

6<sup>th</sup> March 2023



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Please ask for [REDACTED]  
Our Ref JJ/APR23  
Your Ref

Dear Annual Reporting team,

**Response to Consultation on PR24 operational greenhouse gas emissions performance commitments definitions**

Thank you for the opportunity to make comments on the proposed definitions for PR24 operation greenhouse gas emissions performance commitments.

At Portsmouth Water, we continue to work hard to reduce our emissions. We support efforts to ensure transparent and like-for-like reporting across our sector.

We are supportive of the use of a single performance commitment for water-only companies given the different abatement options available to wastewater companies. We also support the use of inseting but were disappointed to see it capped at 1% given the wider sustainability benefits these projects can deliver.

We are concerned that a location-based methodology has been chosen given that market-based reporting is consistent with our net zero commitment.

Adding a fixed grid emissions factor to the location-based approach would limit the range of ways that we could meet that performance commitment, and this must be considered when the PC (Performance Commitment) is set.

We are also concerned that the consultation introduces additional assurance costs. We trust that the assurance necessary for the APR (Annual Performance Report) will suffice to meet the PC assurance requirement, avoiding additional costs and time while still providing confidence in the data.

Our answers to the consultation questions are as follows:

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 (Performance Commitment)?

We support taking responsibility for our wider carbon footprint. Including the proposed emissions sources in our reporting will help monitor other impacts and be more transparent.

To date, we have not included the additional categories in our emissions reduction plans because they are not included in our net zero commitment.

On chemicals, we already collect data on chemicals usage and, if we can use emissions estimates produced in the CAW (Carbon Accounting Workbook), support their inclusion in our reporting.

On waste disposal, as a water only company, emissions relating to bioresources are not applicable. We ask Ofwat to provide explicit confirmation that reporting on other waste streams is not necessary at this stage.

On fuel and energy-related activities, if we can rely on the same activity data we already collect and take the emissions data from the CAW, we support the inclusion of upstream extraction and production emissions from fuels used to generate purchased electricity and heat.

If these sources are also including in the PC, then we would highlight that it needs to include a fair reflection of future emissions from them (given e.g., tightening legislation and PW's limited control over e.g., upstream energy emissions).

Question 2 - Do you have any comments on our proposal to allow companies to claim GHG emissions reductions when trading bioresources?

As a water only company this is not an activity we participate in or are affected by.

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?

We are concerned this approach will result in stakeholder confusion e.g., it will show a different trajectory to reporting against our net zero target and the APR.

It will also fail to account for actual changes in our emissions. In our view, performance reporting needs to affect our real-world progress to net zero.

It may also miss opportunity to accommodate other relevant changes over the period.

While we appreciate using a single version keeps reporting more consistent, it will also result in a different submission to the APR.

Question 4 - Which version of the CAW do you consider it is feasible to use throughout PR24 and why?

If a single version of the CAW is used, then we agree that the same version should be used to set the PC and to report against it, to be consistent with the performance commitment's calculation.

Yours sincerely,

