

Question	Answer
Q1 Do you agree with our proposed aim for environmental incentives?	Water is a finite resource, and in many regions, water scarcity is a growing concern. By promoting water-efficient practices in new construction, we can reduce water consumption and preserve water resources for future generations. This is especially crucial in areas prone to drought or facing supply-demand issues. Overall, incentivising water-efficient new builds is crucial for sustainable water management, environmental stewardship, cost savings, and long-term resilience in the face of water scarcity and climate change.
Q2 Do you have any comments on the characteristics of good environmental incentives?	Transparent, Stable, and Fair - the mechanism in which to make this fair is not clear. Larger companies are able to be agile in responding to changes in enabling technology and are better able to benefit from economies of scale. Support Innovation - the water industry requires centralised innovation for the technology required to build water neutral developments. Those developing need greater support in adoptable assets, water fittings standards, and ongoing maintenance of devices. Trust and Confidence - no evidence has been presented to show that the issue is with Developers receiving payment. Adoption I believe the issue to be consumer confidence in the new technology. Consumers have to be educated about the value of water to be persuaded to adopt new technology and lifestyles.
Q3 Do you have any comments on the extent to which any environmental incentives could or should be adapted for implementation in Wales?	No adaptation for the Wales implementation.
Q4 Do you have any comments on the case studies outlined?	It is important to comprehend the reasons behind the lack of industry participation in the current environmental incentives provided by water companies. Based on customer feedback received so far, it has been observed that the offered incentive is considered insufficient. A recommendation would be for a new, up-to-date research project to accurately assess the cost to developers in order to incentivise the environmental initiative. The research project should bring together all parties to understand the true cost involved. It should be noted however that providing this incentive is not solely the responsibility of water companies, albeit they do play a crucial role.
Q5 Do you have any comments on our proposed standardised incentive tiers?	Consistency across the industry is a good principle. Consistency will lead to greater buy-in, will be easier to understand, and should drive innovation that is shared across the industry. To maintain the element of tailoring for specific company situations then bespoke incentives allows companies to adapt.
Q6 Do you have any comments on our proposal for a common methodology / technical standards to assess water efficiency?	A common methodology will greatly help improve the current situation around water fittings calculations, and/or flow calculations. A standard way and format of assessing will greatly help developers that are working cross-industry.
Q7 Do you have any comments on the details of our proposal for companies to offer bespoke incentives?	Opportunity for companies given their different geographical locations and own WRMPs. Complimented with the standard - no issue. Without the standard - an issue
Q8 Do you have any comments on the potential for reputational incentives?	The additional of a reputational incentive adds a further layer of complexity. A reputational incentive could inhibit collaboration and innovation that will support establishing the environmental incentive. To encourage collaboration, implementation of an incentive should be delayed until a threshold of uptake is achieved as an industry average.
Q9 We seek views on how the process for agreeing and paying environmental incentives might best be organised in practice, and whether this is consistent with existing developer services processes.	Evidence to date suggests that the industry is going to require audits similar to that of water regulations checks on high risk properties and external pipework checks. Water companies are going to need to make process and people changes to enable this activity. People and process changes may incur additional cost which will need to be funded through New Connection Charging Arrangements. An industry accreditation scheme similar to WIAPS could be implemented to bypass additional audit requirements.
Q10 Do you have any comments on how high levels of compliance with the incentive technical standards might best be achieved?	Development customers who are looking to build environmentally friendly will be doing so with the best intentions. Through engagement and communication we should see high rates of effective implementation of a revised incentive. To support the incentive and protect existing customers from growth on the network, a level of auditing will be required. Penalty and disqualification post-installation audits will lead to difficulty recovering from companies, impact customer satisfaction, and bad debt. Payment post-audit would be better however does create challenges around conducting (and paying for audits). Smart metering - alternative?
Q11 Do you have views on whether environmental incentives are best funded as an environmental component of the infrastructure charge or as a separate charge?	Environmental incentives that are integrated them with infrastructure charging adds complexity especially when it comes to protecting one-off customers. Those customers who are unable to purchase water efficient products in bulk will be disadvantage to those who are able to purchase in bulk. A separate funding mechanism should be established that protects customer segmentation.
Q12 Do you have any comments on our proposal for guidance issued under the charging rules and how they are developed and maintained?	It is important that environmental incentives are contained within Charging Rules to be consistent, but it should be clearly explained using clear examples. It is important that we consider what we should do with regards to over or under recovery. The current methodology would not apply.
Q13 Do you have any comments on our approach for managing interactions with the regulatory framework?	D-MeX - qualitative D-MeX may be impacted. One-off customers are likely to be impacted more than larger developers. The customers will have greater chance of being surveyed due to the ratio of engagement. A simple, quantitative measure (non-D-MeX) would be appropriate for measuring the length of time to an incentive being paid once evidence has been provided.