



**By email to rc3@cru.ie**

RC3 Team  
Water Division  
Commission for Regulation of Utilities  
The Exchange  
Belgard Square North  
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Dublin 24

11<sup>th</sup> September 2019

**Re: Consultation on Irish Water Revenue Control 3 (2020 – 2024)**

Dear Sir/Madam,

The Environmental Protection Agency (EPA) has reviewed the CRU's consultation paper on Irish Water Revenue Control 3 (2020 – 2024) and welcomes the opportunity to comment.

We wish to thank the CRU for the meeting held on 25<sup>th</sup> June 2019 which provided the opportunity to improve our understanding of the five-year Capital Investment Plan for the Revenue Control 3 (RC3) period, and to discuss our respective objectives as environmental and economic regulators of Irish Water. We wish to provide the following comments on the consultation paper:

### **1. Spend Profile**

Irish Water's spend profile in Table 14 of the consultation paper shows a significant increase during the final two years of the five-year revenue control period, most notably on future proofing of water and waste water services and supplies (€361m in 2022, €536m in 2023 and €646m in 2024). Such an increase in expenditure and related activity over a very short period will require a very substantial development of capacity and a critical focus on addressing delays in procurement and approvals processes, including planning and site acquisition in 2020 and 2021. The EPA suggests that metrics relating to these steps in the delivery process are developed and included in the RC3 framework.

### **2. Irish Water's Performance against IRC2 Targets**

The EPA notes that Irish Water has not delivered all of the expected outcomes set out in their investment targets in IRC2 and as a result, a significant number of projects will spill over into the RC3 investment period. For your information, the EPA has set out in the table below a number of areas where Irish Water has not met its IRC2 targets for key drinking water and waste water metrics. Specific information in relation to these metrics is provided for your reference in Appendix 1.

The two most pressing delays from an EPA perspective are the lack of progress with discharges of untreated urban waste water and delays in addressing the remaining supplies on the drinking water Remedial Action List. The number of supplies on the Remedial Action List has been steadily decreasing in recent years, however that downward trend has been reversed in the first six months of 2019, when we added eight supplies to the list. There are currently 64 supplies on the Remedial Action List where improvements and upgrade works are most needed.

**Delivery of Irish Water Investment Output Targets for IRC2 (source: Irish Water Investment Plan 2017 – 2021 and EPA data)**

Indicator	Investment Plan 2017 – 2021 Targets	Expected outcomes by end of 2018	Actual situation at end of 2018
Number of Boil Water Notices in place for greater than 200 days	Reduce from c. 4,057 to zero	0	2 BWNs affecting 201 people
Number of drinking water schemes on EPA’s Remedial Action List	75 to zero	44	63
WWTW – compliance with the UWWTD	Increase PE served from compliant WWTWs from 45% to 90%	46%	42% <sup>Note 1</sup>
No. of wastewater agglomerations with no treatment	Reduce from 40 to zero	20	37
WWTWs – compliance with emission Limit values	39% to 60%	45%	38% for 2017. EPA anticipates only a very slight improvement on this in 2018.

**Note 1:** The PE for an agglomeration varies from year to year and is based on the maximum average weekly load in a given year. While the number of non-compliant agglomerations has decreased, the % PE that is non-compliant has increased. This is mainly driven by the increase in the reported load collected in the Ringsend agglomeration which went from 2.17 million in 2016 to 2.33 million in 2018. This difference (160,000) is equivalent to 3% of the national load. In effect the increase in the PE of non-compliant Ringsend causes a drop in PE compliance of 3%.

**3. Revenue Control 3 Outputs and Outcomes**

Table 9 of the consultation paper outlines some of the proposed metrics and target outcomes for drinking water and wastewater during RC3. The EPA has a number of suggestions that the Commission may wish to consider in finalising its list of metrics and targets:

- **Population on a boil water notice for more than 200 days**

For boil water notices, 30 days is the criteria used by the EPA to differentiate between long-term and short-term boil water notices, rather than 200 days. This is in line with Article 9(4) of Council Directive 98/83/EC on the Quality of Water Intended for Human Consumption. This metric is very important from an EPA perspective because it makes it clear that operational non-compliances are expected to be resolved by Irish Water within 30 days.

The metric regarding boil water notices needs to be clarified as it is not clear what the figure of 5 in ‘Change over RC3 period’ represents, i.e. is this population or number of boil water notices? For context, there are currently 8 boil water notices in place for more than 200 days, affecting a population of 13,100 people.

- **Number of water supplies removed from the EPA’s Remedial Action List**

Table 9 includes an indicative figure of 34 water supplies to be removed from the Remedial Action List (RAL) in RC3. Based on the information provided to the EPA, 27 RAL supplies are due to be completed in 2019 and a further 30 during the period of RC3. These are listed in Appendix 2.

A number of additional supplies have recently been added to the Remedial Action List. There are seven supplies for which Irish Water has yet to identify a RAL Action Programme. The EPA suggests that for clarity it would be preferable to have 2 separate metrics; one relating to the 30 supplies on the RAL that Irish Water have committed to addressing in RC3 and a separate metric relating to new supplies added to the RAL since the beginning of 2019.

- **Reduction in number of properties with risk of THM Non-compliance**

The EPA suggests that CRU considers a slight alteration to this metric. In the Remedial Action List, the EPA tracks and reports on the population served by supplies with risk of THM non-compliance, rather than number of properties at risk. For example, at the end of July 2019, there were 39 supplies serving 318,264 people on the RAL for elevated THMs. For the purposes of consistency of reporting, the EPA suggests that the CRU and Irish Water adopts the alteration to this metric for RC3.

- **Number of agglomerations to be removed from the Priority Urban Areas List**

Table 9 of the consultation paper provides a figure of 57 agglomerations to be removed from the EPA's Priority Urban Areas List during RC3. Based on the information provided by Irish Water to the EPA, 38 agglomerations are due to be removed from the Priority Urban Areas List by the end of 2019, and at least a further 67 are due to be resolved in the period 2020 to 2024. These are listed in Appendix 2. For the sake of clarity, the EPA suggests the Commission may wish to clarify this metric in light of the different figures provided to the EPA and CRU.

The EPA suggests that the CRU continues to include useful metrics from IRC2 which were not included in the consultation paper as they remain valid and provide continuity. In particular, the following metrics and targets are suggested:

- Number of waste water agglomerations with no treatment: zero by 2024
- Compliance with UWWTD for large urban areas: 100% by 2024
- % Compliance with emission limit values in EPA licences: Irish Water should provide annual targets for same, for example Irish Water identified that it would achieve 60% compliance by 2021.

While having a few high-level metrics are welcomed, they don't reflect all the investment proposals. In addition to the high-level metrics, consideration should be given to comparing the planned outputs per year with works completed for each year e.g. if 100 work items are planned in 2020, how many of these 100 items were completed? Then a simple comparison can be made on the percentage of outputs completed against target. A metric like this relating to mid-scale projects (€250,000 to €5 million) would provide assurance that good progress is being made in delivering on the overall investment programme.

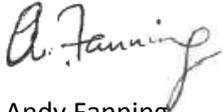
Appendix 4 of Irish Water's Capital Investment Plan lists the projects and programmes that they expect to commence, progress or complete during 2020 to 2024. We would welcome clarification on the scope of works and completion timeframe for each project and programme listed. These projects and programmes should have associated metrics which are tracked and reported against during the RC3 period. For example, under the National Phosphorus Removal Programme for waste water, Irish Water should provide the number and names of agglomerations where phosphorus removal will be installed at a waste water treatment plant for each year of the revenue control period.

There are 13 agglomerations on the EPA's Waste Water Priority Areas List that are not specified in Irish Water's Capital Investment Plan projects list (these are listed in Appendix 2). Of these 13 agglomerations, 11 relate to smaller Certificate of Authorisation plants for agglomerations of less than 500 population equivalent. These should be included in the Capital Investment Plan on the basis that they have been identified as national priorities. If they are included elsewhere in the Capital Investment Plan, for example under a National Programme, Irish Water should make it clear that these will be addressed during the 2020 to 2024 period and a suitable metric defined.

I trust these comments will assist the CRU in finalising its decision. The EPA will endeavour to provide any additional information that the Commission requires to allow it to finalise its deliberation.

We are happy to meet to discuss these matters further, if this would be of assistance.

Yours sincerely,

A handwritten signature in black ink that reads "A. Fanning". The signature is written in a cursive style with a large, stylized initial 'A'.

Andy Fanning  
Programme Manager  
Office of Environmental Enforcement

## Appendix 1: Irish Water's Performance against IRC2 Targets

### Boil Water Notices in place for greater than 200 days at 31<sup>st</sup> December 2018:

County	Public Water Supply	Date of issue of BWN	Date of lifting of BWN	Population affected
Waterford	Scrothea PWS	16/10/2014	Still in place	3
Galway	Kilconnell PWS	18/06/2018	Still in place	198

### 63 supplies on the EPA's Remedial Action List: Q4 2018 update

Remedial Action List in Q4 2018 (63 supplies)			
Belturbet	Cavan RWSS	Corofin	Ennistymon RWS
West Clare RWS	Ballingeary	Adrigole	Ballyhooly
Crookhaven	Drimoleague	Durrus	Glengarriff
Kealkill	Leap	Mogeely	Schull
Whiddy Island	Cork City	Cashilard	Creelough
Glenties-Ardara	Greencastle	Letterkenny	Milford-Letterkenny
Roundwood	Ballinasloe RWSS	Barraduff	Caherdaniel
Caragh Lake	Castlecove	Mountain Stage	Shrone
Bennettsbridge RWS	Glenmore	Inistioge	Kilkenny City (Radestown)
Kilkenny City (Troyswood)	Abbeyfeale	Croom	Newcastle West
Ballymahon	Gowna	Granard	Longford Central
South Louth East Meath	Ballycastle	Drumcondrath	Navan & Mid Meath
Grangemore	Lough Talt RWS	Clonmel Poulavanogue	Ring/Helvick
Mullingar Regional	Clonroche	Aughrim/Annacurra	Avoca/Ballinaclash
Enniskerry	Kiltegan	Wicklow Regional	Bray
Greystones / Windgates / Templecarrig	Kilmacanogue	Newtown Newcastle Kilcoole	

### Areas discharging untreated urban waste water (raw sewage) at 31<sup>st</sup> December 2018:

There were 37 areas discharging raw sewage at the end of 2018. The table below shows Irish Water's timeframe to connect these 37 areas to treatment.

Completion in 2019 (2 agglomerations)			
Timoleague	Passage Monkstown already completed in 2019		
Completion in 2020 (1 agglomeration)			
Killala			
Completion in 2021 (21 agglomerations)			
Howth (Doldrum Bay)	Omeath	Falcarragh	Ahascragh
Arthurstown	Ballycotton	Ballyhack	Ballyvaughan
Castletownbere	Castletownshend	Clarecastle	Duncannon
Inchigeelagh	Kerrykeel	Kilrush	Liscannor
Spiddal	Whitegate - Agada	Kilcar	Burtonport
Cobh			
Completion in 2022 (7 agglomerations)			
Moville	Ramelton	Rathmullan	Kilmore Quay
Kilkee	Carraroe	Roundstone	
Completion in 2023 (4 agglomerations_			
Arklow	Foynes	Glin	Newport
Completion in 2024 (1 agglomeration)			
Coolatee Housing Scheme			
Completion in 2025 (1 agglomeration)			
Avoca			

## Appendix 2: Revenue Control 3 Outputs & Outcomes

Schemes on the EPA's Remedial Action List which are due for completion in the period 2020 - 2024

Completion in 2020 (19 supplies)			
Belturbet	Cavan RWSS	Swanlinbar	Corofin
Ennistymon RWS	West Clare RWS	Ballingeary	Drimoleague
Glengarriff	Leap	Schull	Whiddy Island
Glenmore	Newcastle West	Gowna	Granard
Drumcondrath	Lough Talt RWS	Clonmel Poulavanogue	
Completion in 2021 (11 supplies)			
Cork City	Roundwood	Kilkenny City (Radestown)	Clonroche
Aughrim/Annacurra	Enniskerry	Wicklow Regional	Bray
Greystones/ Windgates/Tempelcarrig	Kilmacanogue	Newtown Newcastle Kilcoole	
Action Programme yet to be identified by Irish Water (7 supplies)			
Pilltown-Fiddown	Abbeyleix 1 PWS	Greenmount	Clara/Ferbane RWSS
Ballyhaise	Shercock	Dowra	

Waste water agglomerations not included in Irish Water's Capital Investment Plan 2020 to 2024 which are on the EPA Priority Areas List

County	Agglomeration	Authorisation Number
Carlow	Nurney	A0080-01
Clare	Kilmihil	A0091-01
Cork	Ballydesmond	A0326-01
Cork	Crookstown	A0354-01
Cork	Lombardstown	A0327-01
Cork	Mallow	D0052-01
Donegal	Ballintra	A0294-01
Donegal	Termon Housing	A0489-01
Galway	Ballymoe	A0105-01
Galway	Woodford	A0111-01
Leitrim	Mohill	D0277-01
Limerick	Herbertstown	A0224-01
Waterford	Kill	A0380-01

**Agglomerations on the EPA's Waste Water Priority Areas List which are due for completion by the end of 2019**

Completion by the end of 2019 (38 priority areas)			
Ardee	Freshford	Timoleague	Portarlinton
Roscrea	Tubbercurry	Athenry	Ballymore
Passage-Monkstown	Castlebellingham	Castleblaney	Castletown
Castletownroche	Cavan	Cecilstown	Clifden
Clonroche	Convoy	Coolgreany	Dundalk
Fermoy	Goresbridge	Grange	Johnstown
Kealkill	Kilcoole	Kilgarvan	Ringaskiddy village
Kilpedder	Monksland	Multyfarnham	Portlaw
Ringaskiddy-Crosshaven-Carrigaline	Tallanstown	Thurles	Tullamore
Tyrellspass	Youghal		

**Agglomerations on the EPA's Waste Water Priority Areas List which are due for completion in the period 2020 - 2024**

Completion between 2020 and 2024 (67 priority areas)			
Ahascragh	Arklow	Arthurstown	Ballycotton
Ballyhack	Boherbue	Bridgend	Burnfoot
Ballyvaughan	Burtonport	Carraroe	Castletownbere
Castletownshend	Clarecastle	Enniscorthy	Ennistymon
Cobh	Foxford	Coolatee Housing Scheme	Duncannon
Falcarragh	Foynes	Glin	Inchigeelagh
Kilmacrennan	Kerrykeel	Kingscourt	Lahinch
Kilcar	Milford	Millstreet	Mountbellew
Kilkee	Killala	Kilmore Quay	Kilrush
Raphoe	Liscannor	Moville	Tullow
Virginia	Newport	Omeath	Athlone
Baileborough	Balbriggan-Skerries	Ballybofey - Stranorlar	Ballyroan
Blackrock	Carrickmacross	Ramelton	Collooney
Rathmullan	Ringsend	Kanturk	Lifford
Mallow	Muinebheag & Leighlinbridge	Osberstown	Roundstone
Spiddal	Roscommon	Whitegate - Agada	Shannon
Midleton	Ballincollig	Cork City	