

2022 DWF OPENING SESSION: WATER AND ENERGY IN EUROPE

With some 200 participants, the attendance beat all expectations. This was a highly qualified audience. Of ten participants, four represented utilities, two came from government agencies and regulating authorities, one from a utility association and one represented a corporation with a stake in the water sector. New and extremely encouraging for the everybody in the water community was the presence of many Young Water Professionals: Attendees of a training held by Albanian Water Utility Association SHUKALB in Tirana took the occasion, extended their stay and attended the forum.

Katerina Schilling, Interim Head of the Technical Secretariat of the IAWD guided through the kickoff session, supported by Danube Water Program Analyst Kathia Havens taking the second moderator microphone.

Warm words of welcome came from H.E. Enkelejda Muçaj, Deputy Minister at the Albanian Ministry of Infrastructure and Energy, who proudly welcomed the participants to European Youth Capital 2022 Tirana, stressed the enormous significance of the energy theme of the Forum, and shortly introduced the comprehensive reform of the Albanian water sector that would see its official inauguration later that evening during the DWF Welcome Reception.

Next, Elisabeth Gruber of the Austrian Ministry of Finance addressed the Forum online. The Ministry is a main supporter of not only the Danube Water Forum but of all Danube Water Program (DWP) activities, and willing to extend this support during a coming phase IV of the DWP. Looking back on almost a decade of fruitful cooperation, Ms. Gruber remarked that water is a key strategic priority for Austria's international collaborations, and that the close connection to the Danube region is far more than just a geographical fact. Reminding the audience to combat both climate change and the looming energy crisis to ensure that they will not exacerbate each other, Ms. Gruber wished everybody an inspiring Danube Water Forum.

“You are not alone”, was the message that World Bank Practice Manager Winston Yu had for the audience: “We see the issues that countries everywhere in the world face, and the Forum is a good opportunity to share ideas how to approach those.”

Mr. Yu confessed that the Forum title “Energizing the Water Sector” left him a bit upset: “Shouldn't it rather be DE-energizing and De-carbonizing the water sector?” In this respect, he called the current crisis an opportunity to call for political action and investment.

On a happier note, IAWD President Walter Kling, an avid sailor, recalled his sailing trips in the Adriatic in the 1980ies, when Albanian waters were strictly off limits for pretty much all international shipping, his initial misgivings when he received his first invitation to Albania in the next decade, and how he quickly changed his mind when he first met Philip Giantris, the driving force behind SHUKALB and the Young Water Professionals initiative: “Suddenly, here was a country full esteemed colleagues and lifelong friends. Albania has taught me a valuable lesson about personal relations, and how they can shape the individual mindset about a country or a community. I am glad to be back in Tirana, and glad that after missing so many people during these 2½ incredible years we are united again. Let’s celebrate!”

After an indeed celebratory video that presented the successes and perspectives of the Danube Water Program at the end of phase III, and about to enter phase IV, the kick-off keynote by Loïc Charpentier, Water Innovation Policy Manager at Water Europe, the multi-stakeholder platform initiated by the European Commission, gave food for thought.

After introducing Water Europe and its activities and reminding the audience, that water infrastructure accounts for 3,7% of the global electricity consumption, Mr. Charpentier presented the vision of a water-smart society which acknowledges the true value of water, manages all available water sources to avoid scarcity and pollution, closes water and resource loops to foster a resource-efficient circular economy and involves all relevant stakeholders in the governance of a resilient water system.

This is not a far-off vision, but an immediate necessity, especially in the light of a projected 35% increase of the global energy demand by 2035 and a projected 55% increase of global water consumption by 2050, and that three out of four risks identified by the IPCC report are water-related. The European Green Deal targets net zero emissions of greenhouse gases by 2050, an economic growth decoupled from resource use, and all this with no person and no place left behind.

Mr. Charpentier points those who doubt that it can be done to 65 water utilities in all corners of the earth that have already achieves net-zero carbon infrastructure – and everybody to the potential of the water-energy nexus in the EU Energy Efficiency Directive. He describes an interlinked nexus between circular water, energy and agriculture systems that recovers value from waste and decarbonizes processes. The necessary innovations are already under evaluation in 105 water-oriented “Living Labs” everywhere in Europe, and while the necessary investments will be atrociously expensive, the cost of inaction would be 5 times more expensive: “If you do not invest, you are taxing yourself”, remarks Mr. Charpentier before taking his seat in the following discussion panel together with Viola Haxhiademi, Secretary General at the Albanian Ministry of Infrastructure and Energy, Hajrije Morina, Director of the Water Services Regulatory Authority in Kosovo, Filip Wanner, Technical Project Manager at Energie AG Bohemia, and moderator Monika Weber-Fahr, World Bank Senior Expert.

In a warm-up round, Ms. Weber-Fahr asked the panel about reasonable action in the face of exploding energy costs: With energy making up a large and rapidly growing part of utilities’ total costs, should they increase tariffs – or manage costs?

Filip Wanner predicts that energy prices will never go back the original levels: “We went from 50 to 150 Euros per Megawatt. We have to focus on energy saving as much as possible. But mind that water infrastructure is not only an energy consumer, it can also act as an energy producer. We have to focus on producing as much energy as possible, be it biogas or photovoltaics.

Mr. Wanner's company has dedicated 30 million Euros for related projects: "This is something we have to do, not the least because we have to show the owners of the water infrastructure that we are doing something proactive beyond raising tariffs."

All panelists agreed that raising tariffs is a measure of last resort, and that a proactive course of action is necessary. Hajrije Morina: "Utilities need to engage in the reduction of energy consumption, starting with behavior changes and the implementation of energy efficiency measures. They also need to start generating their own energy production pilot projects, like solar plants, watch the impact and expand the projects that work."

Ms. Morina reports that Kosovo is currently entering the construction of wastewater plants, which represents an opportunity to generate biogas from sludge, ideally with a donor-financed comprehensive study to identify all energy production options in the plants. Her agency has set ambitious targets for the utilities, especially regarding non-revenue water, but many companies are struggling to produce tangible improvements, not the least because they have difficulties to finance the necessary investments.

From the government perspective, Viola Haxhiademi reports that while the energy crisis hit most countries unprepared, Albania had already taken some measures by 2020 with a government-supported program that complements the large Albanian hydropower infrastructure with solar panel installations in water utilities. Albania is currently also starting an additional hydropower project, a biogas production in Vlora, and is also looking at wind power: "It seems we are on a good way", remarks Ms. Haxhiademi.

Asked where the energy crisis impact hurts utilities most, Filip Wanner states that the biggest pain is on the wastewater treatment side, where energy consumption makes up half of the processing costs. His recommendation for utility operators is: "Focus first on wastewater treatment, do your benchmarking, and then prepare your action plan for reducing energy consumption."

"We have no time to waste, so we need to work on both the production and consumption sides simultaneously", adds Ms. Morina. She sees huge room for improvement on the consumer side and calls for an awareness campaign that educates consumers about responsible water use, ongoing efforts to reduce non-revenue water, and investments in energy generation. She also calls for a full coordination of all efforts: "It is very important that governments coordinate with regulatory authorities and utilities in every initiative and project, and right from the beginning, because later is often too late."

The final question of the session was: "What can regulators, governments and organizations do to encourage utilities to plan for the unplannable?" Here, Loïc Charpentier stressed the value of a systematic exchange of ideas, approaches and experiences between utilities, and the need to develop the most flexible infrastructures possible. Hajrije Morina stressed the interdependence of sectors, and that increased energy costs may force water utilities to review their tariffs which in turn might impact food prices, and so on. Come rain or shine though, as a regulator she sees it as her first duty to prevent degradations or disruptions of services with detrimental impact on the population.

Viola Haxhiademi advocated a pragmatic approach: "Let us tackle the plannable first - and turn to the unthinkable later." That said, she pointed to the 70 million investment program related to the comprehensive water sector reform which Albania was about to inaugurate on the very same evening, in the course of the Danube Water Forum Welcome Reception.