



Addendum to Statement of Response **Draft Water Resources Management Plan 2019**

Affinity Water Limited

1 March 2019

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1 Executive Summary

- 1.1 We ran a public consultation on our draft Water Resources Management Plan (dWRMP19) between 19 March 2018 and 23 May 2018. We published a Statement of Response to the representations made on our dWRMP19 on 31 October 2018. The Statement of Response set out what customers and stakeholders had told us and how we would take their views into account in developing our revised draft Water Resources Management Plan 2019 (rdWRMP).
- 1.2 This document is an addendum to the dWRMP19 Statement of Response.
- 1.3 Section 2 describes the pre-consultation undertaken with regulators, stakeholders and customers to inform and shape our rdWRMP19.
- 1.4 Section 3 sets out changes and updates to the matters set out in our Statement of response.
- 1.5 Sections 4 and 5 outlines how our rdWRMP addresses key representations on our dWRMP19, particularly those from the Environment Agency and Ofwat.
- 1.6 Updates and changes to the position set out in our Statement of Response for key elements of our rdWRMP19 are summarised below.

	Statement of Response position	Updates and changes
Our planning approach	Develop a revised decision-making process.	<p>We have developed an adaptive planning approach for the Central Region in response to the challenges that we face that is both flexible to future uncertainties and ensures that we will maintain the balance between supply and demand through investments that represent the best value for customers.</p> <p>For the Southeast and East regions, we have sufficient time and control over the risks involved to allow us to maintain a more 'conventional' approach to investment planning given the size of the challenge and the nature of our response.</p>
Sustainability reductions	36.31 Ml/day at Dry Year Annual Average and 23.66 Ml/day at Dry Year Critical Period by 22 December 2024.	No change.

	Statement of Response position	Updates and changes
Leakage reduction	15% leakage reduction by 2025. Added further leakage reduction after 2025 aiming to achieve a 50% reduction by 2050 (from 2015 levels).	In our rdWRMP19 we have included 18.5% leakage reduction by 2025 and aim to achieve towards 50% leakage reduction by 2045. This is in line with recommendation of the National Infrastructure Commission.
New groundwater options	No development of new chalk groundwater options in our Central region.	No change.
'Supply 2040'	Include a programme for strategic water transfers.	No change.
Drought resilience	Drought resilience increased to 1 in 200 years with no use of drought order or permits from 2024 onwards. Increasing drought resilience beyond a 1 in 200-year drought at a future point after 2024.	No change.
Per capita consumption (PCC)	129 l/h/d by the end of 2025 and aiming towards 110 l/h/d by 2040.	We have developed a demand management strategy aiming towards delivering PCC of 110l/h/d by 2045.
South East Strategic Reservoir (SESR)	We are carefully considering the need for and suitability of this option, as well as the suitability of other strategic options and appropriate delivery dates.	Our best value plan includes 'SESR' as the first strategic supply option required by 2038 (at the earliest) as part of our adaptive plan.
Grand Union Canal (GUC) transfer	We are carefully considering the need for and suitability of this option, as well as the suitability of other strategic options and appropriate delivery dates.	This option is required in the long term or as an alternative to first strategic supply option as part of our adaptive plan.

2 Consultation Process Update

- 2.1 In order to support our decision making and development of the rdWRMP19, we carried out eight pre-consultation focus groups in December 2018 and January 2019. These were aimed at refining our understanding of customer preferences in a number of areas, including demand management options, drought resilience and options for longer term strategic supply side schemes.
- 2.2 During this phase of pre-consultation, we also held several meetings with external stakeholders, to help us shape our decision making for the rdWRMP19. These included the Environment Agency, Ofwat, Natural England, local authorities, the Group Against Reservoir Development (GARD), Canal & River Trust, neighbouring water companies, water retailers and river and environmental groups,

3 Key Updates to dWRMP19 Statement of Response

In this section we highlight the further work and changes that we have made in relation to the commitments within our dWRMP19 Statement of Response (SoR) on 31 October 2018.

3.1 Supply

SUMMARY: KEY FEATURES OF THE rdWRMP19 – SUPPLY

3.1.1 Key features of our supply forecast where we committed to actions within the rdWRMP19 are summarised below including key updates since publishing our dWRMP19 Statement of Response (SoR):

	Statement of Response position	Updates and changes
Deployable Output (DO) assessment	DO Assessment as per dWRMP19 Alternative Plan.	We included an adjustment on a few sources to reflect latest operational understanding during drought conditions and following pre-consultation with Environment Agency resulting in an overall increase in DO of c.15 MI/d building from dWRMP19 Alternative Plan following better operational understanding of sources during drought condition. The DO assessment is described in rdWRMP19 Technical Report 1.1.1 Deployable Output and WRMP – Drought Plan links
Uncertainty in source DO	We will review the DO associated with the future operation of existing source at FRIA ¹ .	We included this explicitly as part of our challenging future in the adaptive plan.
Sustainability reductions	Committed to sustainability reductions of 36.31 MI/day by 22 December 2024 (updated to reflect the numbers in the WINEP3 table).	No change We included numbers as per WINEP3 table in our supply forecasts.
New groundwater options	Will not include the development of new chalk groundwater options in the Central region.	No change These options were excluded in our decision making.
Drought resilience	Increasing drought resilience to meet a 1 in 200-year drought without the use of drought permits or orders post March 2024 and beyond a 1 in 200-year drought at a future point after 2024.	No change We included this level of resilience in our modelling.

¹ Names/locations are referred to by a code for security reasons.

3.2 Demand

SUMMARY: KEY FEATURES OF THE rdWRMP19 – DEMAND

3.2.1 Key features of our demand forecast for the rdWRMP19 where we committed to actions are summarised below including key changes since publishing our dWRMP19 Statement of Response (SoR):

	Statement of Response position	Updates and changes
Population and housing forecast	We committed to reviewing the population and housing forecasts	We updated these forecasts, which broadly align with Local Authority growth plans. The change in forecast since dWRMP19 is minor.
Per capita consumption (PCC)	We committed to reducing PCC to achieve more challenging levels of PCC to 129 l/h/d by 2025 and aiming towards 110 l/h/d by 2040.	We have developed an adaptive plan which reduces PCC to 129 l/h/d by 2025 and aims to achieve between 110l/h/d and 120l/h/d by 2045.
Optimism in demand management strategies	In response to concerns that we may have been too optimistic about the success of our demand savings strategies we committed to reviewing this issue within Target Headroom.	We strengthened our approach by specifically incorporating the uncertainty in delivering demand management benefits within our adaptive pathways planning, which aims to achieve PCC to as low as 110l/h/d by 2045 whilst ensuring customers are not put at risk by this ambition.
Local Authority Growth Forecasts	We committed to reviewing the GLA draft growth plans	Included this as part of our 'testing the plan' Section 5.7

3.3 Headroom and Outage

SUMMARY: KEY FEATURES OF THE rdWRMP19 – HEADROOM AND OUTAGE

3.3.1 Key features of headroom and outage assessment for the rdWRMP19 where we committed to actions are summarised below including key updates since publishing our dWRMP19 Statement of Response (SoR).

	Statement of Response position	Updates and changes
Headroom	We committed to reviewing and clarifying our Target Headroom assessment in response to regulator comments.	<p>As per our commitment we carried out a full assessment of our Headroom and updated relevant components of headroom.</p> <p>Our revised Headroom assessment reflects updates to components such as SELL² and reassessment in Deployable Output (DO).</p> <p>For more information see rdWRMP19 Technical Report 3.2 Headroom Assessment</p>
Outage	Following Ofwat feedback that our outage allowance was higher than the industry standard, we committed to reviewing our assessment,	<p>Model reviewed and updated outage to fully align with industry standard practice. The methodology results in lower outage values that are closer to those used for WRMP14, in which multiple day outage events are aggregated into one single event. The update to planned outage was based on asset maintenance plan.</p> <p>For more information see rdWRMP19 Technical Report 3.1 Outage Assessment</p>

3.4 Leakage

SUMMARY: KEY FEATURES OF THE rdWRMP – LEAKAGE

	Statement of Response position	Updates and changes
Leakage reduction	We committed to move to our draft Alternative Plan of 15% leakage reduction in AMP7, including further reduction to aiming towards achieving 50% reduction by 2050.	<p>Our rdWRMP19 includes a leakage reduction of 18.5% from 2020 to 2025 period through increasing intensity of leakage activities, innovation, efficiency and reducing customer side leakage.</p> <p>In the longer-term we will aim to achieve an overall level towards 50% leakage reduction by 2045. In addition, we are planning to spread further leakage reduction after 2025 across all of our 8 Water Resource Zones (WRZ).</p> <p>Our overall assessment of leakage and 'SELL' has been updated and includes the trunk main and service reservoirs.</p>

3.4.1 Further detail of our leakage strategy is in the rdWRMP 19 **Technical Report: 4.8 Leakage Strategy Report**.

² SELL – Sustainable Economic Level of Leakage

3.5 Selection of options and EBSD modelling

SUMMARY: KEY FEATURES OF THE rdWRMP – DECISION MAKING PROCESS

3.5.1 Key features of our decision making process and review of options for the rdWRMP19 is summarised below including key updates since publishing our dWRMP19 Statement of Response (SoR) on 31 October 2018:

	Statement of Response position	Updates and changes
Decision making process	We committed to include a revised decision making process that is clearer and shows how we have met our commitments over the environment and resilience, and demonstrates how customers and stakeholders have shaped our Plan.	We reviewed the tools that were available to us and implemented 'adaptive pathways' planning as our core process for the Central region. This incorporated a staged decision-making process that takes into account customer and stakeholder preferences and a multi-criteria analysis of options. These were explicitly incorporated into the options and "four futures" that were used develop our plan and adaptive strategy for the Central region.
Strategic supply side options	We committed to further consider a range of strategic options. This included consideration of suitability and appropriate delivery dates.	As per our commitment we have carefully considered and assessed the need of a number of strategic supply options, and developed an adaptive plan where the first strategic supply option (the SESR) is required by 2038 (at the earliest) as part of our adaptive plan and the second strategic supply option (the GUC transfer) from 2050 onwards. Our adaptive strategy specifically considers lead times, delivery dates and further decision points in the delivery of those options.
Inclusion of WRZ8	We committed to including economic modelling of options WRZ8 alongside our other communities.	We have included WRZ8 (our Brett community) within our decision making framework and EBSD model.
Demand management options	We committed to including a greater variety and depth of demand management schemes within our decision making process.	We included options for water efficient new homes to allow us to potentially meet stretching targets, and developed a coherent plan of how we will use all options to achieve our demand management ambitions.

3.5.2 Further detail of our decision-making process and adaptive plan for the central region is described in our **rdWRMP19, section 5.3 and rdWRMP19 Technical Report 4.9 EBSD Modelling and Decision Making process**

3.6 Strategic Environmental Assessment (“SEA”) and Habitats Regulations Assessment (“HRA”)

3.6.1 We committed to updating our SEA and HRA as part of the dWRMP19 Statement of Response (SoR) on 31 October 2018 in order to address a number of comments from regulators. The key dWRMP19 representations on SEA and HRA are summarised below alongside the updates we have included in our revised Plan SEA and HRA.

Regulator	Key Representations on SEA and HRA	Updates and changes
Environment Agency	Preferred Plan had an SEA assessment but the Alternative Plan didn't. This was not acceptable as both should have been assessed.	The rdWRMP19 includes a single plan and assesses all nine adaptive runs and provides explanation for why some were progressed and others were not.
Environment Agency	SEA did not include sufficient information on cumulative impacts. The rdWRMP should include an assessment of the relevant cumulative effects, inclusive of the WRSE outputs.	The rdWRMP19 SEA includes cumulative effects assessment (CEA) within Technical report 4.11 SEA Report, Appendix 6 . This includes consideration of the WRSE Phase 3 CEA work.
Environment Agency	Lack of supporting information and detail in respect of monitoring measures.	Mitigation is clearly set out in rdWRMP19 Technical report 4.11 SEA Report, Appendix 5 where it has been possible to do so. Similarly, Appendix 6 contains information on mitigation for CEA.
Natural England	HRA should be updated to reflect changes in the law since the dWRMP HRA had been published.	The rdWRMP19 has been updated to take into account the notable Conservation of Habitats and Species Regulations 2017, as well as the implications of the judgment of the Court of Justice of the European Union in Case C-323/17 People Over Wind v Coillte Teoranta.
Natural England	Alternative options should be displayed, should mitigation not be possible.	The rdWRMP19 adaptive modelling approach has allowed for 'challenging futures' whereby we could simulate varying levels of yield for options flagged by the Water Framework Directive (WFD) and SEA. We have also been able to run an Environmental Modelling run to remove all the options with the potential for moderate or significant negative effects to identify and review the implication of a plan that did not include such options.
Natural England	There are some missing interest features from the dWRMP19 assessments.	The rdWRMP19 SEA includes all of the relevant interest features within Technical report 4.11 SEA Report, Appendix 2, Annex B . Similarly, interest features are now all referenced within Appendix 5 , with reference to which could be impacted and what the potential mitigation could be where possible to suggest.
Natural England	It was queried that Desalination options appeared to be negatively impacting the environment, yet they were still taken through into the Preferred Plan.	The dWRMP HRA assessed all of the constrained options, rather than those which were in the plan. To remove this confusion, the rdWRMP19 only assesses options which make up our rdWRMP19 'best value' plan.

4 Response to Environment Agency representations on dWRMP19

4.1 Environment Agency's Recommendation 12 - Compliance with relevant legislation (WRMP Direction 2017)

This section contains our responses to Environment Agency's Recommendation 12 to demonstrate our plan complies with all WRMP Directions and provides reference to where in our rdWRMP recommendations have been addressed.

Direction 3(b) - Describe the annual average risk of all restrictions as a percentage, and how they change through the planning period.		
R12.1	<p>The company has not stated the average annual risk that it may need to impose temporary water use restrictions, ordinary drought orders and emergency drought orders as a percentage as required by Direction 3(b). The company has also not provided a description of how it expects the annual average risk of all restrictions to change through its planning period as a result of implementation of the options in its preferred and alternative plans.</p> <p>The company must provide its estimate of the planned annual risk for temporary water use restrictions, ordinary drought orders, and emergency drought orders and how this risk changes across its planning period to meet Direction 3(b).</p>	
dWRMP SoR	Our response	Within our revised dWRMP we will amend Table 12 to ensure the annual risk is presented as a percentage and how we expect this percentage to change in response to the implementation of options selected within the plan.
	Summary of any change to our revised dWRMP	Table 12 to be amended.
Our response (with reference to rdWRMP19)	This has been described in rdWRMP19, section 6.10 'Drought Levels of Service' in Table 27 providing a summary of the current and proposed future levels of service to drought including additional information on annual risk.	
Direction 3(c) - Describe the assumptions it has made to determine the annual average risk of all restrictions		
R12.2	<p>The company has not described the assumptions or methodology it has used to estimate the annual average risk for temporary use restrictions, ordinary drought orders and emergency drought orders that should be set out as part of Direction 3(b).</p> <p>To comply with Direction 3(c), the company must describe the assumptions it has used to estimate its level of service and the planned annual risk in the planning period of temporary water use restrictions, ordinary drought orders and emergency drought orders.</p>	
dWRMP SoR	Our response	We shall ensure the current section 4 of our draft WRMP is updated to include an explanation of how our levels of service have been estimated making an explicit link to the work carried out for our Drought Management Plan.
	Summary of any change to our revised dWRMP	As per 'Our response'.
Our response (with reference to rdWRMP19)	This has been described in rdWRMP19, section 6.10 'Drought Levels of Service' which includes additional text that sets out links to the Drought Management Plan.	

Direction 3(d) - Describe the emission of greenhouse gases likely to arise as a result of each measure in its plan		
R12.3	<p>The company has provided an estimation of carbon emissions for its baseline activity and preferred plan. However, it does not present the equivalent information for the alternative plan which the company are also consulting on. In addition, it has not described the greenhouse gas emissions that will occur as a result of each options required to maintain its supply demand balance, or stated where else this information is available, as required by Direction 3(d). As a consequence stakeholders cannot view the carbon implications of the individual options or the alternative plan as a whole.</p> <p>The Company must present the carbon emissions associated with both its preferred plan and alternative plan and include an assessment of the greenhouse gas emissions (rather than just the costs) for each of its preferred options to meet Direction 3(d).</p>	
dWRMP SoR	Our response	We recognise at draft plan we only included a 'tonnes of Carbon' graph for the Preferred Plan and not the Alternative Plan.
	Summary of any change to our revised dWRMP	We will include this graph in our revised dWRMP
Our response (with reference to rdWRMP19)		We have included in rdWRMP19 in section 6.8.3, Figure 34 an equivalent graph of estimation of carbon emissions for our Plan.
Direction 3(e)(i) - Describe the assumptions made regarding the implications of climate change, including in relation to the impact on each of its supply and demand measures		
R12.4	<p>The company has provided an estimation of the impacts of climate change on its future demand and supply forecasts. However, it has not described the impacts of climate change on each of its options in the final planning scenario. This is required by Direction 3(e)(i).</p> <p>The company must include an assessment of the impacts of climate change on each of its measures in the final planning scenario to meet Direction 3(e)(i).</p>	
dWRMP SoR	Our response	<p>This direction was placed on the agenda and discussed at an Affinity Water / Environment Agency meeting in August 2018.</p> <p>We proposed to take the climate change uncertainty elements from the headroom assessment and present this data at the option level to satisfy this legal direction (3ei). The uncertainty element associated with climate change on option yields will be included within the WRP tables within headroom, but to satisfy the direction it will be presented as a separate element within the Headroom technical report.</p> <p>The Environment Agency acknowledged this work had already been completed, but presentation needs to be improved</p>
	Summary of any change to our revised dWRMP	We will improve the presentation of the work undertaken in our revised dWRMP
Our response (with reference to rdWRMP19)		This has been described in rdWRMP19 Technical report 4.5 Supply Side and Constrained Options Report Vol 1, Appendix E shows climate change impact for each supply and demand side measures.

Direction 3(f) - Describe its metering programme, including costs, approach, implementation and timing of the programme		
R12.5		The company has not presented the costs of its metering programme (in isolation). Costs are presented as part of a bundle of actions under the Water Saving Programme. It is also not clear whether these costs incorporate the costs of compulsory metering in the central region as well as optant metering in the south east and east regions. The costs of installing and operating these meters has not been provided. This is required by Direction 3(f). The company must disaggregate the costs of its metering programme from its Water Saving Programme and present these to meet Direction 3(f).
dWRMP SoR	Our response	We will disaggregate the costs of the metering programme from our wider Water Saving Programme.
	Summary of any change to our revised dWRMP	We will present those costs in isolation in our revised dWRMP.
Our response (with reference to rdWRMP19)		The cost of our metering programme in isolation of the other Water Saving Programme (WSP) activities is shown in the rdWRMP19 in Section 6.8 'Cost of our Plan' in Table 26 . Our WSP programme and metering approach and timing is further described in rdWRMP19 in Section 6.2 Our demand management strategy .
Direction 3(h) – Describe its assessment of the cost-effectiveness of domestic metering types		
R12.6		<p>The company has set out the capital and operational costs of its ongoing metering programme in both the preferred plan and the alternative plan, and the costs of new metering options. However, the company has not provided an individual assessment of the cost-effectiveness for each type of household metering, including compulsory, selective, change of occupier and optant as required by Direction 3(h).</p> <p>The company must provide an assessment of the cost-effectiveness of each the above type of metering to meet Direction 3(h). This should be presented individually to allow a comparison of each metering type.</p>
dWRMP SoR	Our response	We will include a cost benefit assessment for household metering types (e.g. Dumb metering, Automatic Meter Reading (AMR), Advanced Metering Infrastructure (AMI)). It should be noted that the company is already a significant way into its baseline universal metering programme to be completed by 2025.
	Summary of any change to our revised dWRMP	We will include a cost benefit assessment for household metering types (e.g. Dumb, AMR, AMI metering).
Our response (with reference to rdWRMP19)		Assessment of the cost-effectiveness of domestic metering types is described in new technical report produced since dWRMP19, Technical Report 2.6 Metering Cost Benefit Analysis (CBA) .

4.2 Environment Agency’s Recommendations (1 to 11) for changes to the draft WRMP

This section sets out our responses to Environment Agency’s key recommendations to our dWRMP19 and provides reference to where recommendations have been addressed in our rdWRMP19.

<p>Recommendation 1 – Present a new plan that delivers secure supplies and protects the environment and consults with its customers</p>	
<p>The EA recommend the company:</p> <ol style="list-style-type: none"> 1. develops a preferred plan that does not present unacceptable risks to the environment and that manages risks so that customers and regulators can be confident it will provide secure, resilient and sustainable water supplies 2. ensures its plan meets regulatory requirements for protection of the environment and reflects customer, regulatory and government expectations for improving resilience to drought and non-drought events 3. consults its customers again on a clearer plan that is ambitious on bringing enhanced resilience to droughts and non-drought hazards 4. ensures that the plan does not have any unresolved deficits and that its planning tables reflect the full capacity of supply schemes available to meet dry year and critical period demands. 	
<p>Our response (with reference to rdWRMP19)</p>	<ol style="list-style-type: none"> 1. Our rdWRMP19 includes an adaptive plan for the Central region which monitors and responds to the future uncertainties, along with up-front investigative activities and investments that we will undertake to ensure we can deliver any adaptations in a timely manner to deliver a resilient plan that secures supplies over the next 60 years (2020 to 2080). 2. Our rdWRMP19 meets government and regulator targets for the environment. Our revised decision-making process includes customer and stakeholder analysis (CSA) to transparently reflect stakeholder and customer feedback and also includes a Multi-Criteria Analysis (MCA) as part of our options appraisal which offers improved resilience whilst minimising environmental impacts and uncertainty. Further information on this can be found in our rdWRMP19, Section 5.3 Our Decision-Making Process for our Central Region. 3. We will be further consulting on a rdWRMP between March and April 2019 that clearly sets out the company’s ambition to enhance resilience and protect the environment. We will liaise closely with our Customer Challenge Group (CCG) in developing our approach to the further consultation. 4. Our revised dWRMP will present a full set of WRP tables and will present any unresolved deficits and surpluses in a clear and transparent way. See Technical Report 6.1 WRP Tables and Commentary & Exception Report

Recommendation 2 – Invest to provide customers with a higher level of resilience that does not damage the environment

The EA recommend the company:

1. develops a set of long term strategic options working with neighbouring companies to provide the desired resilience that is sustainable in the long term
2. ensures that its plan does not risk causing deterioration of water bodies or compromise other Water Framework Directive objectives
3. clarifies the level of service and demand savings for the split in emergency drought orders - the company should set out what the actions are that it proposes under 'restrictions in essential use' and why this enables security of supply to be maintained without resorting to rota cuts.

Our response
(with reference to rdWRMP19)

1. We have worked with neighbouring water companies to develop a set of long term strategic options which look to provide sustainable, long term resilience. However, in the near-term, we recognise that we cannot meet a 1 in 200 level of service (LoS) without the use of drought options and permits until the benefits of investments can be realised such as, the SUND water conditioning scheme, which will enable us to use our full statutory entitlement from ANGL.
2. We have removed all the new chalk groundwater options in our Central region identified as having risks in Table 3 of the Environment Agency's representations. We will undertake a Water Framework Directive (WFD) Assessment of all our constrained supply side options to assess whether the option could result in deterioration of a water body status or prevent a water body from achieving its environmental objectives in the future and put the necessary mitigation in place. **See rdWRMP19 Technical Report 4.13 Water Framework Directive Report.** We have also ensured that any options with a potential for WFD deterioration risk have been managed within our adaptive pathways planning for the Central region
3. We will meet a 1 in 200 LoS without the use of drought permits and orders after March 2024. We will also increase drought resilience beyond a 1 in 200-year drought at a future point after 2024. Our current and future LoS is presented in our **rdWRMP19, Section 6.10 Drought Levels of Service.**

Recommendation 3 – Ensure that the plan protects the environment by delivering the Water Industry National Environment Programme

The EA recommend the company:

1. produces a preferred plan that includes the full requirements of Water Industry National Environment Programme
2. ensures that the full suite of actions that are required to deliver River Basin Management Plan objectives are included within the plan
3. delivers the sustainability changes in the appropriate time frames
4. corrects the mechanisms for delivery of the Misbourne sustainability changes.

Our response
(with reference to rdWRMP19)

1. The rdWRMP19 includes the full requirements of WINEP including morphology actions as listed on WINEP3.
2. We have included actions in the rdWRMP19 that are required to deliver River Basin Management Plan objectives
3. The rdWRMP19 includes delivery of the full volume of sustainability reductions (identified by the EA through the WINEP3 table) delivered by 22 December 2024.
4. For Misbourne sustainability changes, we have agreed that in the rdWRMP the sustainability reduction volume for the CHAL source will be moved to the AMER source instead, for implementation in 2024.

For more information see **Technical Report 1.4 Sustainability Reductions** and **rdWRMP main plan.**

Recommendation 4 – Seek new strategic options by developing new shared resources with neighbouring companies

The EA recommend the company:

1. demonstrates that transfers of water between Affinity Water and neighbouring companies have been presented consistently between plans
2. confirms with Thames Water and Anglian Water that their plans reflect Affinity Water’s needs to develop additional abstraction and transfers
3. ensures that the sustainability of any new abstraction from the River Thames is fully assessed and the demand is presented in both Thames Water’s plan and Affinity Water’s plan.

Our response
(with reference to rdWRMP19)

We have undertaken significant further work to develop and seek strategic options that are new shared resources with neighbouring companies and third parties. That work is embedded within our **rdWRMP main report**, and also reported as updated scope and costs within the **option dossiers**.

Our work to date on these options is supported by the recent **IAP** which determined that for Affinity Water four strategic schemes will require further development in AMP7. These are the SESR option, a regional transfer from the River Thames to Affinity, the GUC option and a potential Eastern transfer to Affinity Central via Anglian Water. We will continue our work with our strategic and regional partners to progress these options further.

1. We have communicated our understanding of the transfers with our neighbouring companies through meetings and where necessary the sharing of draft text for our rdWRMP and **draft WRP table transfer data and narrative. Technical Report 5.2** has been updated to include the agreed text that shows our understanding of alignment on transfers. We have included a summary table (in **Section 6.2 alignment of plans**) of the changes made between the draft and revised draft plans to help show where we have been maintaining consistency within our rdWRMP submission.
2. Due to the timing of our rdWRMP and the fact that neighbouring company rdWRMP submissions were earlier we have communicated with our neighbouring companies where the additional requirements are needed as transfers and schemes and where final WRMPs will need to be updated (**Technical Report 5.2**). We have aligned our needs for new regional strategic infrastructure with both Thames Water and Anglian Water and we have aligned our decision point (in 2022/23) with both companies so as to be able to adapt to the changing needs as required in terms of timing and trigger points (**see rdWRMP main plan**).
3. Our environmental assessment of our rdWRMP supports the fact that the new strategic reservoir on the Upper Thames will support an new abstraction from the Lower Thames by taking flows from the river at times of high flow, storing that flow and then releasing the flow as a net gain to be abstracted at times of lower flow (see the **SEA report**). The strategic reservoir option has been included within both company plans, the need (or demand) is modelled by each company and has shown that there is a need to support a new abstraction for Affinity Water on the river Thames as supported by a new strategic resource on the Upper Thames (see both company **rdWRMPs**).

Recommendation 5 – Consult on a new plan that is clear to customers on its future strategy

EA expect a revised plan to be different from the consulted draft plan and, as such, the company should consider consulting on the revised plan.

There is little evidence that the customer engagement has informed the company’s decision-making process, for example customer feedback and preferences does not appear to have informed metrics for the multi-criteria assessment. The level of information presented currently is insufficient to allow customers to determine whether the preferred plan or alternative plan reflect their preferences.

Customer preferences are referenced within various technical documents that support the draft plan. However, the preferred plan and alternative plan fail to adequately reflect these preferences. For example, groundwater supply options form a major component in both plans, despite frequent references, in the company’s technical reports, to surveys that indicated these options are not preferred by customers.

Our response
(with reference to rdWRMP19)

Our rdWRMP clarifies and strengthens our decision-making process and includes analysis for customers and stakeholders feedback to inform and shape the plan

We have enhanced our customer consultation through a series of focus groups as part of the rdWRMP pre-consultation with customers. These were aimed at refining our understanding of customer preferences in a number of areas, including demand management options and options for longer term strategic supply side schemes. This research focused on areas we had not fully explored with customers to date, and provided valuable insight into customer preferences.

During this phase of pre-consultation, we also held a number of meetings with external stakeholders, to help us shape our decision making for the rdWRMP.

We will publish our rdWRMP for further consultation in March 2019 for customers and stakeholders to comment on our proposed changes. Findings will be consolidated and validated through external triangulation and assurance to ensure we have robustly considered feedback and comments. For more information see **Technical Report 4.9 EBSD Modelling and Decision Making process** and **rdWRMP main plan**.

Recommendation 6 – Ensure that the resilience benefits of strategic options with neighbouring companies are fully considered in the option selection

EA recommend the company:

1. revises its option screening and decision-making process to reflect the benefits of resilience-enhancing measures
2. sets out the consequences of its decision to delay the ‘SUND’ option in its preferred plan and how this contrasts with the government’s request to explore options to improve resilience to drought and non-drought events, including freeze-thaw
3. works with Anglian Water to understand the impact of any changes to planned use of the bulk potable water import and ensure volumes and timings are consistent in both companies’ plans.

Our response
(with reference to rdWRMP19)

We have revised our decision making process and that includes a resilience metric as part of our Multi-Criteria Analysis (MCA). This is described in our **Technical Report 4.9 EBSD Modelling and Decision Making process making report**.

The SUND scheme is triggered at its earliest possible date 2024/25 in AMP7 and is within our business plan. The need for SUND is shown within our WRP tables and is therefore supported by our rdWRMP and our main plan document explains this and shows the selection of the scheme.

We have included a significant programme of demand management options within our rdWRMP and also shown how we will address the uncertainty surrounding these options and their ability to provide yields.

We have removed future Chalk groundwater options from our rdWRMP19.

Both Anglian Water and Affinity Water have removed any option that attempts to trade any trapped water for Anglian Water (**see Technical Report 5.2 Water Company and Third Party Bulk Transfers**)

Recommendation 7 – Promote options that deliver a resilient plan and do not risk damaging the environment

EA recommend the company:

1. reviews the outputs of the Strategic Environmental Assessment and options screening reports and adjusts which options are retained in the feasible list to be used in the Economics of Balancing Supply and Demand model
2. clarifies how the multi-criteria assessment has influenced the plan and helped to minimise negative impacts on the environment
3. ensures that alternative solutions are considered to meet demand in water resource zone 8 as part of a best value solution that accounts for customer preferences and environmental risks
4. completes a full assessment of headroom for its alternative plan based on the risk and uncertainty associated with data and assumptions in this scenario
5. reviews its decision making process to account for the recommendations set out in the Evidence Report.

Our response
(with reference to rdWRMP19)

1. Our options screening process is compliant with the Environment Agency Guideline. We deem all constrained options to be feasible as they have passed through our option screening process. We have, nevertheless, committed to removing all new chalk groundwater options from our rdWRMP in our Central region.
2. A revised decision-making process with transparent Multi Criteria Assessment (MCA) has been include in our rdWRMP19 to provide further clarity.
3. We modelled the East region in our Economics of Balancing Supply and Demand (EBSD) work and will include demand management options to ensure that per capita consumption and leakage do not rise in the long-term
4. For our rdWRMP we have undertaken a full target headroom assessment for our revised baseline position.
5. We have developed a revised decision-making process that provides additional transparency and will re-evaluate the choice of options in the rdWRMP19. The shortlisting process will be updated and linked to the wider decision-making process. **Section 5.3 in rdWRMP19** includes more information on our decision making process.

For more information see **Technical Report 4.9 EBSD Modelling and Decision Making Process** and **rdWRMP main plan**.

Recommendation 8 – Include the latest population and property forecasts of the Local Authority plans

EA recommend the company:

1. updates the plan with the latest Local Authority plan figures and considers the implications for the company's population and demand forecasts
2. completes work it has identified as needed to improve the accuracy of its demand forecast for its revised plan - details of required improvements are set out in Improvement 4 and in the Evidence Report.

Our response
(with reference to rdWRMP19)

1. We have compared our revised property forecast with detailed information gathered from local authority plans to ensure alignment with local authorities plans. We have also tested the Great London Authority's (GLA) property figures in our **rdWRMP19 section 5.7 'Testing the Plan'** as separate scenario but they will not form part of our baseline assessment as its draft stage and it is our understanding that the housing targets set in the London Plan will be not be finalised until 2020.
2. We have improved our population and property forecast following feedback received through the dWRMP19 public consultation. We adjusted the way the annual property build rate is applied. This is further described in **Technical Report 2.3 Domestic and Housing Population**.

Recommendation 9 – The company must carry out a full review of its Strategic Environmental Assessment of both the preferred plan and the alternative plan

EA recommend the company:

1. produces a revised Strategic Environmental Assessment Environment Report that reflects the company's final choice of options under its preferred and any adaptive or alternative planning scenarios
2. re-consults on the revised Strategic Environmental Assessment Environment Report alongside a revised version of its draft plan (see Recommendation 1) so that customers are informed about the potential environmental impact of the revised plan and can see how the Strategic Environmental Assessment has been used to influence the plan and to help minimise risks to the environment
3. provides clarity on the level of consideration customers should give to the preferred plan and any alternative scenarios or adaptive options - if they are equal alternatives, then the company must ensure all scenarios undergo the same level of assessment as the preferred plan
4. clarifies how the Strategic Environmental Assessment has been used to inform the company's decision making process and the selection of a preferred solution that helps to minimise the impact to the environment
5. provides details of the schemes and resource zones the proposed monitoring measures relate to and appropriate cross-references to preceding chapters on the assessment of effects (and or the detailed assessment matrices)
6. better reflects the cumulative impact of options, particularly on downstream water bodies, in the Strategic Environmental Assessment.

Our response
(with reference to rdWRMP19)

1. The rdWRMP19 was subject to a full Strategic Environmental Assessment (SEA) assessment and;
2. we will also consult on this revised SEA alongside the rdWRMP further consultation in March 2019.
3. We carried out a full Strategic Environmental Assessment (SEA) of the rdWRMP which is built upon the previously supported alternative plan and will further consult with customers in March 2019.
4. A description of how the SEA has informed the decision making process and our rdWRMP19 can be further found in our **Technical Report 4.9 EBSD Modelling and Decision Making Process**.
5. Following discussion with Natural England in September 2018, the specific nature of monitoring would be something which we agreed at the option design stage rather than at Strategic Environmental Assessment (SEA) and rdWRMP level. Where we are able to propose monitoring measures in the SEA these will be included. **see Technical Report 4.11 SEA Environmental Report, Section 9.3 Monitoring**.
6. The SEA includes a revised environmental report., which incorporates an assessment of the cumulative effects of selected options.

Recommendation 10 – Ensure the deployable output of the company's 'FRIA' source reflects local licensing conditions

The company is overestimating the deployable output available from existing licences, specifically the 'FRIA' source. This source is governed by a section 20 agreement, which describes in clear detail the limited circumstances under which this source could be used. The company must review the baseline deployable output from existing licences so that the values are in line with licence constraints and conditions

<p>Our response (with reference to rdWRMP19)</p>	<p>We have been operating our FRIA source under the terms of the S20 agreement and have been doing so at the same deployable output for the last 20+ years. We are continuing the discussions with the local Environment Agency area office.</p> <p>For our rdWRMP19 we incorporated Friars Wash into our challenging supply side future where it was assumed that we would lose all DO from the source.</p>
<p>Recommendation 11 – Be more ambitious by reducing leakage further in both the short and long term</p>	
<p>EA recommend the company:</p> <ol style="list-style-type: none"> 1. explores its proposed leakage levels further with its customers and board to consider whether it can meet a more ambitious target 2. shows the impact on the supply-demand balance and the options in its final plan, where the proposed level of leakage is changed 3. presents a final plan that provides justification for any variation in its leakage target across the company supply area 4. provides clarification as to the differences in leakage assessment between the previous plan and this current draft plan 5. clarifies what data is not available and what the sensitivity is of using industry averages or inferring values 6. provides additional justification for not assessing a full range of demand management and distribution loss options in all resource zones 7. undertakes an assessment of the level of risk associated with its trunk main network. 	
<p>Our response (with reference to rdWRMP19)</p>	<p>Our rdWRMP will includes a 18.5% leakage reduction in AMP7 (2020-25). Further to this, we aim to achieve leakage reductions towards 50% by 2045.</p> <p>Our options appraisal has assessed a full range of demand management and distribution loss options in all water resource zones. In our rdWRMP we will in aim to achieve a long-term reduction target of 50% by 2045 which includes selecting different degrees of leakage reduction in all of our eight Water Resource Zones.</p> <p>Our overall assessment of leakage (the Sustainable Economic Level of Leakage (“SELL”)) has been updated and includes the trunk main and service reservoirs (see Technical Report 4.8.1 ELL and SELL Determination 2016).</p>

4.3 Environment Agency’s outlines further improvements that we should consider

This section sets out our response to Environment Agency’s suggested further improvements to Affinity Water’s draft WRMP in addition to their recommendations.

Improvement 1 – Give further consideration to a more ambitious demand management	
<p>EA suggest the company should:</p> <ol style="list-style-type: none"> provide further justification for not developing a preferred plan that seeks to limit growth in total demand in all resource zones review its demand management option identification and screening process to ensure that cost beneficial measures can be identified to support the desire to do more to reduce household consumption. 	
<p>Our response (with reference to rdWRMP19)</p>	<ol style="list-style-type: none"> Following feedback and consultation responses we have adopted and gone beyond our draft Alternative Plan regarding demand reduction. Our rdWRMP19 includes a 18.5% leakage reduction in AMP7 (2020-25). Further to this, we aim to achieve leakage reductions towards 50% by 2045. Our rdWRMP19 we have also included a commitment to reducing Per Capita Consumption (PCC) to 129 l/h/d by 2025 and aim to further reduce PCC to between 120l/h/d to 110l/h/d by 2045. We have reviewed and updated some of the assumptions behind our demand management options and offered the Economics of Balancing Supply and Demand (EBS) model a wider suite of demand management options. For more information see rdWRMP19 Technical Report 4.7 Water Demand Management Framework - Assessment of Demand Options Report. Where appropriate (based on customer and stakeholder analysis) we have also mandated demand management options into our Plan even if they are not necessarily ‘economic’.
Improvement 2 – Ensure the information provided on drought options is appropriate and clear under all scenarios	
<p>EA suggest the company should:</p> <ol style="list-style-type: none"> The company should clearly set out how it has selected drought options under both the preferred plan and any alternative scenarios and how this aligns with the commitment in its drought plan to use the least environmentally damaging permits first clarify the level of service and demand savings associated with emergency drought orders add the 1 in 500-year drought scenario to planning table 10 for all resource zones. 	
<p>Our response (with reference to rdWRMP19)</p>	<ol style="list-style-type: none"> We have presented a full set of Water Resource Planning tables for our rdWRMP which show all our drought management options. We have monetised the environmental risk by introducing a penalty into the economic modelling to ensure that they are only selected where necessary. The modelling fully incorporates the requirement that the use of drought permits will end in 2024 under a 1 in 200 year drought as a result of the SUND water conditioning scheme, which will enable us to use our full statutory entitlement from ANGL. We have presented the 1 in 500-year drought scenario within planning table 10 for all Water Resource Zones.

Improvement 3 – Explain demand forecast uncertainties

EA suggest the company should:

1. continue to improve the certainty in its household consumption forecast and explain the impact of any changes in its final plan
2. explain the divergence between the previous plan and this draft plan
3. explain how occupancy values were estimated
4. provide an explanation of how it plans to rectify the demand forecast data gap between WRMP14 and WRMP19 this ensure sufficiently accurate forecasts are made.

Our response
(with reference to rdWRMP19)

1. We have produced an over-arching demand report (**Technical Report: 2.7 Overarching Demand Forecast Report**) that clarifies the demand forecasting methodology. The Multi Linear Regression (MLR) model used for our rdWRMP19 represents an improvement from the micro-component model used for WRMP14. The MLR model developed for rdWRMP19 has undergone an extensive phase of model testing and validation that we would have not been able to carry out with the previous micro-component model. We have also been able to determine the uncertainty of our demand forecast. This is further explained in the **rdWRMP19 Technical Report: 2.1 Household Demand Forecast: Multi-Linear Regression (MLR) Modelling Report**.
2. We recognise that there is a change in the demand forecast between WRMP14 and rdWRMP19. The predominant factors that have affected the patterns include changes to the roll out of the Water Savings Programme, population growth and updates to the normal year and peak factor assessments. These factors are described in our rdWRMP19 **Technical Report: 2.7 Overarching Demand Forecast Report** and in **Technical Report 2.3 Domestic and Housing Population in Section 3.2 'Comparison with WRMP14'**.
3. We have developed an occupancy model that forecasts occupancy rates. This is explained in the **rdWRMP19 Technical Report: 2.7 Overarching Demand Forecast Report in Section 4.2.4 'Occupancy model'**.
4. The micro-component model for the base year is built on the data collected in the Water Use survey for PR14 and the Market Transformation Programme (MTP) industry micro-component data collected and reported in a recent UKWIR study - UKWIR report on integrating behavioural change into demand forecasting and water efficiency practices, 2016. The industry data was further validated against Artesia's 2017 Silhouette logging data to ensure sufficiently accurate forecasts are made.

Improvement 4 – Ensure that the company is data-ready for WRMP24

There are a number of limitations which should be addressed ahead of WRMP24 so that Affinity Water can improve the accuracy of its supply/demand forecast and other aspects of the plan.

Our response
(with reference to rdWRMP19)

We have fully explained our Target Headroom and compared it with WRMP14.

For the rdWRMP priority was given on drought vulnerable sources for the Deployable Output (DO) calculation as the greatest changes occur in these groundwater sources given their known vulnerability even in the known historic droughts. We will consider expanding this new DO methodology to the non-drought sensitive sources as part of our dWRMP24 submission. However, the Deployable Output (DO) figures are not expected to change given the location of those sources.

We have carried out further work since publication of the dWRMP to improve our calculations of headroom. See **rdWRMP19 Technical Report 3.2 Headroom Report**

The Economics of Balancing Supply and Demand (EBSD) modelling works at the Water Resource Zone (WRZ) scale whilst the Miser model works at a Hydraulic Demand Zone

	(HDZ) scale. We are using both models to understand potential network constraints in transporting water internally that may not be identifiable at a larger scale. Our 'supply 2040' strategy that we refer to in our Plan reflects this combined approach. We will continue to explore options to enhance connectivity between all our zones so that more surface derived water can be available to more zones.
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5 Response to Ofwat representations on dWRMP19

This section sets out our responses to Ofwat's key representations to our dWRMP19 and provides reference to where recommendations have been addressed in our rdWRMP.

Ofwat Representation 1		The Affinity Water draft plan includes two plans for consultation, a preferred plan and alternative plan. The preferred plan is described by the company as best value and is presented favourably. The alternative plan presents options for improved levels of service under severe drought, greater leakage reduction and higher reductions in abstraction licences. Given the favourable positioning of the preferred plan, if it is chosen for the final plan, it will need to demonstrate clearly that it represents the best value outcome for customers and the environment
dWRMP SoR	Our response	Throughout the consultation the approach taken in the Alternative Plan received strong endorsement. We have therefore decided to respond by creating a revised dWRMP building on the Alternative Plan, making any further amendments based on consultation feedback. We are therefore producing a revised dWRMP19 and intend to present it to stakeholders and customers for further consultation in the Spring of 2019
	Summary of any change to our revised dWRMP	A single revised dWRMP will be presented for further consultation, Spring 2019
Our response (with reference to rdWRMP19)		Our plan has been developed as per the response above
Ofwat Representation 2		We have concerns around the process adopted for plan development. We expect to see more transparency on how the final programme was selected for both the preferred and alternative plans, to demonstrate that it represents an appropriate package of options, for both the company and region as a whole. There are also lots of unresolved uncertainties, which cut across both plans, such as the level of service and licence reduction requirements. These raise concerns about the effectiveness of the consultation and the robustness of the draft plan
dWRMP SoR	Our response	Our revised dWRMP will be based on a revised decision-making process, full details of which will be included in the plan. We intend to carry out further consultation in Spring 2019.
	Summary of any change to our revised dWRMP	A revised decision-making process will be presented and the revised dWRMP will include options based on this decision making. Further consultation on the revised dWRMP will take place in Spring 2019.
Our response (with reference to rdWRMP19)		Our rdWRMP clarifies and strengthens our decision-making process and includes analysis for customers and stakeholders feedback to inform and shape the plan. We have enhanced our customer consultation through a series of focus groups as part of the rdWRMP pre-consultation with customers. These were aimed at refining our understanding of customer preferences in a number of areas, including demand management options and options for longer term strategic supply side schemes. This research focused on areas we had not fully explored with customers to date, and provided valuable insight into customer preferences. During this phase of pre-consultation, we also held a number of meetings with external stakeholders, to help us shape our decision making for the rdWRMP.

		We will publish our rdWRMP for further consultation in March 2019 for customers and stakeholders to comment on our proposed changes. Findings will be consolidated and validated through external triangulation and assurance to ensure we have robustly considered feedback and comments. For more information see Technical Report 4.9 EBSD Modelling and Decision Making process and rdWRMP main plan .
	Ofwat Representation 3	The preferred plan includes several trading options including reducing both imports and exports to neighbours and large new trades later in the planning period. We have concerns that current trades are proposed to be reduced without sufficient justification given the near term needs that Affinity Water faces. There are also significant mismatches in the scale, timing and costs presented for trading options
dWRMP SoR	Our response	As part of the development of our revised dWRMP we have continued to share our modelling results on the timing and the need for transfers which should allow, as per Ofwat's recommendation, the revised dWRMP to improve alignment with the plans of neighbouring companies where discrepancies had occurred. New trading options will be assessed as part of the revised decision making process within our revised dWRMP. In our discussions with Anglian Water since the publication of our draft WRMP and their revised dWRMP, we have flagged an inconsistency between the date at which the agreed split of Ardleigh Reservoir output reverts back to 50:50. We will include 50:50 in the year 2024/25 within the WRP Tables and it is our understanding that Anglian Water will do the same.
	Summary of any change to our revised dWRMP	The revised dWRMP submission will confirm the status of trades
	Our response (with reference to rdWRMP19)	Our rdWRMP19 shows that we have removed any potential 'reverse trade' with Anglian Water using constrained licence at ANGL, and accelerated a strategic option for conditioning at SUND to maximise our ability to utilise more fully our existing source of water. Section 6.11 Alignment of our Plan with other companies' WRMPs in the rdWRMP19 shows how we have aligned our plan with neighbouring companies, the WRP table narrative provides further detail with regard to alignment of option timings. Technical Report 5.2 Water Company and Third Party Bulk Transfers provides additional detail relating to the work we have undertaken to support the shared understanding of bulk transfer options and shared infrastructure solutions.
	Ofwat Representation 4	In general the draft plan presents limited ambition for demand management. This is made more significant by the likely scale of the supply-demand balance challenges Affinity Water faces. Although there are reductions from the current high per capita consumption (PCC) level, the resulting average PCC of 132 l/h/d by 2045 is still less ambitious than the average for other companies nationally and lacks the ambition of leading companies. The preferred plan also only includes leakage reduction of 10% by 2025
dWRMP SoR	Our response	We are currently delivering an ambitious plan of demand and leakage reduction included in our last WRMP 2014. This includes our Water Saving Programme (WSP), comprising meter installation, customer supply pipe leakage reduction, water efficiency activities, and our 14% leakage reduction programme, the largest leakage reduction in AMP6 across the water industry. We have included a performance commitment in our Business Plan for AMP7 (2020-25) to reduce per capita consumption (PCC) to 129 l/h/d by 2025 and we are aiming towards a further reduction to 110 l/h/d by 2040. Our revised dWRMP consumption reduction target of 129 l/h/d for 2025 compared with customers' current average consumption of 151.7 l/h/d, remains stretching. Our revised dWRMP will include a leakage reduction of 15% in AMP7 which was supported during the consultation, and aim to achieve a 50% leakage reduction by 2050 as per National Infrastructure Commission report.

	Summary of any change to our revised dWRMP	<p>We have set a target in our Business Plan for AMP7 (2020-25) to reduce per capita consumption (PCC) to 129 l/h/d by 2025 and aiming towards a further reduction to 110 l/h/d by 2040.</p> <p>We are reducing leakage by 15% in AMP7 and aim to achieve a 50% reduction by 2050</p>
	Our response (with reference to rdWRMP19)	<p>Following feedback and consultation responses we have adopted and gone beyond our draft Alternative Plan regarding demand reduction. Our rdWRMP19 includes a 18.5% leakage reduction in AMP7 (2020-25). Further to this, we aim to achieve leakage reductions towards 50% by 2045.</p> <p>Our rdWRMP19 we will also include a commitment to reducing Per Capita Consumption (PCC) to 129 l/h/d by 2025 and aim to further reduce PCC to between 120l/h/d to 110l/h/d by 2045.</p>
	Ofwat Representation 5	<p>It is evident that Affinity Water has worked closely with the Water Resources South East (WRSE) and Water Resources East (WRE) regional groups and recognises the importance of water resource cross-boundary schemes and trades. However, significant water imports are presented late in the planning horizon and we consider that more can be done in the near term to seize the opportunity of regional solutions to address its challenge and those more widely in the south east.</p>
dWRMP SoR	Our response	<p>We will be further assessing cross-boundary schemes and trades through our revised decision making process in development of our revised dWRMP. We are continuing discussions with neighbouring companies, Defra and EA.</p>
	Summary of any change to our revised dWRMP	N/A
	Our response (with reference to rdWRMP19)	<p>Our rdWRMP19 shows clearly how the need for strategic regional scale supply solutions is required and the timing of the first solution, which is 2037/38. This option is the South East Strategic Reservoir (SESR) option and the associated regional transfers into our Central region that are supported by the SESR option. The timing of the need of the first solution is supported by our supply demand balance requirement. The second strategic scale solution in the rdWRMP19 is the Grand Union Canal (GUC) option. We have proposed actions to continue with the development of both of these schemes as part of our rdWRMP19. Our rdWRMP19 has also considered an Eastern transfer into our Central region supported by the South Lincolnshire Reservoir.</p> <p>Ofwat's Initial Assessment of Plans (IAP) has set out for Companies a number of regional strategic options, that for Affinity are consistent with the schemes we have considered in our rdWRMP19 submission. We will continue to work on these schemes with neighbouring companies and third parties as part of our activities to form collaborative working groups for each scheme. This work will address the future feasibility of these options in AMP7 as part of a gated process that will be linked to Outcome Delivery Incentives.</p>