

Response form

Environment Agency water resources charge proposals from April 2022

This consultation will run for 8 weeks from Wednesday 18 Aug to Wednesday 10 Nov 2021. Any responses we receive after this date will not be included in the analysis.

Please read the [consultation document](#) before completing this response form. You may request hard copies of the consultation document or response form by [email](#) or 03708 506 506 Mon to Fri 8am – 6pm.

Your details

C1 Please tell us if you are responding as an individual or on behalf of an organisation or group.

Please select one of following options:

- Responding as an individual
- Responding on behalf of an organisation or group
- Other

If you're responding on behalf of an organisation or group, please tell us who you are responding on behalf of and include its type e.g., business, environmental group.

The hydropower industry in England

If you selected other, please specify.

C2 Please tell us how many staff are employed in your business or organisation.

Please select one of following options:

- Fewer than 10
- 10-49
- 50-249
- 250 or more
- I am replying as an individual

C3 Are you an abstraction or impounding licence holder?

Please select one of following options:

- Yes
- No

C4 Please tell us which primary purpose of abstraction best describes the sector you represent.

Please select one of following options:

- Agriculture
- Amenity
- Environmental
- Industrial, commercial, and public services
- Production of energy
- Water supply
- Not directly affected

Please provide information to help us to understand your interest in this consultation.

The British Hydropower Association [BHA] represents the interests of hydropower generators in the UK

C5 Please tell us in which regions you operate.

Please select one of following options:

- Anglian
- Midlands
- Northumbria
- North West
- South West (including Wessex)
- Thames
- Yorkshire
- Dee
- Wye
- National

C6 Can we publish your response?

- Yes
- No

If you do not want us to publish your response, you need to tell us why.

C7 Please tell us how you found out about this consultation.

- From us
- From another organisation
- Through an organisation/group/trade association you are a member of
- Press article
- Social media such as Facebook, Twitter
- Through a meeting you attended

How we will use your information

The Environment Agency will look to make all responses publicly available during and after the consultation, unless you have specifically requested that we keep your response confidential.

We will not publish names of individuals who respond.

We will also publish a summary of responses on our website in which we will publish the name of the organisation for those responses made on behalf of organisations.

In accordance with the Freedom of Information Act 2000, we may be required to publish your response to this consultation, we will not include any personal information. If you have requested your response to be kept confidential, we may still be required to provide a summary of it.

Consultation principles

We are running this consultation in accordance with the guidance set out in the government's consultation principles.

If you have any questions or complaints about the way this consultation has been carried out, please contact consultation.enquiries@environment-agency.gov.uk

Consultation Co-ordinator
Environment Agency
Horizon House
Deanery Road
Bristol BS1 5AH

Privacy notice

The Environment Agency would like to keep you informed about the outcomes of the consultation. If you would like to receive an email acknowledging your response and be notified that the summary of responses has been published please provide your email address with your response.

By providing us with your email address you consent for us to email you about the consultation. We will keep your details until we have notified you of the response document publication.

We will not share your details with any other third party without your explicit consent unless required to by law.

You can withdraw your consent to receive these emails at any time by contacting us at:

enquiries@environment-agency.gov.uk

The Environment Agency is the data controller for the personal data you provide. For further information on how we deal with your personal data please see our Personal Information Charter on GOV.UK or contact our Data Protection team at:

Environment Agency
Horizon House
Deanery Road
Bristol
BS1 5AH

Email: dataprotection@environment-agency.gov.uk

Returning your response

Your response to this consultation needs to be returned by **10 Nov 2021**

We would like you to use this form if you are not submitting your response online. You can return it by email to enquiries@environment-agency.gov.uk. Please use this email address if you have any questions regarding this consultation.

Or by post to:

Environment Agency
Water resources charges proposals from April 2022
National Customer Contact Centre
PO Box 544
Bow Bridge Close
Bradmarsh Business Park
Templeborough
Rotherham
S60 1BY

We welcome your views on Water resources charges proposals for April 2022.

Charge framework (please refer to section 1 of the consultation document)

Q1 Do you support investment in water resources management to increase future security of water supply and increase resilience to drought?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Hydropower is non-consumptive and switches off when water levels are low, therefore it has absolutely no impact on water supply or drought conditions. Hence the huge fee increase for HEP licenses has nothing to do with investment and is purely paying staff salaries.

The BHA have responded 'No' because (for 97% of schemes) the Environment Agency's proposed charges for applying for a new hydropower licence/permit represent an increase of 895% (from £1,500 to £13,431) since 2014. We cannot support proposals that are counterproductive in the race to achieve net zero. It is right for Government to address security of supply and drought risks but to do this at the particular expense of renewable electricity generation - which reduces the impacts of climate change - would be indefensible.

Charge framework (please refer to section 1 of the consultation document)

Q2 Do you agree with the proposal to introduce a cost reflective charging scheme where an abstractor's charge relates to the service received?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

- "Cost-reflective charging" is wholly inappropriate in a 'closed market' when the applicant has no other choice in obtaining this 'service'. There is no incentive to minimise bureaucracy and maximise efficiency, nor to use properly qualified staff. In fact, being efficient means the Environment Agency would have to charge less.
- How can an application fee be "Cost-reflective" when (a) 100% has to be paid in advance before anyone has even considered the specific proposal (b) it is based on a set of fixed fees and (c) a flat £100/hour is being applied irrespective of staff grade?
- The consultation links the cost to 'professional time', but with no link to quality or outcome. If the service received is demonstrably slow, poor or uses under-qualified staff

- and there are many examples of this - the same fee is still paid; in the professional world, poor quality is not rewarded with high fees or guaranteed repeat work.

- If cost-reflective charging were imposed in spite of the above points there would be a need for greatly increased transparency and safeguards.

Charge framework (please refer to section 1 of the consultation document)

Q3 Is there any further evidence that you can supply now, or has already been published, that you think will inform the impact assessment, particularly in relation to small and medium-sized enterprises.

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

The Economic Impact Assessment relating to hydropower applications is wholly unfit for purpose. It makes assertions and draws conclusions which are not supported by any meaningful, up-to-date facts, any relevant analysis, or even the most basic understanding of how a commercial hydropower project is developed and operated. Our accompanying document expands on this assertion.

Charge framework (please refer to section 1 of the consultation document)

ADDITIONAL COMMENTS – CHARGE FRAMEWORK

See the comments made under each section above, plus the attached BHA Response document

Application charge proposals (please refer to section 2 of the consultation document)

Q4 Do you agree with the proposal to introduce an application charge that is cost reflective of the service received? This will be dependent on the type of application being made.

Please tick the relevant box

- Yes
 No
 Don't know
 Not applicable

- "Cost-reflective charging" is wholly inappropriate in a 'closed market' when the applicant has no choice in obtaining this 'service'. There is no incentive to minimise bureaucracy and maximise efficiency, nor to use properly qualified staff. In fact, being efficient means the Environment Agency would have to charge less.
- How can an application fee be "Cost-reflective" when (a) 100% has to be paid in advance before anyone has even considered the specific proposal (b) it is based on a set of fixed fees and (c) a flat £100/hour is being applied irrespective of staff grade?
- The consultation links the cost to 'professional time', but with no link to quality or outcome. If the service received is demonstrably slow, poor or uses under-qualified staff - and there are many examples of this - the same fee is still paid; in the professional world, poor quality is not rewarded with high fees or guaranteed repeat work.
- If cost-reflective charging were imposed in spite of the above points, there would be a need for greatly increased transparency and safeguards.
- In 2013, the hydro industry was told (a) that the 11-fold increase from £135 to £1500 was based on an assessment of actual costs, and (b) that improved quality and streamlining of the hydropower licensing service was able to justify this increase (for example the publishing of Good Practice Guidance in 2013).
- The performance of the licensing service has since dropped off a cliff: new applicants in 2021 have been told that their applications won't even be looked at for 4 to 5 months and will then take another 3 to 4 months to determine.

The most recent hydropower license (ref. SW/052/0015/010) took 26 weeks to determine, exactly double the Penfold limit for regulators, and only after a formal complaint accelerated the process.

Application charge proposals (please refer to section 2 of the consultation document)

Q5 Do you agree with our proposal that only customers requiring additional work are charged the relevant additional application activity charge?

Please tick the relevant box

- Yes
 No
 Don't know
 Not applicable

This is an absurd leading question designed solely to elicit a 'Yes' answer by avoiding the substantive question on the costs themselves: Do you agree with a raft of major additional costs being tagged onto a huge increase in basic costs? For hydropower applications, these fixed costs are totally disproportionate to the work involved and imply an inefficient, over-charged workforce.

We also have concerns about the process for determining which applications are liable for extra charges. Greg Marshall [from the Agency] said of hydro applications that "most would require some additional technical assessment". It is impossible to imagine that there would ever be a reason why the Agency could not process a hydro application within the staggering cost they propose to charge as an application fee.

The existing £1,500 covers 15 hours work. We believe that is all it should take an efficient, trained professional (worth £100 per hour) to scrutinise and issue a standard hydropower license which has followed the guidance provided. If the basic fee was maintained at this level, then it would be more reasonable to propose a targeted process for charging exceptional costs for sensitive or complex proposals.

Application charge proposals (please refer to section 2 of the consultation document)

Q6 Do you agree with the activities included in the additional charge factors?

Please respond agree, disagree or do not know by ticking the relevant box to those listed below.

Additional Charge Factors	Agree	Disagree	Do not know
Enhanced pre-application service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High public interest applications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advertising charge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water undertakers (as regulated by Ofwat) and is for the purpose or supports the provision of water supply	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External consultation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conservation assessments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amending application during determination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Competing schemes when applications are competing for the same water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[See previous answer](#)

Application charge proposals (please refer to section 2 of the consultation document)

Q7 Do you agree with our proposal to charge time and materials for specific application activities?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

We are concerned that the transparency and safeguards that would need to accompany any such system are totally lacking.

Who would draw up the work specification, and review the staff qualifications, experience and charge rates to ensure/maximise value for money?

Application charge proposals (please refer to section 2 of the consultation document)

Q8 Do you agree with our proposal to apply a discount to the application charge where an application is being made for more than one activity and those activities are reasonably considered to be part of the same operation?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

This is another leading question designed to elicit a 'Yes' answer, whilst avoiding the real question on the scale of the charges, i.e., are the proposed charges fair, proportionate and value for money? We maintain that they are not, and that the Agency has provided no evidence to quantify and justify any of these huge charge increases.

As part of its streamlining efforts with the hydropower industry, the Agency had combined Abstraction and Impoundment license applications into a single 'hydropower' application with a single fee. Now the Agency is seeking to de-couple this positive step with 2 permits and 2 charges, so raising the application fee even higher and adding to the already burdensome bureaucracy.

Application charge proposals (please refer to section 2 of the consultation document)

Q9 Do you agree with the proposed approach for application charges on renewal of a time limited abstraction licence?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

This question is irrelevant if time limits are being removed when abstraction licenses convert to permits.

Application charge proposals (please refer to section 2 of the consultation document)

Q10 Do you agree with the proposed approach of charging for variations so that the charge is proportionate to the amount of work we carry out?

Please tick the relevant box

- Yes
- No
- X Don't know
- Not applicable

Another leading question, which avoids feedback on whether the amount being charged is reasonable.

Proportionate charging is essential, the proposals relating to hydropower throughout this consultation are not at all proportionate or reasonable.

Application charge proposals (please refer to section 2 of the consultation document)

ADDITIONAL COMMENTS – APPLICATION CHARGE

Please provide further explanation to support your responses to any of the above charge framework questions, if you think it would be helpful:

Please see the comments under each heading, plus the accompanying 'BHA Consultation consolidated response' document.

Annual charge proposals (please refer to section 3 of the consultation document)

Q11 Do you agree with our proposal to introduce an annual charge that will be applied to all customers, based on the source of supply, amount of water a licence authorises and the use for that water (loss to the environment)?

Please tick the relevant box

- Yes
- No
- Don't know
- X Not applicable

It is our understanding that annual charging will not apply to all customers, with the vast majority of hydropower being exempt for example, other than those above 5MW. The question is therefore very unhelpful. We will strongly contest any suggestion that annual charges should be applied to hydropower schemes at any time.

Annual charge proposals (please refer to section 3 of the consultation document)

Q12 Do you agree with our proposal that only customers that require additional work are charged for the relevant additional charge factors through their annual charge?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Annual charge proposals (please refer to section 3 of the consultation document)

Q13 Do you agree that the additional costs incurred by us in regulating water undertakers are recovered through a separate additional charge?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Annual charge proposals (please refer to section 3 of the consultation document)

Q14 Do you agree with our proposal to extend the schedule of supported sources?

Please tick the relevant box

- Yes
- No

- Don't know
- Not applicable

Annual charge proposals (please refer to section 3 of the consultation document)

Q15 Do you agree with our proposal to retain the mechanism to raise the compensation charge in the new charging approach?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Annual charge proposals (please refer to section 3 of the consultation document)

Q16 Do you agree with our proposals to charge for specific activities on a time and materials basis?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Annual charge proposals (please refer to section 3 of the consultation document)

Q17 Do you agree that we continue to offer an abatement of annual charges under the new charging scheme to abstractions that meet the criteria set out? This would mean that when all criteria are met, all or part of the annual charge is removed.

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Annual charge proposals (please refer to section 3 of the consultation document)

Q18 Do you agree with the principles proposed to calculate the charge for licences with more than one point, purpose, or aggregate quantities?

Please respond agree, disagree or do not know by ticking the relevant box to those listed below

Other special charges	Agree	Disagree	Do not know
Two part tariff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Winter only abstraction discount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Annual charge proposals (please refer to section 3 of the consultation document)

Q19 Do you agree with the principles proposed to calculate the charge for licences with more than one point, purpose, or aggregate quantities?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Annual charge proposals (please refer to section 3 of the consultation document)

Q20 Is the charge indicator tool helpful in working out your charge?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

END OF CONSULTATION

Annual charge proposals (please refer to section 3 of the consultation document)

Q21 Would you like this tool available once the scheme is in place?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable