



**2nd EUROPEAN FORUM
ON THE REGULATION
OF WATER SERVICES**

2nd EFRWS

Better regulation for a greener Europe

ONLINE EDITION
December 1st, 2021

AGENDA

WAREG
European Water Regulators



ARERA
Autorità di Regolazione
per Energia Reti e Ambiente

2nd EUROPEAN FORUM ON THE REGULATION OF WATER SERVICES EFRWS2

The European Forum on the Regulation of Water Services (EFRWS) held in Rome on 3 December 2019 was the first multi-stakeholder meeting of its kind in Europe, focused entirely on economic regulation in the drinking water and wastewater sectors. It convened more than 50 speakers from all over Europe, representing water regulatory authorities that are also members of WAREG, the European Association of water regulators, as well as water industry associations, research institutions, think tanks and other stakeholders. Opened by high representatives of the Italian Government, the European Commission, the European Investment Bank, the OECD and the World Bank, the Forum made it possible to strengthen technical and institutional dialogue and highlighted the key role of regulatory agencies in balancing customers' needs, social affordability, industrial innovation, and efficient costs, while preserving the environment and protecting future generations. It assessed some of the most pressing challenges, such as water governance, water utility efficiency, water regulation for innovation and environmental sustainability, and social affordability of tariffs, which are summarized in a final report.

Only a few days after the Forum, the European Green Deal was launched by the European Commission, addressing water as one of the pillars in the transition process towards a more sustainable and resilient European economy. Just a few weeks later the world would experience one of the deadliest pandemics ever, with devastating effects on human lives but also on national health systems and real economies, thereby driving EU Member States to adopt the largest economic stimulus package since the start of European integration in the 1950s. In fact, the EU Green Deal and the Recovery Plan for Europe have set new priorities that are already steering the political agendas of European Governments and that will soon boost the green and digital transitions in the European water sector.

In this scenario water regulators have emerged as fundamental institutions to ensure continuity and quality of drinking water and wastewater services in the face of economic shocks. Their monitoring and tariff setting powers can give rise to significant benefits such as the recovery of efficient industrial costs, the effective realization of investments, transparency and fairness of final prices for good qualitative services, and many others. Sound economic regulation can promote the stability of legal frameworks at the national, regional and local level, respect for European environmental targets, technological innovation and universal access to drinking water, at the most reasonable prices for households and for all customers in general.

The 2nd edition of the EFRWS this year will be organized around the green transition and the actions taken by European Institutions and by national regulators to improve circular economy-based activities in the water sector. Cutting-edge issues will be addressed such as energy saving, energy production from sewage sludge, recovery of materials from wastewater, water reuse, and reducing plastic consumption. In some EU countries regulatory authorities have already developed economic incentives for utilities to offer products and services with positive environmental externalities, such as reducing greenhouse gas emissions. Practical experience in tariff setting shows that innovation can be promoted directly, such as dedicated regulatory funds and derogations to specific rules, or indirectly, for instance through output-based regulatory models that define specific targets for water utilities.

The 2nd EFRWS will be held online, over one day, with plenary sessions and thematic panels. Participation will be free of charge and detailed information on the agenda and registration will be available on the WAREG website (www.wareg.org). As President of WAREG-European water regulators, I hope for the widest participation from the public.

Andrea Guerrini

ARERA's Board Member and WAREG President

Morning sessions

09.00 PLENARY SESSION

The opening plenary session will shed light on the relevance of the water sector in the green transition and on the role that economic regulators could play in this period. Special rules and regulatory tools could bring out the potential of water utilities in terms of environmental sustainability and circular economy. High-level institutional speakers from European Institutions will illustrate the goals of the EU Green Deal and the contribution required from the water sector by the approved Drinking Water Directive and by the Urban Wastewater Collection and Treatment Directive and Sewage Sludge Directive, which have been under review since 2020. Other talks will illustrate the funding policies, green investment in the framework of Taxonomy regulation and the main regulatory trends for supporting the green transition.

INSTITUTIONAL WELCOME (SPEAKERS):

Stefano Besseghini ARERA PRESIDENT

Andrea Guerrini ARERA BOARD MEMBER AND WAREG PRESIDENT

Virginijus Sinkevičius EUROPEAN COMMISSIONER FOR ENVIRONMENT, OCEANS AND FISHERIES

Enrico Giovannini ITALIAN MINISTER OF SUSTAINABLE INFRASTRUCTURES AND MOBILITY

Roberto Cingolani ITALIAN MINISTER OF ECOLOGICAL TRANSITION (TBC)

David Sassoli PRESIDENT OF THE EUROPEAN PARLIAMENT (TBC)

Werner Hoyer PRESIDENT OF THE EUROPEAN INVESTMENT BANK (TBC)

10.00 THEMATIC PANEL 1: THE EU GREEN DEAL AND THE WATER SECTOR

The structure of the European water sector is largely influenced by the detailed European legislative framework concerning drinking water, urban wastewater collection and treatment, and sludge disposal and treatment. The European Parliament recently approved the recast Drinking Water Directive (DWD). This panel aims to analyze the potential impact of the DWD provisions from a regulatory perspective, as well as the possible approaches to its implementation in EU Member States, and more generally the role played by regulators in ensuring effective adoption of European legislation in the water sector. The European Commission has started an assessment process to review the current legislation on urban wastewater and sludge use, according to the new circular economy paradigm. Particular attention will be dedicated to the impact assessment of the Urban Water and Wastewater Treatment Directive and the Sewage Sludge Directive, and to some of the best approaches to their reform.

MODERATOR AND RAPPORTEUR IN THE FINAL PLENARY SESSION:

Karen Kavanagh DIRECTOR, COMMISSION FOR THE REGULATION OF UTILITIES (IRELAND)

DISCUSSANTS:

Michel Sponar EUROPEAN COMMISSION – DG ENV

Beatriz Mayor, SENIOR CONSULTANT, RICARDO ENERGY & ENVIRONMENT (SPAIN) Circular economy considerations in the changing European water frameworks

Christian Minelli WAREG SECRETARIAT Impact of EU legislation among WAREG Members

Ivaylo Kastchiev ENERGY AND WATER REGULATORY COMMISSION (BULGARIA) Impact of EU legislation in Bulgaria

Szilvia Szalóki ENERGY AND PUBLIC UTILITY REGULATORY AUTHORITY (HUNGARY) Implementation of the Urban Water and Wastewater Treatment Directive in Hungary

Anders Finsson SVENKST VATTEN (SWEDEN) REVAQ, a case story for a better circular economy and a possible solution to facilitate an effective way for sludge management

Zac Alexander JACOBS (UK) Bioresources Market

Olaf Van der Kolk AQUA MINERALS (NETHERLANDS) "The Dutch collective model for the management of residuals from water treatment: cost, effectiveness and antitrust profile

Almudena Hospido CRETUS (SPAIN) Filling the gap on standards for measuring, comparing and improving the energy efficiency of wastewater treatment plants: the ENERWATER methodology

11.45 THEMATIC PANEL 2: **ECONOMIC REGULATION FOR PROMOTING ENVIRONMENTAL SUSTAINABILITY**

This panel will focus on the green transition and the actions taken by regulators to improve circular economy-based activities in the water sector, such as energy saving, recovery of raw materials and energy production from sewage sludge, water reuse, reducing plastic consumption, and other related issues. In several European countries economic regulators have developed well-defined reward tools to incentivize utilities to offer products and services with positive environmental externalities, such as reducing greenhouse gas emissions. This could lead to renewed water tariff policies, aimed at including tax items in the periodical water expenditure for households and businesses, to recover those costs that are not strictly related to the volumes of water sold.

MODERATOR AND RAPPORTEUR IN THE FINAL PLENARY SESSION:

Alan Sutherland CEO, WATER INDUSTRY COMMISSION FOR SCOTLAND (UK)

DISCUSSANTS:

Maria Salvetti EUROPEAN UNIVERSITY INSTITUTE/FLORENCE SCHOOL OF REGULATION (ITALY) Environmental and resources costs in WAREG tariff methods

Giora Shaham ISRAEL WATER AUTHORITY Economic regulation for promoting environmental sustainability

Letizia Danesi, Alessandro Mazzei AUTORITÀ IDRICA TOSCANA (ITALY) Regulatory incentives for circular economy in UE: the SMART Plant Report

David Saal LOUGHBOROUGH UNIVERSITY UK Market levers for promoting circular economy: the PR24 in UK

Oriana Romano OECD (FRANCE) Circularity in water: global experiences and perspectives

Silvia Giovannini HERA (ITALY) Measuring Carbon Gas Emissions in wastewater treatment plants

Kate Symons ESSENTIAL SERVICE COMMISSION (AUSTRIA) The PREMO regulatory framework and its impacts on environmental sustainability of water businesses

Laurence Couldrick WESTCOUNTRY RIVERS TRUST (UK) Building catchment resilience and the role of regulation versus incentivisation (United Kingdom)

Alessandro Leonardi ETIFOR | VALUING NATURE, PADOVA UNIVERSITY SPIN-OFF (ITALY) Valuing Nature. Application of the polluter/user-pay principle within the drinking water sector in the Brenta River Basin

13.30 BREAK

Afternoon sessions

14.30 THEMATIC PANEL 3: **ECONOMIC REGULATORY INCENTIVES FOR INNOVATION**

This panel will be focused on innovation achieved by water companies through specific regulatory tools. According to literature and practical experience, utilities' innovation can be directly promoted by means of funds collected through regulatory tariffs, or by means of derogations to existing rules in cases where utilities aim to renew their operations and strategies. However, innovation can also be stimulated indirectly through output-based regulation, whereby water regulatory authorities set targets for utilities to achieve specific results (for instance standard levels of water leakages).

MODERATOR AND RAPPORTEUR IN THE FINAL PLENARY SESSION:

Vera Eirò COMMISSIONER, WATER AND WASTE SERVICES REGULATION AUTHORITY (PORTUGAL)

DISCUSSANTS:

Samir Traini REF (ITALY) Innovation based regulation

Kala Vairavamoorthy IWA (UK) The IWA Innovation Platform

- Alan Horncastle** OXERA (UK) Ofgem's innovation fund in RIIO - lessons from the energy sector
- Ewan McAdam** CRANFIELD UNIVERSITY (UK) Innovation in the UK water sector: supporting the ammonia economy
- Durk Krol** WATER EUROPE (BELGIUM) Innovative projects in Europe
- Francesco Fatone** POLYTECHNIC UNIVERSITY OF MARCHE REGION (ITALY) Impact assessment of selected large Horizon2020 Innovation Actions for urban water cycle
- Luigi Petta** ENEA (ITALY) Innovation in water services: a methodology proposal for the evaluation of innovative wastewater treatment technologies
- Harry Armstrong** OFWAT (UK) Innovation fund in England and Wales
- Claudia Castell Exner** EUREAU (BELGIUM) Removing regulatory barriers for water innovation

16.15 THEMATIC PANEL 4: WATER CHALLENGES IN THE BALKANS

This panel will focus on some of the main challenges, achievements and urgent needs in the water and wastewater sector in EU Candidate Countries, and the role of national regulators in implementing the EU legislative acquis on water. The regulators of some of these Countries are Members of WAREG, the European Association of water and wastewater Regulatory Authorities.

MODERATOR AND RAPPORTEUR IN THE FINAL PLENARY SESSION:

- Ndricim Shani** PRESIDENT, ALBANIAN WATER REGULATORY AUTHORITY (ALBANIA)
- Walter Kling** PRESIDENT OF IAWD (AUSTRIA)

DISCUSSANTS:

- Georgi Hristov** GIZ (GERMANY) Water challenges in the Balkans
- Elisabeta Poci** SHUKALB (ALBANIA) Asset management in Albania
- Philip Weller** IAWD (AUSTRIA) Performance measurement in the Danube region
- Madalina Ivanica** (DG ENV) and **Guillemette Vachey** (DG NEAR), European Commission – European union regional policies for Balkans

17.15 PLENARY SESSION

In this session the main points raised in each of the 4 thematic panels will be outlined by the moderators and openly discussed in a roundtable and final conclusions will be drawn.

MODERATOR:

- NADIA WEEKES** JOURNALIST
- Karen Kavanagh** DIRECTOR, COMMISSION FOR THE REGULATION OF UTILITIES (IRELAND)
- Alan Sutherland** CEO, WATER INDUSTRY COMMISSION FOR SCOTLAND (UK)
- Vera Eirò** COMMISSIONER, WATER AND WASTE SERVICES REGULATION AUTHORITY (PORTUGAL)
- Ndricim Shani** PRESIDENT, ALBANIAN WATER REGULATORY AUTHORITY (ALBANIA)
- Walter Kling** PRESIDENT OF IAWD (AUSTRIA)

18.00 FINAL REMARKS AND CONCLUSIONS

- Andrea Guerrini** ARERA BOARD MEMBER AND WAREG PRESIDENT
- Veronica Manfredi** DIRECTOR AT EUROPEAN COMMISSION, DIRECTORATE-GENERAL FOR ENVIRONMENT (QUALITY OF LIFE)

18.15 END OF THE FORUM