Adaptation plans for England and Wales – lessons from the 2009 price review

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Water and climate change: how to develop an adaptation strategy in transboundary basins, Geneva, 10-11 May 2010
Who we are

Economic regulator of the water and sewerage sectors in England and Wales

Non-ministerial government department set up when the companies were privatised in 1989

Independent but accountable to Parliament and the Welsh Assembly Government

Our vision: a sustainable water cycle in which we are able to meet our needs for water and sewerage services while enabling future generations to meet their own needs (sustainable water)
What we do

Make sure the companies provide customers with a good quality, efficient service at a fair price

Monitor the companies’ performance and take action, including enforcement, to protect consumers’ interests

Make sure companies deliver the best for consumers and the environment in the long term

One of the ways we do this is by scrutinising the companies’ business plans and limiting the prices they can charge
European legislation is important

International issues affect us

We have no transboundary issues

**Local solutions are needed:**
Command and control inappropriate
Guidance and co-ordination
Regulating in uncertain times

Every five years we set price limits – our last price review was in 2009

A big challenge is regulating with uncertainty

We provided guidance in our climate change policy statement

Water today, water tomorrow
The 2009 price review and climate change

Categories of climate change proposals:
- Demonstration of a clear need now
- Mitigation benefits today
- Multiple future benefits beyond climate change
- Areas where further evidence is needed
- Good practice publication to share knowledge

This is just the beginning
Key challenges ahead – making an economic case

- Need to get the economics right
- Quantify the long-term benefits
- Fairness in attributing the costs
- Institutional capacity and frameworks are clearly important

If we can’t make a robust case for action, then nothing will get done
Key challenges ahead – valuing water

The need to value water more accurately

Improved decisions and behaviours

A scarcity factor is necessary

Going further by considering the future value
We are in this together – European and international issues affect us

We saw a step change in climate change proposals in the recent price review

Delivery is essential and joint learning for the future

Key challenges include getting the economics right and valuing water more accurately

We want to share good practice from England and Wales and we welcome help in meeting the challenges ahead

Water today, water tomorrow
Thanks for listening

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