

# The Worshipful Company of Water Conservators.



## Conservator perspectives, No. 3 January 2014

### Demand management – looking back from 2038

By David Lloyd Owen, Court Assistant 2013-2014

*The Perspective set out below represents the views of the author alone, and of no other person, and no liability whatsoever shall attach to the Worshipful Company of Water Conservators in connection with or arising out of the publication of this Perspective*

#### 1. A little local difficulty

It was a nuisance, but little more. Just before lunch, Clare got an 'app-alert' that her household water usage was unusually high that morning, when little, if any was normally used. As she knew nobody was there, she activated the leak action app, shutting off the water supply and booking a plumber to visit that evening. Leading a utility flood management team, she preferred to keep work and family separate, but water united both.

It was good to know what was going on. While water bills had been falling under the new efficiency led regulations, they were still pretty high and as she knew too well, when 30% of your power bills came via water heating, Clare ensured her family's water consumption stayed within its usual daily range of 70-80 litres each.

Checking her multi-utility tracker 'app' she switched from real-time to daily. Demand management really started to make sense when the data flowed both ways. The usage was comfortably within the eco-tariff band. Since tariffs are banded by the average individual user, rather than by the household, complaints about discrimination had long faded away. It was a new way of looking at things, looking for possibilities rather than obstructions.

As you pay more during the day and less at night, the washing machines were all programmed for the early hours. The integrated smart meter could give her an hourly read out of water and power usage and relate them to tariff packages.

#### 2. The utilities and the regulator got smart

Once Ofsus, the Office of Sustainable Utilities had replaced Ofwat and Ofgem ('regulating and innovating for affordability and sustainability') a spirit of all being possible had become the norm. "Engineers have replaced economists at long last" Nick observed as they met that evening. Ofsus had imposed a system that encouraged utilities to 'do more for less' with efficiency gains being shared between companies and their customers.

Since the utilities knew every customer's circumstances, those who were worse-off automatically received social tariffs, deducted from their benefits at source. For the better off, non-payment now meant a trickle of water, rather than a free flow.

The AMP8 Smart Rollout had changed the game. Because everybody was getting smart metering, there was no sense of discrimination. For sure, the drivers in Wales and northern England were different, but efficiency transcends boundaries.

Using less water prevented unnecessary assets being built and restored resilience to networks that were dealing with climate change (the one thing you could predict was that rainfall patterns were less predictable) and population change (people still flock to power and money and the south east boasted both). The last dry summer saw tariffs rise 25%, but this was made up for during the winter. “As long as people are properly informed and feel part of the process” Nick observed “they will adapt to what makes good sense.”

### 3. Living well with less

It appealed to Nick.(who is Nick? Clare’s partner) His company was developing dry sanitation systems, serving city areas where sewerage was unfeasible. They were at the keener end of the spectrum, with greywater recycling and rainwater harvesting, as well as A5+ rated white goods. Living in an old suburban house meant they enjoyed plenty of space and a big back garden, but it called for some ingenuity in bringing their utilities up to date. Still, this prevented their children lecturing them after Triple Science at school.

The greenhouse had been converted to aquaponics, rainwater feeding the fish, salads and herbs it produced. Since they didn’t have a hosepipe, occasional threats of hosepipe bans didn’t matter. The garden had been planted with long, dry summers in mind.

Two years of droughts in AMP7 finally killed off the sclerotic supply management mindset. Building Regulations were beefed up and all new builds went in at the 80 litres per day level. The Regional water consumption targets were brought in which was the real wake-up for South East England’s once profligate users. The big challenge was fine tuning the sewerage. Low flushes and water throughputs caused all sorts of problems in the early days. Maceration and oil and fat traps did the job.

They set off to the Vintner’s Hall for the Company’s 50<sup>th</sup> Anniversary Banquet. Ofsus’s Chairman would be the guest speaker. He would be talking about AMP12’s aim to see the water utilities become net energy generators. So much had changed since the banquet in the same hall 25 years earlier!

#### *Author’s note*

*This is an illustration of leading and learning from the future. How by starting with a set of desired outcomes we can create a future vision that is both ambitious and achievable in a step by step process in which the steps necessary will be revealed as they are required.*