

# Blueprint to Safeguard Europe's Waters

## EURELECTRIC Key Messages

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*In late 2012, the European Commission will present its Blueprint to Safeguard Europe's Waters, with the ultimate aim of strengthening its water policy. With its many water-dependent assets, the power sector is fully aware of the importance of water – in particular in a changing climate. EURELECTRIC therefore urges European policymakers to consider the following:*

### **1. Ensure a consistent regulatory framework: integrate the water and low-carbon agendas**

Policies needed to meet different environmental goals (e.g. reduced carbon emissions, improved air quality, more efficient water use, biodiversity) are not always compatible. Wider societal goals such as security of energy supply and energy affordability can present yet other compatibility challenges. It does not make sense to pursue all of these goals separately. Policymakers should ensure that the EU regulatory framework on environment and energy is consistent, coherent and balanced. It is crucial to address potential trade-offs early on and send clear signals to operators.

The energy industry has two major concerns in this regard:

- Hydropower, including pumped-storage, increases the share of renewable energy sources in the electricity mix while providing a multitude of other services, including grid stabilisation, flood/drought control, navigation, irrigation, water supply, or aquaculture. Making the ecological requirements of the Water Framework Directive (WFD) the sole regulatory drivers governing hydropower in Europe would put the achievement of other policies at risk.
- The EU's water policy insufficiently recognises that the choice of cooling system for power generation has other environmental and wider socio-economic consequences, for instance regarding thermal efficiency, greenhouse gas emissions and air quality. This might result in unwarranted restrictions on existing or future water-cooled plant, based on water considerations alone, which in turn could be detrimental to security of supply and to progress in improving thermal conversion efficiency and the deployment of crucial low-carbon technologies, including nuclear plant and CCS. Conventional, water-cooled electricity sources are also important to balance and back up the increasing amount of variable renewables such as wind and solar.

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***European and national policymakers must improve the integration of energy and environmental policies, in particular the water and low-carbon agendas.***

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## 2. Get the figures right

According to the EEA, almost half (45%) of all freshwater abstracted is used by the energy sector, mostly for cooling. However, the EEA also indicates that most of this water is returned to the environment – in contrast to only about 30% of the water used for agriculture. EURELECTRIC is concerned by a number of initiatives (e.g. the Water Exploitation Index (WEI); water accounts; the DG Environment Blueprint *ad-hoc* modelling group) where the terminology for describing water use is unclear and the distinction between an activity's gross and net water use is not clearly and consistently established. Moreover, available data are limited, fragmented and inconsistent.

Although the returned water may be altered, it still contributes to measurable flow and, when compliant with appropriate permit conditions on discharge quality, does not unduly affect the quality of the water body. Thus the returned water remains available for subsequent downstream use. Water can be and is 'used' many times over! Water indicators that inform policymaking (e.g. classification of water stress) must reflect this. We are concerned that the definition of WEI as 'total freshwater abstraction'/'freshwater resource' may not.

Similarly, when considering economic instruments, the distinction between gross and net water abstraction must be made.

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***Water-related initiatives must make a clear and consistent distinction between gross and net water abstraction or consumptive and non-consumptive use. Comprehensive and reliable data must be elaborated in all member states for all river basins.***

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## 3. Use the right economic instruments

With its explicit integration of economic assessment and instruments, the WFD was ground-breaking environmental legislation. However, EURELECTRIC considers socio-economic assessment, in particular disproportionate cost analysis, as one of the weaknesses of the WFD implementation.

We would welcome updated guidance on the application of economic principles in the WFD, in particular on the application of disproportionate costs. Such guidance should make clear that establishing a target that does not aim to achieve a good ecological status can represent the correct application of the fundamentals of the WFD, namely by establishing an appropriate balance between environmental protection and responsible use of water.

We are concerned that water pricing could be considered a 'silver bullet' to tackle all ecological impacts. This is clearly not the case: hydromorphology for instance is not dependent on amounts of water per unit. Moreover, in some processes a proportion of the water abstracted will be returned.

EURELECTRIC supports the 'polluter pays principle', which forms the basis of the WFD's economic instruments. This principle should apply to ecological costs or mitigation actions to balance the use of land and water with societal benefits. This is fully in line with the WFD's decentralised approach based on river basin management, which avoids a 'one-size-fits-all' approach.

Economic instruments to achieve water policy goals should be carefully designed to ensure they do not compromise the achievement of other policy goals, result in unintended outcomes or are used simply for general revenue raising.

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***Renewed efforts are needed to improve socio-economic assessment when implementing the WFD.  
Economic instruments to support achievement of water policy goals should not compromise  
achievement of other policy goals.***

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