

February 2023

# **Consultation on PR24 operational greenhouse gas emissions performance commitments definitions**

## About this document

This consultation is about the definitions of the PR24 common water and wastewater operational greenhouse gas (GHG) emissions performance commitments. The final methodology for PR24 outlines a number of decisions that relate to these definitions.<sup>1</sup>

As indicated in the final methodology, in considering the exact definitions of the performance commitments, we are seeking views on their scope, particularly in relation to additional reporting categories.<sup>2</sup> We are also seeking views on our proposal to use a static version of the Carbon Accounting Workbook (CAW) throughout the PR24 price control period.

## Responding to this consultation

We would welcome comments and responses to the consultation questions set out in Table 1. Please email your responses to [annual.reporting@ofwat.gov.uk](mailto:annual.reporting@ofwat.gov.uk). The closing date for this consultation is **6 March 2023**.

### Table 1 Consultation questions

Nr	Question
Question 1	Do you have any comments on our proposal to include additional reporting categories in the definitions of our PR24 operational GHG emission PCs?
Question 2	Do you have any comments on our proposal to allow companies to claim GHG emissions reductions when trading bioresources?
Question 3	Do you have any comments on our proposal to use one version of the CAW throughout PR24 to assess progress against the PCs?
Question 4	Which version of the CAW do you consider it is feasible to use throughout PR24 and why?

We intend to publish responses to this consultation on our website at [www.ofwat.gov.uk](http://www.ofwat.gov.uk). Subject to the following, by providing a response to this consultation you are deemed to consent to its publication.

If you think that any of the information in your response should not be disclosed (for example, because you consider it to be commercially sensitive), an automatic or generalised confidentiality disclaimer will not, of itself, be regarded as sufficient. You should identify specific information and explain in each case why it should not be disclosed [and provide a redacted version of your response], which we will consider when deciding what information to publish. At a minimum, we would expect to publish the name of all organisations that

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<sup>1</sup> All documents relating to the final methodology are available on Ofwat's website here: '[Final Methodology](#)'

<sup>2</sup> Ofwat, '[Creating tomorrow, together: Our final methodology for PR24 Appendix 7 Performance commitments](#)', December 2022, pp. 43-51.

provide a written response, even where there are legitimate reasons why the contents of those written responses remain confidential.

In relation to personal data, you have the right to object to our publication of the personal information that you disclose to us in submitting your response (for example, your name or contact details). If you do not want us to publish specific personal information that would enable you to be identified, our [privacy policy](#) explains the basis on which you can object to its processing and provides further information on how we process personal data.

In addition to our ability to disclose information pursuant to the Water Industry Act 1991, information provided in response to this [type of document], including personal data, may be published or disclosed in accordance with legislation on access to information – primarily the Freedom of Information Act 2000 (FoIA), the Environmental Information Regulations 2004 (EIR) and applicable data protection laws.

Please be aware that, under the FoIA and the EIR, there are statutory Codes of Practice which deal, among other things, with obligations of confidence. If we receive a request for disclosure of information which you have asked us not to disclose, we will take full account of your explanation, but we cannot give an assurance that we can maintain confidentiality in all circumstances.

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# 1. Introduction

The water industry is responsible for about a fifth of the UK waste sector's greenhouse gas emissions, accounting for approximately 1% of total UK emissions.<sup>3</sup> This means it has a role to play in achieving the UK government and Welsh Government's net zero targets. In our strategy, 'Time to act, together', we committed to strengthening the sector's approach to climate change mitigation and adaptation, building on companies' commitment to achieving net zero emissions by 2030.<sup>4</sup>

Our net zero principles position paper sets out expectations in three clear areas to guide water company planning on net zero.<sup>5</sup> We expect companies:

1. to ensure their net zero plans are clearly linked to national government targets;
2. action on net zero to encompass both operational and embedded emissions; and
3. to prioritise the elimination and reduction of GHG emissions.

In our November 2021 discussion document, we outlined our intention to introduce common operational GHG emissions performance commitments (PCs) at PR24.<sup>6</sup> Respondees were unanimous in their support that we extend the coverage of common performance commitments to reducing operational GHG emissions.<sup>7</sup>

Having considered stakeholder responses to our draft PR24 methodology, the final methodology outlines our approach to the new common operational GHG emissions PCs.<sup>8</sup> There will be two performance commitments, one for water and one for wastewater. Their focus is on incentivising companies to reduce their own physical emissions, reporting using a net location-based method.<sup>9</sup> Offsets are excluded but reductions in emissions achieved through insets and the export of renewable energy will be allowed in certain circumstances.<sup>10</sup>

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<sup>3</sup> For more information, see the Climate Change Committee, '[The Sixth Carbon Budget: Waste](#)', 2020, & Zaferiridou, M., Kirkman, R., Kyle, C., McNeil, S., Voulvoulis, N. '[An exploration of the resource sector's greenhouse gas emissions in the UK, and its potential to reduce the carbon shortfall in the UK 4th and 5th Carbon budgets](#)'. Imperial College London, Centre for Environmental Policy, 2018.

<sup>4</sup> Ofwat, '[Time to act, together](#)', October 2019.

<sup>5</sup> Ofwat, '[Net zero principles position paper](#)', January 2022.

<sup>6</sup> Ofwat, '[PR24 and beyond: Performance commitments for future price reviews](#)', November 2021, p. 31.

<sup>7</sup> Ofwat, '[Creating tomorrow, together: consulting on our methodology for PR24. Appendix 6 – Performance commitments](#)', July 2022, p. 40.

<sup>8</sup> Ofwat, '[Creating tomorrow, together: Our final methodology for PR24 for PR24 Appendix 7 Performance commitments](#)', December 2022, pp.43-51.

<sup>9</sup> Our reasons for adopting a net location-based method to the operational GHG emissions PCs are set out in the final methodology for PR24. For more details, see Ofwat, '[Creating tomorrow, together: Our final methodology for PR24 Appendix 7 Performance commitments](#)', December 2022, pp.45-46.

<sup>10</sup> The term "inset" can be used to describe 'interventions that are wholly contained within a scope 3 value chain boundary of a company or interventions partially within their scope 3 supply chain boundary (spanning their supply chain and other companies' supply chains)'. See '[SBTi Corporate Net-Zero Standard, Version 1.0](#)'.

As indicated in the final methodology, this consultation runs alongside our consultation on revisions to the Regulatory Accounting Guidelines (RAGs).<sup>11</sup> One area of focus for the RAGs consultation is our proposal to increase the breadth of mandatory reporting. This is to provide more detailed insights into company sources and, in turn, management of GHG emissions.

In considering the drafting of the GHG emissions PC definitions, we are seeking views on the scope of the performance commitments, particularly in relation to including additional reporting categories, and using a static version of the CAW throughout the PR24 price control period. Draft definitions of the operational GHG emissions PCs for water and wastewater are in Appendices 1 and 2 of this document and based on the decisions outlined in our final methodology and the proposals set out in this consultation.

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published in October 2021. Our reasons for excluding offsets but allowing emissions reductions achieved through insets, provided they meet certain criteria, are set out in the final methodology for PR24. For more details, see Ofwat, ['Creating tomorrow, together: Our final methodology for PR24 Appendix 7 Performance commitments'](#), December 2022, pp.48-49.

<sup>11</sup> The consultation on revisions to the Regulatory Accounting Guidelines is available here: ['Consultation on regulatory reporting for 2022-23'](#), February 2023.

## 2. Decisions made in the final methodology

As confirmed in our final methodology, company performance will be assessed using net location-based emissions data to focus on a company's physical actions to reduce its emissions. In reporting their emissions, companies will be able to include reductions achieved through the export of renewable energy (providing they retain the appropriate certificates, e.g., Renewable Energy Guarantees of Origin (REGOs) and Renewable Gas Guarantees of Origin (RGGOs) certificates).

Companies can include emissions reductions from the use of insets providing:

- they are linked to the implementation of nature-based solutions;
- their use clearly benefits the communities and environments the company operates in;
- they are confined to a company's value chain, with any such reductions being clearly linked to the delivery of its statutory functions;
- they do not account for more than 1% of a company's gross location-based emissions during the 2025–30 period and are in proportion to the company's investment; and
- they are clearly linked to long-term planning on how residual emissions will be managed in line with externally verifiable approaches, such as the Science Based Targets Initiative (SBTi).<sup>12</sup>

Insets can encompass partnership working activities that companies implement via the delivery of their statutory functions and within the context of their supply chain.

To focus mitigation efforts on actual reductions of GHG emissions, companies are not permitted to claim emissions reductions from offsets. This approach is consistent with our principles on net zero, with us expecting companies to prioritise the elimination and reduction of GHG emissions.<sup>13</sup>

We expect companies to provide information in their business plans so that we can normalise based on volume and for the performance commitments to be set as a percentage reduction. We will decide on whether companies should present this as a normalised measure or as a percentage reduction in the course of the PR24 final determinations process.<sup>14</sup>

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<sup>12</sup> Our reasons for adopting these criteria for the use of insets are set out in the final methodology for PR24. For more details see, see Ofwat, '[Creating tomorrow, together: Our final methodology for PR24 Appendix 7 Performance commitments](#)', December 2022, pp. 48–49.

<sup>13</sup> Ofwat, '[Net Zero Principles Position Paper](#)', January 2022.

<sup>14</sup> For more details on normalisation, see Ofwat, '[Creating tomorrow, together: Our final methodology for PR24 Appendix 7 Performance commitments](#)', December 2022, p.50.

## 3. Our proposals

### 3.1 The scope of the performance commitments

Our final methodology envisages expanding the categories of emissions against which we will measure performance for the 2025–30 period.<sup>15</sup> In particular, we stated our intention to consult on whether the PCs should include GHG emissions linked to the use of chemicals, fuel and energy-related activities, and waste generated in operations. To pave the way for this, our RAGs consultation is proposing to include these categories of emissions in addition to those that companies are required to report in their annual performance reports.

#### 3.1.1 Use of chemicals

Our final methodology indicated that we would consult on including emissions from chemicals within the scope of the GHG PCs. We propose that emissions from the production of purchased chemicals for use in regulated activities should be included. We propose to allow companies to measure and report on these emissions based on the volume of chemicals purchased. Gathering this information will be important in scrutinising the impact of wider company decisions, such as those linked to water quality for instance, on chemical usage and in turn GHG emissions.

#### 3.1.2 Waste generated in operations<sup>16</sup>

In the final methodology for PR24, we outlined our expectation that companies improve reporting of GHG emissions as it relates to the disposal and treatment of waste by third parties.

For the purposes of the GHG PCs and associated incentives, we are proposing that the disposal and treatment of waste, particularly as it relates to bioresources, is included in the scope of both the water and wastewater PCs to ensure more accurate consideration of companies' GHG emissions and to avoid distortions within the bioresources market. We are proposing to include the following activities in the scope of the PCs:

- burning of fossil fuels from treatment and transportation in vehicles owned or leased by the company (scope 1 emissions);
- purchased energy linked to these activities (scope 2 emissions);

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<sup>15</sup> For more details on the scope of the performance commitments, see Table 4.2 in Ofwat, '[Creating tomorrow, together: Our final methodology for PR24 Appendix 7 Performance commitments](#)', December 2022, pp. 46–48.

<sup>16</sup> Waste generated in operations is defined by the Greenhouse Gas Protocol as a scope 3 upstream category. Greenhouse Gas Protocol, '[Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#)', 2011, p. 44.

- transmission and distribution from purchased electricity (scope 3 emissions);
- when trading sludge, companies should account for scope 3 emissions generated by the treatment of sludge when exporting it to a third party (including transportation and treatment); and
- emissions from disposal of sludge to land owned by the company (scope 1) and owned by third parties (scope 3).

Relating specifically to the treatment of sludge by third parties, we are aware that our requirement for companies to report using a location-based method could disincentivise companies from trading sludge. In particular, a situation could arise where an exporting company would not be able to benefit from the emissions reduction such trades can give rise to i.e., where export sludge is used to produce renewable energy that is then purchased by the exporting company to reduce its emissions. This could lead to the exporting company adopting less efficient solutions for the treatment of waste.

To address this, we propose an exception. Companies that can report on emissions from the disposal and treatment of their waste may claim emissions reductions to the extent that they purchase renewable energy generated from the treatment of such waste by third parties. To claim the emissions reductions, the company must have the corresponding renewable energy certificates, which includes RGGOs and REGOs. This is the only exception we are proposing to our net location-based emissions method to incentivising the PCs.

### **3.1.3 Fuel and energy-related activities**

In their responses to our PR24 draft methodology, some companies indicated that they could report on a wider range of emissions associated with their scope 3 fuel and energy-related activities. Therefore, we are proposing that emissions associated with transmission and distribution and emissions associated with extraction and production should be included in the scope of the PC. This will also support more comprehensive reporting in this area.

## **3.2 The Carbon Accounting Workbook**

The CAW has been developed by the industry, through UKWIR, for use by companies to calculate and report their GHG emissions. The CAW is regularly updated as carbon accounting knowledge and practices evolve.

For the purposes of assessing performance against the GHG emissions PCs, we are proposing to adopt a fixed version of the CAW for the duration of the 2025–30 period. We consider that this will support the integrity of the PCs by increasing transparency about what is happening, which will enable us and other stakeholders to compare and understand performance over

the period.<sup>17</sup> We expect to use the version of the CAW which is in effect at the date of our PR24 final determinations, subject to the outcome of the PR24 determinations process.

For the purposes of assessing performance against the GHG emissions PCs, when adopting one version of the CAW, we are expecting companies to report using the same fixed national grid emissions factor each year.

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<sup>17</sup> For more details see Ofwat, '[Creating tomorrow, together: consulting on our methodology for PR24. Appendix 6 – Performance commitments](#)', July 2022, p. 40.

## 4. Next steps

We would be grateful for responses to this consultation by 6 March 2023. Responses should be emailed to [annual.reporting@ofwat.gov.uk](mailto:annual.reporting@ofwat.gov.uk).

If you wish to discuss any aspect of this consultation, please contact James Jenkins by email at [james.jenkins@ofwat.gov.uk](mailto:james.jenkins@ofwat.gov.uk).

We will consider stakeholder responses and publish a response to the consultation on our website. Following consideration of stakeholder responses, we will also publish the definitions of the GHG emissions PCs on our website alongside the other PR24 PCs definitions.<sup>18</sup>

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<sup>18</sup> The PR24 GHG emissions PCs definitions will be published here: ['PR24 Performance commitment definitions'](#)

## A1 Draft definition of PR24 operational GHG emissions performance commitment- water

**Purpose:** This performance commitment incentivises the company to reduce greenhouse gas emissions arising from its own operational activities.

**Benefits:** In incentivising reductions in company operational greenhouse gas emissions, this performance commitment will also support attainment of UK government and Welsh Government's 2050 and interim net zero targets.

### A1.1 Detailed definition of performance measure

Greenhouse gas emissions expressed in tonnes CO<sub>2</sub>e (carbon dioxide equivalent) and the percentage change since 2021-22. This is also reported as kgCO<sub>2</sub>e per megalitre of distribution input.

### A1.2 Additional detail on measurement units

Relevant emissions are calculated using the UK Water Industry Research Ltd (UKWIR) Carbon Accounting Workbook [version 16 published in 2022]<sup>19</sup>, subject to the further specification in table 1:

**Table 1 Relevant emissions**

<b>Scope 1<sup>20</sup></b>
Direct emissions from burning of fossil fuels (location-based)
Process and fugitive emissions (incl. refrigerants)
Emissions from vehicle transport (owned or leased)
Emissions from land
<b>Scope 2<sup>21</sup></b>
Purchased electricity (location-based)
Purchased heat
Electric vehicles
Removal of electricity to charge electric vehicles

<sup>19</sup> Note – we expect to use the version which is in effect at the date of our PR24 final determinations, subject to the outcome of the PR24 determinations process.

<sup>20</sup> Scope 1 emissions means direct emissions from owned or controlled sources.

<sup>21</sup> Scope 2 emissions means indirect emissions from the generation of purchased energy.

<b>Scope 3<sup>22</sup></b>
Business travel on public transport and private vehicles used for company business
Outsourced activities
Purchased electricity: extraction, production, transmission and distribution (location-based)
Purchased heat: extraction, production, transmission and distribution
Use of chemicals
Disposal and treatment of waste
<b>Emissions reductions</b>
Exported renewables (generated onsite and exported)
Exported biomethane (generated onsite and exported)
Use of insets

When calculating scope 2 emissions, the company will use the location-based method to determine its GHG emissions from electricity used. The company will report its GHG emissions using the fixed national grid emissions factor for 2021-22.

Calculation of the emissions associated with the production of purchased chemicals used in operations should be based on volumes of chemicals purchased for use by the company.

Subject to the provisions of this section A1.2, the company will report its net location-based emissions which is reflective of emission reductions from: the company's own consumption of renewable energy it has produced; the export of renewable energy it has produced; purchases of renewable energy generated from the treatment of its waste by third parties; and insets.

To claim emissions reductions arising from: 1) the company's own consumption of renewable energy it has produced; and 2) the export of renewable energy it has produced, the company must retain full legal and beneficial title to the corresponding certificates (e.g., REGOs and RGGOs) and cannot transfer, assign or otherwise provide any interest in such certificates to a third party at any time.

To claim emissions reductions to the extent that it has purchased renewable energy generated from the treatment of its waste by third parties, the company must buy and retain full legal and beneficial title to the corresponding renewable energy certificates (including

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<sup>22</sup> Scope 3 emissions means all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

REGOs and RGGOs certificates) and cannot transfer, assign or otherwise provide any interest in such certificates to a third party at any time.

The company may include emissions reductions from the use of insets, providing such insets:

- are linked to the implementation of nature-based solutions;
- clearly benefit the communities and environments the company operates in;
- are confined to a company's value chain, with any such reductions being clearly linked to the delivery of its statutory functions;
- do not account for more than 1% of a company's gross location-based emissions during the 2025–30 period and are in proportion to the company's investment; and
- are clearly linked to long-term planning on how residual emissions will be managed in line with externally verifiable approaches, such as the Science Based Targets Initiative (SBTi).

Insets can include partnership working activities that the company implements via the delivery of its statutory functions and within the context of its supply chain.

The company cannot claim emissions reductions in relation to insets where the company's legal or beneficial title to them is the subject of transfer, assignment or the provision of any other interest in them to one or more third parties (including project partners) at any time.

### **A1.3 Specific exclusions**

The following are excluded from the calculation of net location-based emissions:

- 1) offsets; and
- 2) green tariff energy purchases.

### **A1.4 Reporting and assurance**

The company shall provide external third-party independent verification (by those with appropriate qualification and experience) focused on the quantification and reporting of greenhouse gas emissions and removals (e.g. ISO 14064). Data will be assured following an audit by an appropriately qualified independent third party. For the avoidance of doubt the scope of assurance excludes data sourced from the carbon accounting workbook.

The company shall ensure that its outcome delivery incentive payments only relate to real performance changes and not definitional, methodological or data changes in performance commitments. The companies shall maintain a methodology statement, which shall be used as a decision support tool for this performance commitment. It should record any changes in

approach compared to previous years and will be reviewed as part of a company's assurance process.

We may intervene to protect customers and ensure that the company does not benefit from insufficient data quality.

**Table 2 Definition parameters**

<b>Parameters</b>	
<b>Measurement unit and decimal places</b>	Tonnes CO <sub>2</sub> e reported to two decimal places and the percentage reduction since 2021-22; and this is also reported as kgCO <sub>2</sub> e per megalitre of distribution input
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	TBC
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	N/A
<b>Links to relevant external documents</b>	N/A

## A2 Draft definition of PR24 operational GHG emissions performance commitment–wastewater

**Purpose:** This performance commitment incentivises the company to reduce greenhouse gas emissions arising from its own operational activities.

**Benefits:** In incentivising reductions in company operational greenhouse gas emissions, this performance commitment will also support attainment of UK government and Welsh Government's 2050 and interim net zero targets

### A2.1 Detailed definition of performance measure

Greenhouse gas emissions expressed in tonnes CO<sub>2</sub>e (carbon dioxide equivalent) and the percentage change since 2021–22. This is also reported as kgCO<sub>2</sub>e per megalitre of volume of wastewater received at treatment site.

### A2.2 Additional detail on measurement units

Relevant emissions are calculated using the UK Water Industry Research Ltd (UKWIR) Carbon Accounting Workbook [version 16 published in 2022]<sup>23</sup>, subject to the further specification in table 1:

**Table 1 Relevant emissions**

<b>Scope 1<sup>24</sup></b>
Direct emissions from burning of fossil fuels (location-based)
Process and fugitive emissions (incl. refrigerants)
Emissions from vehicle transport (owned or leased)
Emissions from land
<b>Scope 2<sup>25</sup></b>
Purchased electricity (location-based)
Purchased heat
Electric vehicles
Removal of electricity to charge electric vehicles

<sup>23</sup> Note – we expect to use the version which is in effect at the date of our PR24 final determinations, subject to the outcome of the PR24 determinations process.

<sup>24</sup> Scope 1 emissions means direct emissions from owned or controlled sources.

<sup>25</sup> Scope 2 emissions means indirect emissions from the generation of purchased energy.

<b>Scope 3<sup>26</sup></b>
Business travel on public transport and private vehicles used for company business
Outsourced activities
Purchased electricity: extraction, production, transmission and distribution (location-based)
Purchased heat: extraction, production, transmission and distribution
Use of chemicals
Disposal and treatment of waste
<b>Emissions reductions</b>
Exported renewables (generated onsite and exported)
Exported biomethane (generated onsite and exported)
Use of insets

When calculating scope 2 emissions, the company will use the location-based method to determine its GHG emissions from electricity used. The company will report its GHG emissions using the fixed national grid emissions factor for 2021-22.

Calculation of the emissions associated with the production of purchased chemicals used in operations should be based on volumes of chemicals purchased for use by the company.

Subject to the provisions of this section A1.2, the company will report its net location-based emissions which is reflective of emission reductions from: the company's own consumption of renewable energy it has produced; the export of renewable energy it has produced; purchases of renewable energy generated from the treatment of its waste by third parties; and insets.

To claim emissions reductions arising from: 1) the company's own consumption of renewable energy it has produced; and 2) the export of renewable energy it has produced, the company must retain full legal and beneficial title to the corresponding certificates (e.g., REGOs and RGGOs) and cannot transfer, assign or otherwise provide any interest in such certificates to a third party at any time.

To claim emissions reductions to the extent that it has purchased renewable energy generated from the treatment of its waste by third parties, the company must buy and retain full legal and beneficial title to the corresponding renewable energy certificates (including

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<sup>26</sup> Scope 3 emissions means all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

REGOs and RGGOs certificates) and cannot transfer, assign or otherwise provide any interest in such certificates to a third party at any time.

The company may include emissions reductions from the use of insets, providing such insets:

- are linked to the implementation of nature-based solutions;
- clearly benefit the communities and environments the company operates in;
- are confined to a company's value chain, with any such reductions being clearly linked to the delivery of its statutory functions;
- do not account for more than 1% of a company's gross location-based emissions during the 2025–30 period and are in proportion to the company's investment; and
- are clearly linked to long-term planning on how residual emissions will be managed in line with externally verifiable approaches, such as the Science Based Targets Initiative (SBTi).

Insets can include partnership working activities that the company implements via the delivery of its statutory functions and within the context of its supply chain.

The company cannot claim emissions reductions in relation to insets where the company's legal or beneficial title to them is the subject of transfer, assignment or the provision of any other interest in them to one or more third parties (including project partners) at any time.

## A2.3 Specific exclusions

The following are excluded from the calculation of net location-based emissions:

- 1) offsets; and
- 2) green tariff energy purchases.

## A2.4 Reporting and assurance

The company shall provide external third-party independent verification (by those with appropriate qualification and experience) focused on the quantification and reporting of greenhouse gas emissions and removals (e.g. ISO 14064). Data will be assured following an audit by an appropriately qualified independent third party. For the avoidance of doubt the scope of assurance excludes data sourced from the carbon accounting workbook.

The company shall ensure that its outcome delivery incentive payments only relate to real performance changes and not definitional, methodological or data changes in performance commitments. The companies shall maintain a methodology statement, which shall be used as a decision support tool for this performance commitment. It should record any changes in

approach compared to previous years and will be reviewed as part of a company's assurance process.

We may intervene to protect customers and ensure that the company does not benefit from insufficient data quality.

**Table 2 Definition parameters**

<b>Parameters</b>	
<b>Measurement unit and decimal places</b>	Tonnes CO <sub>2</sub> e reported to two decimal places and the percentage reduction since 2021-22; and this is also reported as kgCO <sub>2</sub> e per megalitre of volume of wastewater received at treatment site
<b>Measurement timing</b>	Reporting year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Outperformance and underperformance payments
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	TBC
<b>Frequency of reporting</b>	Annual
<b>Any other relevant information</b>	N/A
<b>Links to relevant external documents</b>	N/A

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**OGL**