



Centre City Tower, 7 Hill Street, Birmingham B5 4UA
11 Westferry Circus, Canary Wharf, London E14 4HD

By email

27 July 2023

Dear Bob and Chris

UDVRE request for delayed gate two submission

Thank you for your letter of 10 July regarding gate two for the Upper Derwent Reservoir Expansion (UDVRE) solution.

At gate one, we determined that the UDVRE solution, which included options to expand reservoirs, had potential to address a strategic need for water because it could compensate for the loss of transfer from Severn Trent to Yorkshire Water. The UDVRE solution explored options to maximise the water resource benefit from increasing the size of reservoirs in the Upper Derwent Valley. Now that we have more information, we know that these options are very likely to cause an unacceptable impact on the National Park and particularly on Habitats Regulations designated sites. We appreciate that the UVDRE solution owners have taken on board the comments and feedback expressed by the key stakeholders and regulators to change their programme and come to a decision to stop further investigation of these environmentally damaging options.

The RAP D process was set up with the aim to encourage ambitious projects and big picture/strategic thinking to overcome future national water issues. We believe that at gate one, investigating UDVRE aligned with this aim. However, addressing national water resource needs must also be consistent with obligations to protect and improve the environment. We believe that the potential environmental impact of the reservoir options explored to date outweigh the potential water resource benefit and this is why, based on the evidence we now have and the particular legal obligations that apply to National Parks and Habitats Regulations designated sites, we can no longer support the further development of these options. In this case, the RAP D process has worked well, as high quality work undertaken through the gated process has improved our knowledge and has led to better informed decision making by the water companies at a relatively early stage in the development of the solution. In this case, not progressing options that have been revealed to have an unacceptable environmental impact is an outcome of successful learning.

Rather than stopping the UDVRE solution completely, we agree that there is benefit in further exploring the Yorkshire Backfill option which sources water from inside Yorkshire Water's

Paul Hickey, Senior Director t. [REDACTED]

e. [REDACTED]

region. However, given that up until this point the work for the gate two submission has focussed on exploring the reservoir options, it would not be a good use of time or resources for RAP D to assess a gate two submission made on 17 July 2023. We agree the gate two submission date should be delayed. We will determine a new date for the gate two submission for an Upper Derwent Valley Reservoir Expansion solution on the basis of the Yorkshire Backfill option after the final water resource management plans (WRMPs) for Severn Trent and Yorkshire Water have been published provided that the final WRMPs support a Yorkshire Backfill option.

Given the large amount of work undertaken to get to this point, we request that the UDVRE solution owners submit a summary of activities undertaken so far and provide a report to RAP D on the expenditure incurred up to July 2023 and projected cost for any activities that solution owners wish to continue. We appreciate that there are environmental monitoring activities currently ongoing that would provide value if completed. We request that the UDVRE solution owners formally agree what these activities are with the environmental regulators through the National Appraisal Unit (NAU) and provide the expenditure and projected cost report to RAP D by 17 August 2023.

We believe that there may be potential reservoir solutions within the Upper Derwent Valley that do not have a significant environmental impact. We would like the solution owners to undertake a simple desktop assessment to demonstrate what the maximum potential yield would be in the Valley with inundation not affecting derogating Habitats Regulations sites. We request that this information is provided to RAP D by 26 September 2023 and that the solution owners report on the progress at the regular checkpoint meetings.

We appreciate the high quality work and engagement from the solution owners and welcome further engagement going forward.

Yours sincerely



Paul Hickey
Senior Director