

SBWWI: Back to the Future



Metering: AMP5 and beyond

1st December 2009

Magda Styles



Metering

- ➔ **We are turning the corner**
- ➔ **We are only at the start of the journey**
- ➔ **We need to think bigger or miss important opportunities**

Metering: Only the start of the journey

- ➔ Metering is not an end in itself
- ➔ It is a prerequisite for future water management:
 - ➔ the sustainable use of water under growth projections that will make us the largest population in the EU
 - ➔ a model of supply/demand more resilient to the shocks and uncertainties of climate change
 - ➔ a potentially important role in the UK's carbon reduction agenda

Metering: Only the start of the journey

- ➔ key to revealing the value of water
- ➔ critical for people to make positive choices
- ➔ Greater use of behaviour economics likely in the next phase in regulatory development

Metering: Thinking bigger

- ➔ Justification for pace and scale of metering
- ➔ Links with energy and carbon
- ➔ Variable tariffs and conjunctive use of tariffs in supply/demand management

Metering: Thinking bigger

- ➔ Wider costs and benefits of metering
- ➔ An important and progressive opportunity created by Ofwat
- ➔ Approached differently by different companies

Metering: Thinking bigger

Some wider costs and benefits of metering

- Affordability (water and energy)
- Carbon benefit (£ value to UK)
- Social equity has a value
- Supply pipe leakage
- Water resource management
- Demand forecasting
- Smart metering: are we putting the right meters in?
- Other replacements for RV?
- The cross subsidy of metering/RV
- Network management, operation and planning
- Leakage management
- Climate change resilience/adaptive behaviour
- Customer information and management

Metering: Thinking bigger

Links with Energy and Carbon

- ➔ Smart metering interoperability
- ➔ Integrated energy/water/carbon information in the home
- ➔ Integrated billing
- ➔ Opportunities for retail billing competition

Metering: Thinking bigger

Variable tariffs and conjunctive use

- ➔ an opportunity to signal value of water to a wider sector of society
- ➔ An enhanced or specific metering functionality may be needed – but benefits could be higher too
- ➔ a further opportunity for use conjunctively with other supply and demand options

Metering: AMP5 and beyond

Summary

- ➔ an opportunity which many fully metered societies may envy
- ➔ the chance to plan for the 21st century
- ➔ need to take a step back and think about wider opportunities, now