

Summary of non-household smart metering, water efficiency and demand reduction commitments in revised draft Water Resources Management Plans (WRMPs)

January 2024



Overview and context

- In February 2023, MOSL and the Strategic Panel fed back on the initial draft WRMPs and outlined what they'd like to see in the revised drafts including clear recognition of the role the NHH market has to play to address water security challenges and clear commitments around NHH smart metering
- We recognised then that external factors – such as Defra's delay in confirming the 9% demand reduction target for NHHs by 2038 (including growth) – will have impacted the commitments in initial draft plans
- Slide 3 of this pack provides a narrative on the updated assessment MOSL has undertaken
- Slide 4 highlights some of the key themes identified and priority areas for action
- Slide 5 of this pack represents MOSL's interpretation of NHH related commitments in revised draft WRMPs
- Slide 6 provides links to where the plans can be found on company websites

Narrative on this assessment

- Our interpretation on slide 5 is based on the commitments identified in revised draft WRMPs. We are pleased to highlight a number of positive changes in some plans from previous drafts but have highlighted areas where we believe more action is needed to align plans with the 'here and now' water security challenges we face as a country.
- In response to feedback, we have marked the four companies who have not yet published their revised draft WRMP as 'to be confirmed' rather than inferring commitments from PR24 business plans which can differ due to the timing of publication. Assessments of the remaining revised draft WRMPs will be added when available.
- This is a snapshot assessment of the relative ambitions of companies in each area and as a result it does not go into the next level of detail.
- We have provided a Red, Amber, Green (RAG) status against smart metering and demand reduction commitments as these can be easily quantified but have not done so for water efficiency as our assessment in this area is qualitative
- Reviewing the plans has highlighted that there is no common format for NHH related aspects which are sometimes found in appendices or supporting documents, so clear commitments can be difficult to find. We believe developing a common format for this information to be provided would help identify and compare final and future WRMPs.

Key themes

- MOSL and the Strategic Panel were pleased to provide detailed feedback to wholesalers on revised draft WRMPs via a December 2023 [open letter](#) which was also circulated to Ofwat, Defra and the Environment Agency.
- We are pleased to see clear movement in a number of plans around NHH smart metering and water efficiency and closer alignment in achieving Defra's target to reduce NHH water consumption by 9% by 2038.
- While there are greater levels of ambition around NHH smart metering in most plans, there remains a risk of a fragmented NHH customer experience with customers in some regions not due to receive them until 2040
- Most plans detail potential water efficiency interventions for NHH customers and an ambition to work with retailers but developing plans in both these areas remains a priority to deliver against the 9% target
- While we expect plans to meet Defra's 9% target, we note some companies anticipate missing it due to anticipated economic growth in their regions. Clarity is needed from the Environment Agency, Defra and Ofwat on:
 - how growth will be factored in to measuring progress towards the target so companies can allow for the sustainable growth the government wants and aren't penalised for operating in high growth areas
 - the progress expected towards the target by 2030 to stay on track and;
 - the level of ML/day reductions needed and whether this is a uniform reduction across regions.

Wholesaler	MOSL's summary of NHH smart meter, water efficiency and demand reduction commitments in revised WRMPs		
	Non-household smart metering commitments	Non-household water efficiency (WE) commitments	Progress towards Defra's 9% NHH reduction target by 2038 (including growth)
Affinity Water	1/3 NHH meters converted to smart AMI (1/3 by 2035, final 1/3 by 2040)	Direct audits. Move to market-based approaches using AMI data to identify interventions.	Forecasting to meet the 2038 target and the 15% reduction target for 2050
Anglian Water	NHH smart meter rollout part of wider plans to complete smart meter rollout by 2030	Trialling now: direct audits (large customer focus). Retailer incentives, smart meter WE packages	Forecasting an increase in NHH demand by 2038 due to growth but an 8% reduction by 2038 excluding growth
Bristol Water	<i>To be confirmed</i>	<i>To be confirmed</i>	<i>To be confirmed</i>
Northumbrian Water	Replace all NHH meters with smart meters by 2035	AMP8 trials before scaling up. Options: Information provision, Infrastructure/Leak Investigation, WE Solutions.	Forecasting a demand increase by 2038 due to growth (9% reduction excluding growth) including in Essex & Suffolk area
Portsmouth Water	Universal household and non-household 'smart' metering by 2035	High users audits/support. Smaller NHH customers the same advice/support as household customers.	Forecasting to achieve the 9% target by 2038 and the 15% target for 2050
SES Water	A seven-year rollout of smart metering across non-household properties.	Direct WE visits. Focus on Gatwick as largest user. Link more with retailers as AMP8 progresses.	Plan forecasts to exceed the 9% target by 2038 and the 15% target for 2050
Severn Trent	<i>To be confirmed</i>	<i>To be confirmed</i>	<i>To be confirmed</i>
South East Water	Replace NHH meters with 'newer' smart meters by 2035	NHH WE audits to identify options for reducing consumption	Forecasting to meet the 9% target by 2038
Southern Water	<i>To be confirmed</i>	<i>To be confirmed</i>	<i>To be confirmed</i>
South Staffs Water	100% smart meter penetration by 2035	Developing options: on-site audits, leakage detection Advice and options for retailer collaboration	Forecast to meet the 9% target by 2038 in South Staffs area Forecast NHH demand increase in Cambridge due to growth
South West Water	Smart AMI meters to all household and smaller NHH customers by 2035	Targeted WE visits. Domestic-like advice / targeted advice for heavier users. Options for new buildings.	Estimate that targets will be achieved with some options to be developed
Thames Water	All NHH meters converted to smart AMI by 2030	Smarter business visits, continuous flow fixes, engage retailers, develop new NHH tariffs	Plan forecasts to meet the 9% target for 2038 and the 15% target for 2050
United Utilities	Replace all non-household meters with smart meters by 2030	Direct WE visits/interventions, tailored coordination with retailers, domestic-like support, targeted audits	Plan forecasts to meet the 2038 and 2050 targets
Wessex Water	Smart meters to 95% of households and NHHs by 2035	Direct business visits, using smart data to enhance targeting, develop options to engage retailers	Forecasting to meet the 9% target for 2038 and the 15% target for 2050
Yorkshire Water	<i>To be confirmed</i>	<i>To be confirmed</i>	<i>To be confirmed</i>

Clear / high commitments identified

Medium commitments / clarity needed

No or low commitments identified

References

Affinity Water	https://affinitywater.uk.engagementhq.com/wrmp
Anglian Water	https://www.anglianwater.co.uk/about-us/our-strategies-and-plans/water-resources-management-plan/
Bristol Water	https://www.bristolwater.co.uk/about-us/our-plans/water-resources/ (Updated WRMP not yet available)
Northumbrian Water	https://www.nwg.co.uk/responsibility/environment/wrmp/nw-draft-water-resources-management-plan-2024-consultation/
Portsmouth Water	https://www.portsmouthwater.co.uk/news/publications/water-resources-planning/
SES Water	https://seswater.co.uk/about-us/publications/our-water-resources-management-plan
Severn Trent	https://www.severntrent.com/about-us/our-plans/water-resources-management-plan/ (Updated WRMP not yet available)
South East Water	https://www.southeastwater.co.uk/about/our-plans/future-water/
Southern Water	https://www.southernwater.co.uk/our-story/water-resources-management-plan (Updated WRMP not yet available)
South Staffs Water	https://www.south-staffs-water.co.uk/about-us/our-strategies-and-plans/our-water-resources-management-plan
South West Water	https://www.southwestwater.co.uk/about-us/what-we-do/improving-your-service/water-resources-management-plan
Thames Water	https://thames-wrmp.co.uk/
United Utilities	https://www.unitedutilities.com/corporate/about-us/our-future-plans/water-resources/developing-our-water-resources-management-plan/
Wessex Water	https://corporate.wessexwater.co.uk/our-future/our-plans/water-resources-management-plan
Yorkshire Water	https://www.yorkshirewater.com/about-us/resources/water-resources-management-plan/ (Updated WRMP not yet available)