



Strategic Solution Gate 1 Submission
Draft Decisions - Statement of Response

Anglian to Affinity Transfer

October 2021



This is the Statement of Response from Anglian Water and Affinity Water for RAPID’s draft decision of the gate one submission for the Anglian to Affinity Transfer.

Solution assessment

DRAFT DECISION	DETAIL	RESPONSE
Funding to gate two	We are not changing the funding of this solution. This solution’s total allowance and gate allowances remain the same as the final determination.	<p>Costs have been relatively low for this scheme as a result of our decision to develop a screening process to evaluate a long list of potential options. While this ensured that our option development and subsequent screening was as thorough as possible, it also resulted in low-cost but prolonged work that prevented additional spend on the initial concept design of the four options that were carried forward for investigations at gate one.</p> <p>We have developed our initial financial forecast for completing the gate two activities and confirm that we are not forecasting to spend above our gate two allowance.</p>
Evaluation of costs and benefits	Natural capital assessments, and biodiversity net gain assessments need to be reassessed at gate two. Following outputs of regional modelling, wider benefits will need to be refined for the preferred sub-option and the size and yield of the option will need to be confirmed	The environmental assessment work package will reassess the benefits that were presented at gate one. Using the ACWG methodologies for gate two, we will provide an updated natural capital assessment, carbon impact and biodiversity net gain assessment that will be fit for purpose for a quantitative evaluation of benefits. The size and yield of the preferred sub-option will be confirmed once the outputs of the regional modelling have become available. Both size and yield will be fundamental aspects to consider to inform the detailed concept design.
Environment	Regulatory and environmental assessments should be refined for gate two, including a review of scopes and further monitoring. Anglian Water and Affinity Water are requested to work with the Environment Agency and with Natural England to ensure potential risks are addressed through a detailed work programme, including the scope of any mitigation needed for identified impacts.	<p>Our gate two programme for the A2AT includes a package of work on environmental assessment. Building on the outputs that were presented in our gate one submission, the environmental assessment work package will refine our understanding of regulatory and environmental risks and highlight any areas where further monitoring is required. Mitigation strategies will be identified and further explored.</p> <p>We are committed to working collaboratively with both the Environmental Agency and Natural England and will look to share a detailed work programme and full risk register with them.</p>
Drinking water quality	We expect to see further development of DWSPs, water quality monitoring, including for emerging contaminants, and wider stakeholder engagement with ongoing dialogue with the respective water quality teams in gate	The DWSP presented at gate one will be expanded upon ensuring that additional considerations are included appropriately. Given that, through this scheme, it is envisaged that Affinity Water’s customers will experience a change in raw water sources, we are planning to commission a study early in the gate two programme to test customer acceptability of source changes and ensure any required mitigation is

	two.	embedded in the development of the detailed concept design.
Evidence of efficient expenditure	Our assessment of the efficient costs as spent on gate one activities results in an allowance for this solution of £0.55m (of £0.55m claimed). We have made no adjustments to the costs claimed.	The final accounts will be submitted separately to confirm the total spend for gate one. This is broadly in line with the £0.55m claimed in query AAT004.

Actions and Recommendations

ACTION	DETAIL	RESPONSE
Solution design	Ensure utilisation is refined as part of gate two, including uncertainty and sensitivity, at least to the standard described in response to query AAT003 Q3.	<p>Utilisation of the proposed solutions is an area where further work is planned for gate two. As mentioned in our response to query AAT003, we will aim to assess whether the analysis undertaken at gate one is representative of realistic operations by looking at the following three areas:</p> <ul style="list-style-type: none"> • Water quality constraints • Risk management of groundwater sources and the timing of SRO utilisation • Cost implication of ramping up the utilisation of SROs <p>These three elements will help define operational control rules that will be run through the Affinity Water portion of the WRSE regional system simulator to produce a revised utilisation profile.</p>
Solution design	Assess how any new transfer infrastructure will connect with existing infrastructure, particularly how the operations at Rutland/Grafham may have to change to connect the transfer.	Our gate two programme includes early development work on connections (Etton, Sundon) to understand how this new transfer scheme will connect with existing infrastructure and how operations may have to change to connect the transfer. The outputs of these early gate two studies will help inform the integrated operational strategy that will be defined as part of the Connect 2050 project that Affinity Water has recently commissioned to understand long-term internal strategic infrastructure needed to support the SROs. Furthermore, Anglian Water will explore implications for operational management of its Ruthamford system, using the Pywr simulation model and AQUATOR.
Solution design/Environment	In-combination assessment must include all relevant interactions between options. We expect robust assessment for any options	The schemes that could provide a source of water for the A2AT (Trent-Rutland, SLR, Fens) were all covered in gate one and have been incorporated into the WRE regional system simulator alongside other competing demands, including from the

	<p>that are screened out as part of in-combination assessment</p> <ul style="list-style-type: none"> - You should consider the potential competing resources from the energy sector. - You should consider the impact on Rutland Water. 	<p>energy sector. The WRE Regional Plan will confirm whether these schemes are needed as well as their size and output. Interaction with other SROs affecting Trent flows will be considered further for gate two.</p> <p>The WRE regional plan will include an in-combination assessment undertaken through the Integrated Environmental Assessment (IEA)</p>
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RECOMMENDATION	DETAIL	PROGRESS NOTES
<p>Evaluation of costs and benefits</p>	<p>You should explain how the chalk streams will benefit as part of the 'need' case for gate two when the route and deployable output is known.</p>	<p>We are carrying out investigations on the SROs, including the A2AT, within the wider context of regional planning and WRMP. Both these processes consider the extent of abstraction reductions to benefit chalk streams, the timing of their implementation and the interdependencies between environmental protection and SRO delivery. If the A2AT is selected as one of the preferred solutions to meet the future needs of Affinity Water’s customers, our gate two report will explore these linkages and indicate how chalk catchment abstraction reductions are reflected in the case of need for the scheme</p>
<p>Evaluation of costs and benefits</p>	<p>You should explain which option is considered best value (rather than just least cost) for customers and the environment and the criteria and method used for best value ahead of gate two</p>	<p>Costs and benefits of the proposed solution will be refined as required during gate two. Through the engineering concept design work package, we will undertake a detailed estimate of solution costs, while the environmental assessment work package will reassess the initial qualitative benefits assessment that was presented at gate one. Using the ACWG methodologies for gate two, we will provide an updated natural capital assessment, carbon impact and biodiversity net gain assessment that will be fit for purpose for a quantitative evaluation of benefits, with the aim of adopting suitable metrics for multi-criteria decision making.</p>

Standard gate one key themes and assessment overview

We have carefully reviewed the summary guidance 'Standard gate one key themes and assessment overview' and identified the key areas highlighted by this document where additional focus is required in the run-up to gate two. To help inform the development and refinement of our gate two programme, we have collated the comments that are relevant to the A2AT and mapped them to our existing programme. This will help us ensure we address any gaps that may exist when planning out the activities that will be undertaken throughout gate two.