

Despite the fact that it was the final gathering of 2021 for the self-supply community, there was a distinctly forward looking slant to Waterscan's December Self-Supply Users Forum, with a focus on what's coming up for 2022. The Forum was also the largest to date, with 22 major organisations represented, as well as invited speakers and guests.

Performance report

Initially, the Waterscan team provided a quick run-through of latest performance reports for self-supply. These were (what is becoming characteristically) impressive. Commercial director Nick Hayes reported market performance "continues to be excellent". There is a 12-month rolling Market Performance Standard (MPS) average of 98.6%, with performance at 98.78% for the August to October quarter. Managing director Neil Pendle commented that with some monthly MPS scores running at over 99%, self suppliers are "getting close to what we can possibly achieve here".

Operations director Barry Millar said Waterscan is down to 170 long unread meters (LUMs) now, just 1.6% of the portfolio it manages. He reported progress continues, but that this is "one at a time progress now" on a basis of "bilateral by bilateral" – though he noted some LUMs are attributable to site issues rather than wholesaler issues.

Millar also said some 750 audits had been undertaken since May, with Waterscan seizing on the opportunity of Covid-related customer site closures to identify leaks.

Strategy director Claire Yeates provided an update on recent code changes and how the self-supply community's views are being fed in to market consultations. She also reported good progress on the Strategic Metering Review, which she works on, and that Waterscan had been successful in securing Panel approval for a code change to introduce direct debit as a payment method, with that proposal now with Ofwat for decision.

The most significant downside of the quarter discussed at the Forum concerned South West Water's rejection of a Waterscan letter, which argued the wholesaler is misapplying competition law in its approach to credit. This followed a long-running campaign by Waterscan which has seen all wholesalers except South West Water adopt an approach to credit that is acceptable to

the self-supply community. Pendle vowed to "push this as hard as we possibly can" to get a result, initially by asking South West to explain its view and by continuing to keep Ofwat and the CMA in the loop as the commercial negotiation continues.

Regulation and strategy

In the next section of the meeting, Ofwat's associate director for policy and outcomes Dan Mason covered off the latest and upcoming regulatory developments, before MOSL's chief executive Sarah McMath took the community through current thinking on the market operator's next three year rolling business plan. The nine priorities of the current 2021-24 plan will morph into five for 2022-25: continuing work on the top priorities of bilaterals, data insight and metering, supplemented by updating the Market Performance Framework and modernising systems.

On cost, she commented: "Our plan is very much focused on minimising market operator charges at the same time as maximising value." She accepted the cost side is "really, really important" to trading parties in the current environment, and indicated charges would be flat in real terms for 2022-23, with an inflationary uplift.

Chair of the Panel and new Strategic Panel Trisha McAuley then invited self-suppliers to consider applying for a trading party position on the new Code Change Committee that is currently being formed. She shared that the market's aspiration is that this committee will be agile, responsive and drive change to improve customer outcomes.

She also called for the self-supply community to engage with the Strategic Panel itself "in a way that works for you," reporting that the Panel's structured engagement plan is due to be published in 2022.

Carbon collaboration

The final section of the Forum was devoted to bringing self-suppliers up to speed on the role of water in the net zero carbon push.

Patricia Calderon, associate director for water security at the Carbon Disclosure Project, gave a run through of initiatives emanating from COP26.

Water UK's director of programmes and planning Samuel Larsen picked up the theme, reflecting the need for urgent action had "never really been clearer" than at COP26. He said water is tied up with the net zero challenge, both in terms

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With near perfect market performance now, the self-supply community's attention is turning to how it can support wholesalers on net zero.

of adaptation and mitigation. This is becoming increasingly apparent to all, with water even getting a mention in the Government's new Net Zero Strategy.

For its part, the water industry is aiming for net zero operational carbon by 2030 and full decarbonisation by 2050. David Riley, head of carbon neutrality at Anglian Water, and Matt Gee, energy and carbon strategy manager at Thames Water, provided a deeper dive into their corporate plans to reach net zero operational carbon by 2030.

Larsen observed that the net zero context has created "a new operating environment ...for every sector" and that in the near term in water, "efficiency is vital". Customers consuming less and being resource efficient will be an essential part of the push.

Waterscan has always championed water efficiency. Pendle commented that he is interested to see what else the self-supply community can do beyond water efficiency to collaborate with wholesalers on net zero. One self-supplier shared that his company, for instance, is keen to push forward with quantifying and reducing carbon emissions relating to water and wastewater usage.

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