

Date: 22 July 2021

Ofwat
Centre City Tower
7 Hill Street
Birmingham
B5 4UA

By e-mail: [REDACTED]

Dear Colleagues

REVIEW OF THE BIORESOURCES MARKET - CONSULTATION

We write further to your consultation and welcome the opportunity to respond to the request.

We thank you for sharing your findings from the review and of the bioresources market and would agree with the majority of the outputs from it. Answers to your consultation can be found in Appendix 1.

If you require any further answers to your questions, please feel free to contact should you require any further information or clarity.

Yours faithfully

[REDACTED]

Lisa Gahan
Regulatory Director

D: [REDACTED]

E: [REDACTED]

Appendix 1

Q1: Do you agree with, or have any comments regarding, Jacobs' bioresources market review report?

We agree with the conclusions of the Jacobs report, in particular the need to remove uncertainty around environmental regulations.

Uncertainty concerning the EA strategy, Farming Rules for Water rule 1 and IED regulations, necessitates high levels of caution regarding long term sludge strategies or market commitments.

Q2: Do you agree with, or have any comments regarding, the proposals and views we set out in this document?

We do not have any specific comments regarding the proposals, but in addition to the comment above, we would like to highlight that South West Water have a reduced market opportunity due to geographical location constraints and limited opportunity for joint approaches.

Therefore our market interactions are minimal and we consider that the economics of the South West do not support an economic market mechanism.