

Centre City Tower, 7 Hill Street, Birmingham B5 4UA
21 Bloomsbury Street, London WC1B 3HF

By email

Councillor Emily Smith
Leader of the Council
135 Eastern Avenue
Milton Park
Oxon
OX14 4SB

03 March 2022

Dear Ms Smith

Thank you for your letter of 24 December regarding the proposed Abingdon reservoir project, now known as South East Strategic Reservoir Option (SESRO). I apologise for the delay in responding to you.

I want to assure you that we are fully supporting and challenging companies to help them achieve their net-zero targets. To that end, I understand that proposals for large infrastructure could cause concern about carbon emissions. I set out below the process that companies must follow and hope that this provides some reassurance to you and the residents of the Vale of White Horse.

Ofwat have partnered with the Environment Agency and the Drinking Water Inspectorate to set up the Regulator's Alliance for Progressing Infrastructure Development (RAPID). RAPID helps to support water companies' work towards solving drought resilience challenges and reduce abstraction of water from the environment to address impacts of climate change and population growth. It also addresses any regulatory gaps or barriers while helping to progress the complex and joint water resource solutions needed.

As part of our most recent price review, which sets the price and service package that companies must deliver over the 2020–25 period, several companies put forward proposals to explore desirability and feasibility of a range of water resource solutions, such as SERSO.

To ensure that companies are taking the right steps, RAPID oversees a structured development process which happens in stages, known as gates. There are four gates between April 2020 and March 2024. At each gate, companies submit information about their proposals to date, including environmental assessments, which RAPID scrutinise to ensure companies are making the appropriate investigations and developing high quality proposals. Our role is to decide whether companies should continue receiving funding to further investigate and develop their proposals.

On carbon emissions specifically, SESRO is in the early stages of investigative development, which means that currently there isn't a clear picture of the carbon implications. However,

we expect the accuracy of carbon estimates to improve throughout the gated process. For example, as part of gate two, companies must follow the water resource planning guidelines for [the 2024 Water Resource Management Plans \(WRMP24\), which set out](#) expectations on reducing greenhouse gas emissions. Section 8.3.2 of the guidelines sets out specific details on how companies must account for, and reduce, greenhouse gas emissions as part of their plans.

If the project passes all four gates and the companies decide to take forward the project, the reservoir will require environmental consent before any projects can proceed and these applications will be subject to consultation. The funding for the reservoir will also require approval by Ofwat at the 2024 price review.

All water companies have published plans to reach operational net-zero by 2030. In January 2022, we published our position paper on net zero, setting out our expectations that companies reduce both operational and embedded emissions. As your council is working to cut carbon emissions, we expect Thames Water and Affinity Water to keep you updated on its plans regarding SESRO, and its route to net-zero.

I do hope this has provided some information and reassurance to you and the Vale of White Horse Council.

Yours sincerely



David Black
Interim Chief Executive Officer