



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

2nd EFRWS

Better regulation for a greener Europe

AGENDA

ONLINE EDITION
December 1st, 2021



**European
Commission**

With the Patronage
of the European Commission

2nd EUROPEAN FORUM ON THE REGULATION OF WATER SERVICES EFRWS2

Held just before the launch of the EU Green Deal on 3 December 2019, the European Forum on the Regulation of Water Services (EFRWS) in Rome was the first multi-stakeholder meeting of its kind in Europe, with its focus on economic regulation in the drinking water and wastewater sectors. The Forum convened more than 50 speakers from all over Europe, representing water regulatory authorities that are also members of WAREG, the Association of European Water Regulators, as well as water industry associations, research institutions, think tanks and other stakeholders. Opened by senior representatives of the Italian government, European Commission, European Investment Bank, OECD and 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 were summarised 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 short time later the world experienced one of the deadliest pandemics ever, with devastating effects on human lives but also on national health systems and real economy, 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 green and digital transitions in the European water sector.

In this scenario water regulators have emerged as fundamental institutions to ensure the 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 realisation of investments, the 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.

This year, the 2nd edition of the EFRWS will be organised 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 through 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 on 1 December 2021, with institutional addresses, four thematic panels, a final session and concluding remarks. Participation is free of charge and detailed information on the agenda and registration can be found on the WAREG website (www.wareg.org/efrws/efrws-2021/). As President of WAREG the Association of European Water Regulators, I hope for the widest participation of the public.

Andrea Guerrini

ARERA Board Member and WAREG President



Introduction and opening addresses

09.00

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

Thomsen Christian Kettel VICE-PRESIDENT OF THE EUROPEAN INVESTMENT BANK

Morning sessions

10.00

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

The structure of the European water sector is largely influenced by a detailed European legislative framework round 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 will analyse 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 model. 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 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

Zac Alexander JACOBS The Bioresources Market in England and Wales

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

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

Giordano Colarullo UTILITALIA Innovation, technology and sludge management

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 focuses 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 incentivise 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:

Hugo Pacheco PRESIDENT, ERSARA, PORTUGAL (AZORES)

DISCUSSANTS:

Maria Salvetti EUROPEAN UNIVERSITY INSTITUTE/FLORENCE SCHOOL OF REGULATION (ITALY) Environmental and resources costs inclusion in regulatory tariff setting methodology, experience sharing from some WAREG members

Juliette Lassman OECD (FRANCE) Circularity in water: global experiences and perspectives

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

Giora Shaham ISRAEL WATER AUTHORITY Economic regulation for promoting environmental sustainability

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

Kate Symons ESSENTIAL SERVICES COMMISSION (AUSTRALIA) 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

Kim Augustin MANAGEMENT SYSTEMS AND TECHNOLOGIES, CITY OF HAMBURG (GERMANY)

13.30 BREAK

Afternoon sessions

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

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

MODERATOR AND RAPPORTEUR IN THE FINAL PLENARY SESSION:

Vera Eiró PRESIDENT OF THE BOARD OF ERSAR, WATER AND WASTE SERVICES REGULATION AUTHORITY (PORTUGAL)

DISCUSSANTS:

Claudia Castell Exner EUREAU (BELGIUM) Removing regulatory barriers for water innovation

Samir Traini REF (ITALY) Innovation based regulation

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

Harry Armstrong OFWAT (UK) Innovation fund in England and Wales
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
Adam Wilson ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA (AUSTRALIA)
Károly Kovács HWA HUNGARIAN WATER ASSOCIATION
Luigi Petta ENEA (ITALY) Innovation in water services: a methodology proposal for the evaluation of innovative wastewater treatment technologies

16.15 THEMATIC PANEL 4: WATER CHALLENGES IN THE BALKANS

This panel will highlight 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.

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) Asset Management in Western Balkan

Elisabeta Poci SHUKALB (ALBANIA) Capacity Building and Certification Program for Water Utilities in Albania

Philip Weller IAWD (AUSTRIA) Performance measurement in the Danube region

Madalina Ivanica DG ENV and **Guillemette Vachey** DG NEAR Alignment with the water acquis in the Western Balkan countries

17.15 BREAK

17.30 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

DISCUSSANTS:

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

Hugo Pacheco PRESIDENT, ERSARA, PORTUGAL (AZORES)

Vera Eiró PRESIDENT OF THE BOARD OF ERSAR, WATER AND WASTE SERVICES REGULATION AUTHORITY (PORTUGAL)

Ndricim Shani PRESIDENT, ALBANIAN WATER REGULATORY AUTHORITY (ALBANIA)

Walter Kling PRESIDENT OF IAWD (AUSTRIA)

18.15 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)

18.30 END OF THE FORUM

