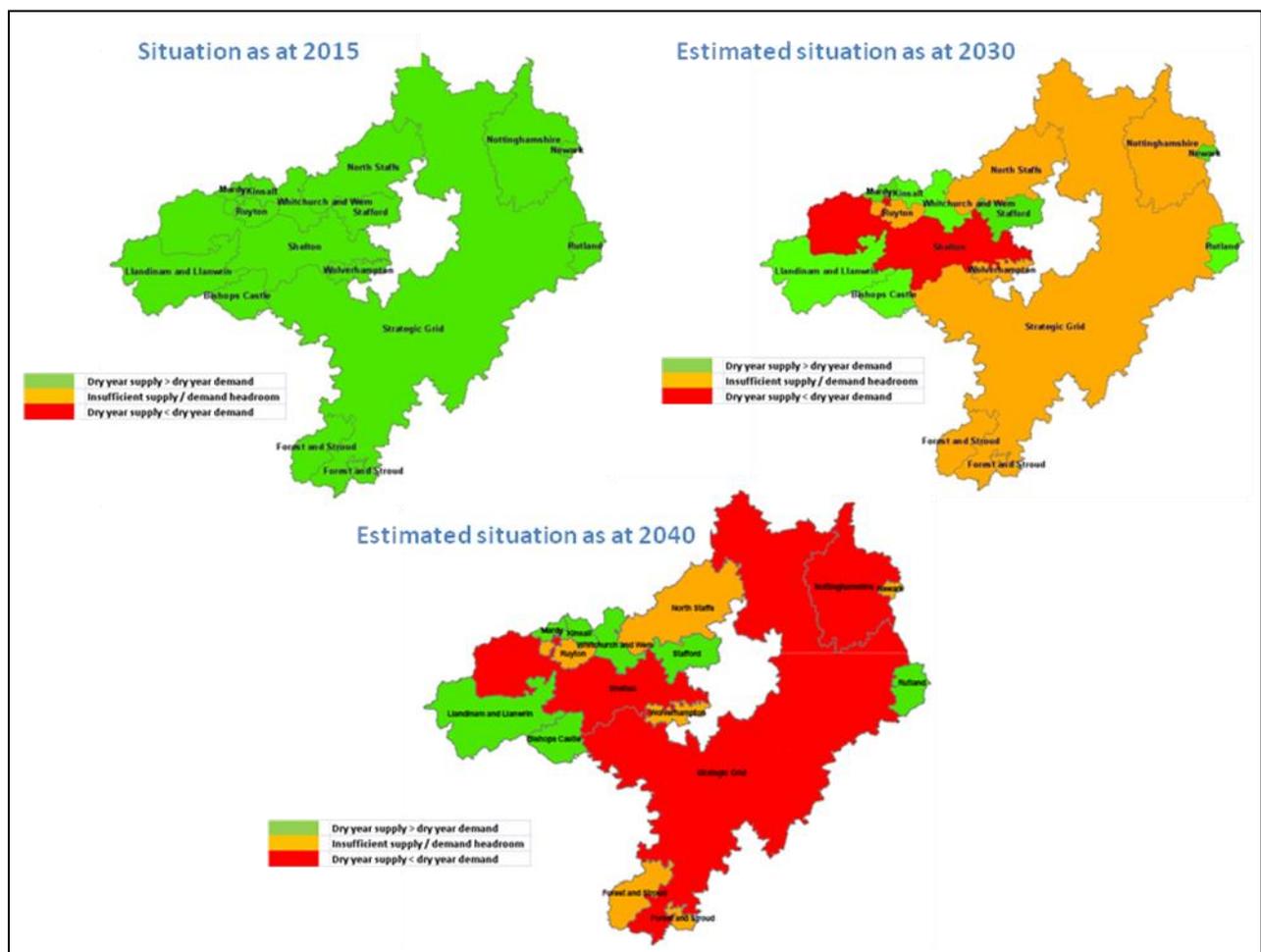
### Appendix 3 – Emerging supply and demand needs.

In order to consult with our stakeholders we have set out our emerging supply and demand needs, this is summarised in Figure 1 below.

It is our expectation that the sustainability changes being made by the Environment Agency to our abstraction licences, along with the impacts of climate change will mean future new water supply assets and demand management measures will be needed.

We are still in the process of finalising our assessment of future water resource availability and the demand for water in each of our water resource zones. However, Figure 1 illustrates our latest estimate of those water resource zones that are likely to require future investment in order to prevent risks to customers' security of supply. The figure shows that while we currently have sufficient water resources to meet expected customer demand, without future investment our supply capability will become unsustainable.

Figure 1: Current estimate of our future water supply / demand needs



## Appendix 4: Water Resources Options – Unconstrained Screening Criteria Assessment

Ref	Screening criteria	Y / N	Overall Y / N	Commentary - reasons behind decision reached
1	<b>Does the option address the problem?</b>		Y	
	Will the option have a moderate to high likelihood of providing the stated supply-demand benefit to a Water Resources Zone or area where there is a potential future shortfall?	Y		[Text]
	Will the option have a high likelihood of being able to mitigate against future D.O. loss due to climate change impacts or licence changes to existing sources?	Y		[Text]
2	<b>Does the option avoid breaching any unalterable constraints?</b>		Y	
	Is the option likely to be acceptable in terms of planning and statutory environmental constraints local to the scheme (e.g. internationally or nationally designated sites), subject to any reasonable mitigation measures?	Y		[Text]
	Does the scheme avoid causing CAMS units to become over-abstracted (and/or avoid WFD status deterioration, where known)?	Y		[Text]
3D	<b>Is the option promotable / does it meet regulatory and stakeholder expectations?</b>		Y	
	Is the scheme likely to be acceptable to customers fed off this supply?	Y		[Text]
	Does the scheme avoid conflicts with other parts of STWL's business plan strategy, e.g. supply resilience, quality and capital maintenance?	Y		[Text]
	Is the scheme likely to be acceptable to local (non-statutory) stakeholder groups, subject to reasonable mitigation?	Y		[Text]
	Does the scheme avoid major carbon impacts, e.g. operational carbon effects and asset construction/replacement costs?	Y		[Text]
	Does the option avoid customer discrimination or social equity issues?	Y		[Text]
	Does the option clearly represent one of the more favourable	Y		[Text]

	development options for this source of water (e.g. a specific river)?			
	Would the option be likely to avoid both high capex and high opex unit costs that would mean it is very unlikely to be part of the least-cost solution?	Y		[Text]
<b>4D</b>	<b>Is the risk of the option failing acceptable?</b>		<b>Y</b>	
	Does the option have the potential to be scaleable/adjustable to STWL demands or does it lock you into a fixed mode of operation/output?	Y		[Text]
	Is there a high level of confidence that the scheme will be technically feasible?	Y		[Text]
	Does the option have sufficient flexibility to still deliver a benefit under a range of external future scenarios? (licensing, water quality, climate change, political)	Y		[Text]
	Does the option avoid a disproportionately high level of up-front feasibility costs relative to the benefit it could deliver?	Y		[Text]
	Is there a low abstraction licensing risk?	Y		[Text]
<b>5</b>	<b>Should the option be taken through to the Constrained List?</b>		<b>Y</b>	[Summary Text]