



Canal &  
River Trust

04 July 2017

Market information consultation response  
Ofwat, City Centre Tower  
7 Hill Street  
Birmingham  
B5 4UA

**Our Ref**  
**Your Ref** IN 17/04

Dear Sir/Madam,

## **BIORESOURCES AND WATER RESOURCES MARKET INFORMATION CONSULTATION**

The Canal & River Trust (the Trust) is the guardian of 2,000 miles of historic waterways across England and Wales. We are among the largest charities in the UK, maintaining the nation's third largest collection of listed structures, as well as museums, archives, navigations and hundreds of important wildlife sites.

We believe that our canals and rivers are a national treasure and a local haven for people and wildlife. It is our job to care for this wonderful legacy – holding it in trust for the nation in perpetuity and giving people a greater role in the running of their local waterways.

Over the past year (and in the spirit of the Environment Agency Water Resource Planning Guidance), the Trust has been proactive in engaging with several Water Companies to explore options to transfer water using the canal network to meet resource shortfalls under different supply-demand scenarios including drought.

We are very positive about this work and will continue to work closely with Water Companies to develop resilient and cost effective schemes for inclusion in the draft WRMP documents. We have also engaged with the EA and Ofwat in this work.

The Trust has the following specific comments on the water resources market information consultation:

- Overall, we support and welcome Ofwat's requirement of the companies to provide relevant and up to date market information regarding water resources.

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- Provided this information is open and accessible from the companies, the market will continue to develop.
- As we understand it there will be 8 data tables per WRZ (or 16 if dry year and critical period scenarios are provided). This will mean that any interested parties will need to analyse vast quantities of data to assess the viability of alternative solutions.
- The information required does not relate to the cost of existing sources and their treatment/distribution, which limits 3<sup>rd</sup> parties to consider only how their resource compares against other feasible options. We believe that the market would develop further if the companies provided the full existing source cost, allowing 3<sup>rd</sup> parties to support local supply resilience.
- The information will provide a list of those options being considered by the companies over a period of time but does not indicate when decisions are made or indeed if there will be a 'bidding window'. We believe that transparency on this will promote better engagement with 3<sup>rd</sup> parties interested in developing innovative solutions.
- Within Table 1, will it be clear what the existing treatment plant constraints are as this will determine how new potential sources are viewed?
- Within Table 8, will it be clear how social and environmental costs and benefits will be calculated?

## Consultation Questions

*Q1. Do you consider that the information we propose requiring companies to publish is helpful and will provide sufficient transparency in the (i) bioresources market and (ii) water resources, demand management and leakage services market to support their operation and development? If not, please give reasons.*

A1 (ii) Yes – the market information will help to define where new water resources are required in a WRZ and give an entry point on the solution costs being considered. See notes above for potential improvements.

*Q2. Is there any additional information which it would be helpful if companies published for (i) bioresources and (ii) water resources (within the remit of Condition M1)? Please explain why.*

A2 (ii) – Providing cost comparisons for existing water sources, treatment and distribution will allow 3<sup>rd</sup> parties to identify cost effective alternatives. Also, information on how the companies have evaluated the economic, social and environmental benefits associated with a proposed new water resource scheme will ensure consistency.

*Q3. Do you agree with the proposed scope of the information on market activity to be provided to us for monitoring the development of the bioresources market? If not, please give reasons.*

A3 – no comment

*Q4. Do you consider that the publication of any of the information that we propose*

*water companies publish would (i) be contrary to the interests of national security or (ii) seriously and prejudicially affect the interests of any person? If so, please identify the information concerned and give reasons.*

A4 – We do not consider the publication of the information to be contrary to the interests of national security, however, certain information may be subject to separate non-disclosure agreements held with the companies and would need to be respected accordingly.

*Q5. Do you have any comments on the proposed timing of the publication and the frequency that the information should be updated for both the bioresources market and water resources market?*

A5 – The timings of the publications and the updates of the information seem to be fair and reasonable. What is not clear is when decisions are made on progressing preferred options or if there will be a 'bidding window' for schemes. We have been actively supporting the companies on development of their WRMP19 plans and would hope that the publishing of the market information will support this process.

Yours faithfully,

Kane Horton  
Business Development Manager - Water