EnvC130/17

Response to Defra's consultation on developing a National Policy Statement for Water Resources

21 December 2017

About Energy UK

Energy UK is the trade association for the GB energy industry with a membership of over 100 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership encompasses the truly diverse nature of the UK's energy industry – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

Our members turn renewable energy sources as well as nuclear, gas and coal into electricity for over 27 million homes and every business in Britain. Over 730,000 people in every corner of the country rely on the sector for their jobs, with many of our members providing long-term employment as well as quality apprenticeships and training for those starting their careers. The energy industry invests £12bn annually, delivers £88bn in economic activity through its supply chain and interaction with other sectors, and pays £6bn in tax to HM Treasury.

We welcome the opportunity to contribute to Defra's consultation on developing a National Policy Statement for Water Resources and proposals to amend the definition of nationally significant water resources infrastructure in the Planning Act 2008. Our responses to selected questions are set out below.

Consultation questions:

Part 2

2. Do you have any views or comments on these principles for developing the NPS?

Principle 1

We have no comments on Principle 1.

Principle 2

Whilst water company Water Resource Management Plans (WRMPs) and the associated stakeholder processes are natural vehicles for identifying water resource schemes within existing arrangements, they may not remain so depending on the future evolution of the water industry. Non-water companies may become active in the provision of water for societal use. The traditional classifications of water utilities and other companies may become blurred. Although water companies have statutory duties and have therefore been given powers and roles to discharge those duties, systems must not be set up in such a way as to give water companies planning water resource Nationally Significant Infrastructure Projects (NSIPs) presumed first call on scarce water resource. This scarce water resource may play an

important role in delivering resilience and affordability in other sectors such as energy and agriculture.

Decisions on the allocation of scarce water resource should not take place within WRMPs, Catchment Groups or other stakeholder forums, but should be subject to 'fit for purpose' law (as originally envisaged under Defra's Abstraction Reform initiative).

Principle 3

Always seeking to enhance the environment within each and every NSIP scheme may be expensive and go beyond legal requirements. Should it be interpreted as devoting disproportionate, scarce water resource to the environment ahead of use by Public Water Supply (PWS), energy production, agriculture, etc., it may adversely affect other strategic national interests (e.g. the supply of resilient and affordable electricity, food and other industrial needs). This principle should be extended, or another principle added, to take account of governmental socio-economic and sustainability objectives, thus covering the needs of all water users together with the environment.

3. Do you consider there to be any further principles for developing the NPS? Please explain your reasoning.

Yes. There should be a principle which more clearly requires the NPS development and, in turn, developers and authorisers of Water Resource NSIPs to have regard to the reasonable needs of other sectors dependent on surface and ground water. These are potentially in competition with those providing water for PWS and with the environment at times of water scarcity. For sectors such as energy and agriculture there is no national plan or regional set of plans analogous to WRMPs. Although 'effects on other abstractors' is a welcome heading deep within the Appraisal of Sustainability (AoS), we do not consider that this is afforded sufficient prominence, particularly in the context of Defra's expected programme of abstraction reform being downgraded.

4. Do you agree with the main issues identified in the topic areas (Section 3.3 of AoS Scoping Report)?

We agree with the topics but we consider that the economics topic could be generalised to include potential adverse effects (or benefits) for those potentially competing for scarce water resource. Alternatively, this area could be further developed under the headings of water quality and water quantity. The 'scoring system' (e.g. AoS AppB Table 2.2, Table 6.6 et al) should include benchmarking of adverse impacts due to effects on other abstractors, but does not.

5. Does the AoS Scoping Report set out sufficient information to establish the context for the appraisal, both in terms of the scope of the baseline analysis presented, and the plans and programmes reviewed (appendix B)? If not, which areas do you think have been missed from the baseline analysis and/or what additional plans or programmes should be included?

Ideally, we would like to see some recognition of the water resource needs of other sectors and how these might develop, although we recognise that these are not easily characterised.

Inclusion of reference to the overarching NPS for energy and the daughter NPSs for nuclear, fossil-fired power stations and renewables would be welcome, although these do not have the necessary spatial resolution, nor can they, to automatically feed into a Water Resource NPS or individual WRMP.

6. Do the AoS objectives and guide questions (Section 4.3 of scoping report) cover the breadth of issues appropriate for appraising the effects of the draft NPS? If not, which objectives should be amended and how? Or which guide questions should be amended and how? Are there other objectives or guide questions that you believe should be included?

We welcome inclusion within the 'economics' section of the question 'Will the Water Resources NPS affect existing abstractors?'. This is a crucial issue which we consider goes far beyond '… the risk of drought or interruptions to accessing water may pose a risk to economic productivity' suggested on page 28. Clearly, this question cannot be answered within the NPS itself but should prompt consideration and evidence gathering in the development of individual NSIPs. The NPS should not provide a steer or presumption that a water resource NSIP scheme has first call on scarce water for which there may be competition from other users or developers from other sectors.

AoS Appendix B in places misrepresents the Water Framework Directive as requiring all waters to reach 'good' status as opposed to requiring the setting of targets through the planning process aiming to achieve 'good' status and taking into account disproportionate costs and feasibility, etc. This is a material misrepresentation in the 'context' area.

7. Do you have any comments on the discussion on potential reasonable alternatives to the NPS (Section 2.4 of scoping report)? Should any further alternative scenarios be considered? Please support your suggestion with your reasoning.

We would reiterate that decisions on the allocation of scarce water resource should not be made within WRMPs. Alternative scenarios should consider the relative availability of water and the impact each scenario could have on other water abstractors.

Part 3

12. Are there any further factors that we should take into account?

There may be other factors contributing to the significance of a transfer scheme beyond those set out on page

29. Whilst size (Mm^3pa) is an important measure, the timing of the transfer is also a relevant factor. If a transfer operates only at moderate and high flows (probably in conjunction with a reservoir in the receptor region) the potential for adverse effects on other users in the donor region is likely to be much reduced compared with a transfer which operated year-round or even on a low-flow bias.

15. Do you have any views on whether there would be benefit in including groups of smaller transfer schemes within the threshold? Please explain your reasoning.

Where these smaller transfers have similar effects and together would cross the threshold, grouping would be sensible. Such a group may be a number of schemes being proposed to operate at a given time or the phased introduction of a number of schemes over time.

17. What are your views on the inclusion of desalination schemes in the definition of nationally significant infrastructure?

We see no reason not to include desalination schemes if they have sufficient materiality.

18. What should the threshold for desalination schemes be?
Please explain your reasoning, where possible providing examples of previous schemes or those that are likely to be brought forward in WRMPs

We see no reason why the thresholds should differ from other supply schemes.

19. What are your views on whether effluent reuse schemes should be considered nationally significant?
Please explain your reasoning, where possible providing examples of previous effluent reuse schemes or those likely to be brought forward in WRMPs.

We see no reason not to include effluent reuse schemes if they have sufficient materiality. Depending on the detail, effluent reuse may seek to re-direct discharges to which the downstream users and the environment have adapted for many years. Thus there is potential for adverse effects on dependent users and the environment, which should be considered as part of the scheme appraisal.

For further information contact:

Andy Limbrick
Environment Consultant
Energy UK
Charles House
5-11 Regent Street
London SW1Y 4LR

Tel: +44 20 7747 2924
andy.limbrick@energy-uk.org.uk
www.energy-uk.org.uk

India Redrup
Policy Assistant
Energy UK
Charles House
5-11 Regent Street
London SW1Y 4LR

Tel: +44 20 7024 7635
india.redrup@energy-uk.org.uk
www.energy-uk.org.uk