



**SUBMISSION TO THE COMMISSION FOR REGULATION OF
UTILITIES ON**

**Uisce Éireann's Non-Domestic and Trade Effluent Tariff
Framework**

15th February 2024

Introduction to An Fóram Uisce – The Water Forum

An Fóram Uisce - the Water Forum (hereafter The Water Forum) was established in June 2018 in accordance with the provisions of Part 5 of the Water Services Act 2017. The Water Forum is the national statutory body representative of all stakeholders with an interest in the quality of Ireland's water bodies. The Water Forum consists of 25 members including representatives from a wide range of organisations with direct connections to issues relating to water quality and public water consumers. Approximately 50 different organisations were involved in the nomination of members.

The Water Forum's main concern in relation to the provision of drinking water is that the citizens and businesses of Ireland should have access to safe, potable drinking water supplies and in relation to wastewater, that all services are provided and maintained in a manner that safeguards public health and environmental well-being. The cost of access to both services, and their on-going service provision, should be based on an economically reasonable, equitable, fair and transparent basis.

One of the functions of The Water Forum outlined in the Water Services Act 2017 is to **advise and provide observations to the Commission for Regulations of Utilities (CRU):**

- i. **in relation to the performance by Irish Water of its functions, and**
- ii. **when requested in writing in that behalf by the Commission, on any consultation document prepared by the Commission in respect of water services provided by Irish Water.**

Submission to CRU on Uisce Éireann's Non-Domestic and Trade Effluent Tariffs Framework

The Water Forum welcomes the opportunity to respond to the CRU consultation on the Uisce Éireann's Non-Domestic and Trade Effluent Tariff Framework, and thanks the CRU for the presentation on the consultation to the Forum's Water Services Standing Committee on the 19th January 2024.

The Forum's vision is that "Ireland's waters are clean, healthy and life enhancing, supporting biodiversity and providing a basis for community, wellbeing and economic sustainability".

Some of the benefits of this trade effluent framework, as highlighted by CRU, are in line with the Forum's vision, including:

- Promotes efficient use of water and wastewater services, promoting water conservation and the reduction of wastewater discharge volumes
- Creates incentives to reduce the volume and pollutant strength of trade effluent discharged into the wastewater network
- Achieves greater transparency, simplicity and equity in the system of charges for all non-domestic customers

The Water Forum therefore welcomes this proposal.

A high-level summary of the Forum's response is that:

- The Forum agrees with the polluter pays principle, therefore agrees with the need for non-domestic and trade effluent tariffs.
- The Forum supports the need for banded tariffs, which gives incentives for both water conservation and reduced volume of trade effluent generated, through higher charges for more polluting effluent.
- The Forum supports the need for monitoring the strength of site-specific trade effluent, in line with the polluter pays principle, but also to incentivise the reduction of pollutant strength.
- The Forum supports that a national approach for non-domestic and trade effluent tariffs is required to ensure transparency and equity in the system.
- The Forum recommends that Uisce Éireann engages with non-domestic and trade effluent customers in advance of any changes to tariffs to provide advice on how to increase water conservation and reduce the volume and strength of effluent, where appropriate.

While the CRU consultation presents 45 consultation questions, the Forum's response to this consultation will remain at a high level, focusing on environmental protection, water conservation and equity and supports for businesses.

Environmental Protection and the Polluter Pays Principle

- The Water Forum is of the view that all water and wastewater connections should transition to cost-reflective tariffs both in terms of the polluter pays principle and to incentivise water conservation. The Forum understands it will require time for businesses and publicly sourced group water schemes to adjust to cost reflective tariffs, and do not have a position on what date this transition should be complete (Ref Q37).
- The Water Forum agrees with Uisce Éireann's proposals to promote the reduction of wastewater discharge volumes within the tariff structures by maintaining a relatively low fixed element (standing charge) across the customer classes. This places a strong incentive for customers to reduce wastewater volumes and provide more scope for customers to reduce their wastewater bills. Completely removing the perverse incentives would result in large standing charge increases for all customer tariff bands, which has the negative consequence of dampening the incentive to reduce wastewater volumes for all customers within each band. (Ref Q33)
- Uisce Éireann should aim to have Trade Effluent connections currently connected to outfall pipes routed through their treatment plants as an environmental measure, as per CRU recommendations. More importantly, there should be no new connections of this type permitted. (Ref Q20)
- The Forum recommends that unmetered trade effluent connections should be metered as a priority in line with CRU requests to create equity among trade effluent customers in line with the polluter pays principle, and to ensure transparency and minimal potential for negative environmental impact (Ref Q21)

Water Conservation

- The Water Forum agrees with Uisce Éireann’s proposals to maintain a relatively low fixed element (standing charge) across the customer classes. This places more incentive on customers to conserve water and reduce their water bills. Completely removing the perverse incentives would result in large standing charge increases for all customer tariff bands, which has the negative consequence of dampening the incentive to conserve water for all customers within each band (Ref Q32).

Equity and Supports for Businesses and Publicly Sourced Group Water Schemes

- A national approach provides for a more equitable application of tariffs as ‘similar’ customers (in terms of discharge characteristics (e.g., ‘strength’ and volume of effluent discharged) are being charged the same amount for using the same service achieves greater equity across the non-domestic and trade effluent customer bases. (Ref Q3, Q4)
- The Water Forum recommends that Uisce Éireann should engage with customers in advance of the implementation of the Non-Domestic and Trade Effluent Charging Framework to communicate the changes and provide information on how adjustments in business practices can help reduce the impact on customers’ bills. (Q40, Q43)
- Increased education would promote water conservation and help customers understand measures they can put in place to help mitigate future bill increases. Uisce Éireann’s Water Stewardship Programme can be used to support Irish businesses to increase water conservation and reduce volumes of wastewater. (Q40, Q43)

CONCLUSIONS

We would like to thank the CRU for the opportunity to participate in this consultation. Please contact us if you require any further clarifications.

*Please address any correspondence to:
Donal Purcell, Senior Executive Officer,
An Fóram Uisce, Civic Offices, Limerick Road,
Nenagh, County Tipperary*