

Ofwat – Updating the storm overflows performance commitment definition for the 2024 price review (PR24)

Submission Information

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Response on behalf of: Arqiva

Arqiva welcomes the opportunity to respond to Ofwat's consultation, *Updating the storm overflows performance commitment definition for the 2024 price review (PR24)*.

Arqiva is a leader in smart metering and monitoring networks for utilities. We are the UK's only large-scale provider of smart water metering infrastructure, providing the technology that enables water companies to make significant improvements in water efficiency and cutting leakage. We further enable the deployment of sensors providing critical data on sewer levels and water quality. We are acutely aware of the challenges faced by the water sector and are supporting companies to achieve ambitious improvement targets through greater data and insight into water and sewage networks.

This is a crucial time for the water sector. It is widely accepted that maintaining the status quo is not an option – ambitious action is needed to address concerns about sewage spills into UK waterways, and pressure on public water supplies. This is critical to ensure consumer expectations for clean and plentiful water are met, and to deliver better outcomes for the environment.

Greater capacity to monitor water and sewer networks will be essential to deliver the changes needed. Smart water metering – using Advanced Metering Infrastructure (AMI) smart meters – enables a step change in leakage detection and engagement with consumers around reducing water use. This has been demonstrated by water companies, with Anglian Water reporting a 10-fold increase in the number of leaks it detects since installing Arqiva's smart metering solution.¹ In another example, Thames Water has used smart meters to identify and support consumers using over 500 litres of water a day to reduce their water use by between 9%-15% (reducing their bills by between £40 and £166).² Accelerating the widespread use of real-time smart meter data across the water sector is an important step to seeing the reductions in water demand needed for the future. We were pleased to see this reflected in Ofwat's proposal to accelerate investment in seven smart water metering programmes.³

Further enabling the digitisation of water and sewer networks will support the delivery of greater consumer and environmental benefits. Remote monitoring of storm overflows, sewer levels, and water quality using near real-time data will enable water companies to identify problems more rapidly, and provide the insight

¹ The Chartered Institution of Water and Environmental Management, June 2022, *Smart water metering: unlocking the benefits*, <https://www.youtube.com/watch?v=9WGA4vymBl8>

² Thames Water, December 2021, *Smarter ways out of water poverty*, <https://www.thameswater.co.uk/media-library/home/about-us/responsibility/affordability/water-saving-affordability-study.pdf>

³ Ofwat, 3 April 2023, *Accelerated infrastructure delivery project: draft decisions*, <https://www.ofwat.gov.uk/consultation/accelerated-infrastructure-delivery-project-draft-decisions/>



needed to help avoid issues in the future. Without this data, the capacity for significant improvement in managing water resources and sewer networks is hindered.

Ofwat must support water companies to deliver the ambitious action needed through price review 2024 (PR24). It is important that a settlement is reached which enables water companies to deliver targets for improvement for reducing water demand and management of sewer networks. Delaying investment will slow down timeframes for realising the targeted improvements across the water sector.

We therefore urge Ofwat in its consideration of performance commitments to ensure that water companies are supported to make the investments needed to meet requirements. Further, we encourage the regulator to work collaboratively with water companies on pathways forward to accelerate the digitisation of water and sewer networks.

Thank you for your consideration of this response.