Response form
‘Consultation on reserving water abstraction rights’

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Your response to this consultation needs to be returned by **midnight on Monday 16 February 2026.**

We would like you to use this form if you are not submitting your response online. You can return it by email to wrnationalframework@environment-agency.gov.uk, with the subject header "Consultation: Reserving water abstraction rights". Please use this email address if you have any questions regarding this consultation.

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F.A.O "Reserving Water Abstraction Rights Consultation Team"
National Customer Contact Centre
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Rotherham
S60 1BY
United Kingdom

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We will not publish names of individuals who respond or personal data, but we will publish the name of the organisation for those responses made on behalf of organisations.
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☐Yes
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When we come to analyse the results of this consultation, it would help us to know if you are responding as an individual or on behalf of an organisation or group.

Please select from the following options:

☐ Responding as an individual (yourself, or on behalf of someone else)
☐ Responding on behalf of an organisation or group
☐ Other

If you're responding on behalf of an organisation or group, please tell us the name of your organisation or group:
Energy UK_____

If you selected 'Other', please specify.

Working With Others

Environment Agency

_____

What sector do you represent?

☐Government and regulators
☐ Environment
☐Agriculture and horticulture
☐ Public water supply
☐Navigation
☐ Recreation
☐Energy
☐ Business
☐Industry
☐ Other

If you selected 'Other', please tell us your sector.

_____

Consultation questions

Related to Section 8 of the consultation document

Question 1. To what extent do you agree with the need to have a transparent approach which allows for water abstraction rights to be reserved?

Please choose one of the following:

Strongly Agree
Agree
Disagree
Strongly Disagree
Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

Energy UK supports the concept of reservation of water rights and agrees that a transparent approach is necessary, both for the energy sector and across sectors. It remains unclear where Nationally Significant Infrastructure Projects for power sit within the proposed hierarchy. Energy UK and the wider industry could only support the reservation of water abstraction rights if the process is transparent and includes the needs of all nationally critical sectors. As such, further detail is required.

The proposals set out in this consultation seem targeted toward strategic water resource options and other water company options. As outlined, the proposal could help with project planning and reduce uncertainty for those Water Company projects. However, the detail and metrics applied within the approach must be delivered alongside a comprehensive assessment of possible outcomes for all sectors. This includes in alignment with wider strategic plans for allocation of resources in different sectors, including, for example, energy network connections, telecommunications, and land rights.

As noted on page 15 of the consultation document, if all or most water in a catchment is reserved for strategic water projects ahead of need, it could prevent other, as yet unplanned, future developments from being sited in the catchment. Without sufficient alignment with broader strategic plans and government policy, this risks presenting a barrier to the delivery of the Clean Power by 2030 ambition and wider investment in hydrogen production, power generation, data centres, and other sectors identified in the industrial strategy.

The proposed approach offers advantages to the water sector based on lead times, as large water schemes have much longer lead times than large project developments in other sectors, for example, a power station. Ongoing reforms and recently implemented changes also mean that planning, permitting, and connections timelines across the energy sector are changing significantly in some cases. As such, water rights reservation may need to hold an embedded level of flexibility to enable faster access where a project is delivered ahead of the expected timeline.

Alignment with the estimated needs of a range of sectors could allow for the allocation of specific reserved water resources by sector, even where projects are yet to be defined, to ensure that not all water is allocated for Public Water Supply (PWS).

EA has recognised, on Page 16 of the consultation document, that the current approach does not provide an incentive for non-PWS sectors to engage in strategic water resources planning. Having recognised the importance of water resource planning, Energy UK's member companies have engaged with the current water resources planning process via Energy UK groups and the independent Joint Environmental Programme (JEP).

Related to Section 9 of the consultation document

Question 2. To what extent do you agree with the expectation that the proposers of strategic schemes should apply for licences early?

Please choose one of the following:

Strongly Agree
Agree
Disagree
Strongly Disagree
Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

Risks and potential unintended consequences remain within the outlined process. Energy-sector-specific engagement on the intended approach would be welcome at this stage.

A key concern is the definition of strategic schemes. It is unclear if "strategic schemes" refers solely to strategic water resource options. Strategic schemes should instead encompass strategically important sectors, including the energy sector.

The certainty that reserving water rights in advance would provide energy project developers would be welcome, but decisions about when to apply are, ultimately, commercial decisions for each developer to decide. As such, consideration of the factors impacting the timeline for applications and investment would be beneficial in developing a greater understanding of when information and funding would become available for energy projects to apply.

The proposed approach, applied across sectors, might allow a known power project to reserve water sooner in its project development timeline, particularly given that the subsistence charge would not need to be paid until the licence comes into effect.

If a strategic water scheme is eventually cancelled, this could block the development/growth of other sectors in the catchments from the time at which the rights are reserved. Projects that require abstraction for many years, such as power projects, could not achieve investment based on a short-term licence, and as such would simply not go ahead.

Question 3. To what extent do you agree that, for a public water supply scheme, the "need for water" is justified if it is included in a final Water Resources Management Plan, including in its adaptive pathways?
Please choose one of the following:

☐ Strongly Agree
☐ Agree
☐ Somewhat Agree
☒ Somewhat Disagree
☐ Disagree
☐ Strongly Disagree
☐ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

Energy UK agrees that a PWS scheme would have the "need for water" justified if the project is included in a preferred pathway of a final Water Resources Management Plan, but does not agree that this should include all projects across adaptive pathways.

Including PWS schemes from wider adaptive pathways could prevent non-PWS sectors from being able to reserve water. The long lead time for an adaptive pathway PWS scheme will result in significantly more water being reserved for PWS, effectively reducing the water available for other sectors to reserve at a later date.

Further consideration of PWS and non-PWS projects across sectors is required to understand the exact extent of the potential impact of adding unconfirmed projects from adaptive pathways into the approach.

Question 4. To what extent do you agree that, for a non-public water supply scheme, the "need for water" is justified if it is included in a strategic plan for the sector of water use?

Please choose one of the following:

☐ Strongly Agree
☐ Agree
☐ Somewhat Agree

Working With Others

Environment Agency

 Somewhat Disagree
 Disagree
 Strongly Disagree
 Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

It is not clear what form a strategic plan for the sector would take, nor what schemes would be included under the phrase ‘non-public water supply scheme’. This must be clarified before Energy UK can agree or disagree.

With the emerging approach to regional energy spatial plans (RESPs) and the national Spatial Strategic Energy Plan (SSEP), alongside developing sector-specific strategic plans, it would be sensible to ensure that any water strategic plan incorporates information from these other sector plans to ensure that the water supply requirements are accurate and reflective of the plans of all sectors. Any project included in the SSEP or RESPs will be critical to local and national energy demand and system requirements, and as such, should be deemed as projects where the need for water is justified.

Energy projects should retain the ability to choose the most appropriate source of water for the site-specific project, and as such, consideration of strategic water demand should include engagement with the energy sector, particularly where local allocations would impact existing or future developments.

There could also be non-PWS projects not recognised in a strategic plan that would be missed in such a process. In sectors that operate in a competitive market, such as power generation, projects will be designed, developed, and connected based on a much wider range of investment signals. It is possible to estimate the overall water requirements of clean power and wider energy projects, as demonstrated by the wide variance under the NESO’s Future Energy Scenarios. As spatial plans mature, alignment between planning frameworks, Government policy, investment frameworks, and spatial plans must be considered across institutions and workstreams.

In proposed regional water plans, energy sector water requirements are recognised at a sector level, not at a project-specific level. To gain a greater understanding of project-specific requirements, wider engagement, carefully considering confidentiality and commercial sensitivity, would be required.

Question 5. To what extent do you agree with our expectation that national critical infrastructure needs for all sectors of use should be identified and accounted for in strategic plans (such as Regional Energy Strategic Plans) which include an appraisal of options for meeting that need?

Please choose one of the following:

□ Strongly Agree
□ Agree
□ Somewhat Agree
□ Somewhat Disagree
□ Disagree
□ Strongly Disagree
□ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

Energy UK agrees that strategic plans must highlight and account for the needs of dependent sectors, and that national critical infrastructure must be recognised and accounted for across all sectors' strategic plans. Coordination across sectors is required for this to be effective.

There remain concerns about the effectiveness of relying on this approach. For example, the SSEP and RESPs will be unable to account for future developments, such as the potential for hydrogen projects that are not yet in development to emerge in a given area based on wider policy change and investment frameworks.

Further clarity would be welcome regarding:

- The precise definition of national critical infrastructure to be used, and if this would differ from the government definition of Critical National Infrastructure (CNI) below:
    - *National assets that are essential for the functioning of society, such as those associated with energy supply, water supply, transportation, health and telecommunications.*
- If national critical infrastructure projects will be included regardless of inclusion in other strategic plans.
- How regularly strategic plans for water will be updated, and if there will be a trigger for updating the plan to include new projects or changes in circumstance, and how this would be coordinated with reviews and updates to other sectors' strategic plans.

Beyond this, there is a need to ensure that all CNI is recognised in water strategic plans, regardless of whether or not they appear in other sectoral plans. Data centres, for example, may not be recognised in any strategic plan for some time, but have been designated CNI under recent policy changes.

Question 6. To what extent do you agree that the proposed framework provides adequate environmental safeguards?

Please choose one of the following:
□ Strongly Agree
□ Agree
□ Disagree
□ Strongly Disagree

□ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

It seems sensible to delay the full environmental impact assessment as external conditions may change. This does mean that reserved rights may not translate to actual water rights.

Energy projects are typically efficient water users with a lower impact on water quality than some other sectors.

Dispatchable thermal power stations, such as combined-cycle gas turbines and biomass plants, abstract water from rivers, primarily for cooling. In a tower-cooled system, most of the cooling water is recirculated within the power station:

- Approximately 1% evaporates, removing heat from the system;
- Approximately 2% is purged to prevent salts in the ambient river water from building up in the cooling system
- Approximately 3% of the recirculating volume of water is abstracted for makeup.

In such a tower-cooled system, approximately between half and two-thirds of the water abstracted is non-consumptive and returned to the river, typically further downstream.

A low-load tower-cooled plant tends to return a greater portion of water abstracted than a baseload plant.

A direct-cooled station returns all water abstracted, although these are typically located in estuaries or the open coast.

Future water demand from energy is yet to be determined, given the wide range of potential projects and technologies to be deployed across the UK.

Question 7. The proposed approach aims to manage the uncertainty in a scheme's environmental impact through the abstraction licensing system, using self-destruct clauses, rather than being based on policy alone.
To what extent do you agree with this approach?

Please choose one of the following:
□ Strongly Agree
□ Agree
□ Disagree
□ Strongly Disagree
□ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

Question 8. The proposed approach uses derogation agreements to enable short-term licensing of the "reserved" water to other users ahead of the "effective date" of strategic scheme licences, thereby allowing ongoing access to water resources.
To what extent do you agree with this?

Please choose one of the following:
□ Strongly Agree
□ Agree
□ Disagree
□ Strongly Disagree
□ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

This is acceptable in principle for the holder of reserved rights, although it is not completely clear how this would work in practice. It will be critical to understand if there exists sufficient demand for short-term abstraction licenses to enable effective use of this approach.

It would also be beneficial to clarify what will happen if demand for reserved rights becomes too high and how water will be allocated. Learning from the connections reform process delivered in the energy sector, it will be important to create clear metrics, milestones, and guidance that support a robust framework of allocation based on transparent processes.

There should also be consideration of what happens in the unlikely event of a strategic scheme becoming ready to abstract earlier than planned, and what happens if schemes are brought forward based on priorities in other sectors. For example, if power projects are brought forward by the National Energy System Operator (NESO), there would need to be a process for the allocation of water rights ahead of the effective date applied to the licence arrangements.

Short-duration licences are unlikely to be suited to the vast majority of power project developments, which require water for the duration of the project lifetime.

Specific market arrangements should also be considered. For example, dispatchable power stations often have Capacity Market (CM) contracts that pay the station to be available to generate whenever required by the NESO. The power station makes use of its water rights to satisfy a capacity market contract, irrespective of whether or not it is generating or abstracting. As such, the reservation of water rights for future projects could impact existing abstractors at a Catchment Permit Review. There could be significant financial consequences in situations where a CM contract could not be fulfilled due to a change imposed at a Catchment Permit Review.

Question 9. To what extent do you agree that catchment reviews should be used to determine the ongoing sustainability of licensed abstraction for strategic schemes?

Please choose one of the following:
□ Strongly Agree
□ Agree
□ Disagree
□ Strongly Disagree
□ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

All abstractors in a catchment should be considered simultaneously as part of this process. It should be noted that the risk of curtailment for some sectors has consequences beyond that sector; if power station licences are affected simultaneously, it could cause electricity system issues with security of supply.

Energy project lifetimes are frequently around 25 years, and therefore will operate over many catchment review cycles.

An energy project developer will need certainty over their ability to access a reliable water resource over the life of the project to allow them to invest in the project. As such, clear guidelines and definitions must be set out ahead of implementation to clarify the conditions and requirements across these processes.

Different catchments may need different approaches to align with national or regional strategies. For example, catchments that interact with the Government's industrial clusters, AI growth zones, or other priorities may require a different approach compared to a catchment with solely agricultural abstractors.

The abstraction licensing strategies and catchment abstraction management strategies will also require refreshing to ensure they are up to date now and in future.

Question 10. To what extent do you agree that short-duration licences should be included in the catchment reviews where possible?

Please choose one of the following:
□ Strongly Agree
□ Agree
□ Disagree
□ Strongly Disagree
□ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

Question 11. The proposed framework suggests that the regional tier of water resources planning should be used to coordinate and facilitate collaborative solutions, in order to reduce competing demands. To what extent do you agree with this?
Please choose one of the following:

Strongly Agree
Agree
Disagree
Strongly Disagree
Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

While Energy UK broadly agrees with the proposed framework, a number of considerations must be noted.

National coordination of strategic resources is critical to cost-effective implementation and coordinated delivery. This must also include consideration of resource requirements across boundaries, coordinating efforts with Scottish and Welsh regulators and devolved authorities.

The different planning horizons and funding arrangements for different sectors may create some barriers to coordinated delivery, requiring clear scoping of the many factors that could impact upon competing demands and the ability to deliver collaborative solutions.

Regional and national levels of strategic planning must include a range of stakeholders and routes to input for an even broader range of organisations. There is a concern within the energy sector that strategic planning groups will be dominated by regulated monopolies, including water companies and network operators; while the expertise and funding within these organisations mean that they absolutely should be included, there must be alternative viewpoints represented in these discussions as well.

Care must be taken not to favour the water industry to the detriment of other sectors.

Energy Generators can often be required by contracts to be able to operate whenever called upon by the NESO, in order to ensure electricity system security. Furthermore, if many power stations are affected simultaneously, the capacity margin for the electricity system as a whole will reduce significantly, risking electricity system security as well as increasing wholesale electricity prices. Beyond impacting consumers directly, these risks would also increase the risk of insufficient power supply or increased energy costs for public water infrastructure such as sewage processing plants.

Question 12. The proposed framework uses a hierarchy to support licensing decision-making across scheme categories to allocate water abstraction rights when competing demands could not be fully reconciled.
To what extent do you agree with the need for a hierarchy?

Please choose one of the following:
Strongly Agree
Agree
Disagree
Strongly Disagree
Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

While we broadly agree that there is a need to establish a hierarchy, it is critical that CNI is recognised in this hierarchy. Placing PWS ahead of all other sectors would not be appropriate, nor would it be reflective of the actual needs of consumers. Without energy supply now and in the future, the water sector would not be able to function. Likewise, without sufficient water supply, much of the energy sector would not be able to function.

There is no metric in the proposed approach for a full evaluation of the proposed framework. The framework needs to be transparent to provide certainty for all abstractors, and that includes enabling abstractors to state the variables, interdependencies, and inherent risks that justify any given position in the hierarchy.

As mentioned in response to Question 5, the definition of national critical infrastructure also needs to be clear. It is currently uncertain which power projects would be considered as national critical infrastructure under the framework. Any plant required by NESO for balancing activities should be appropriately high in the hierarchy to ensure security of supply.

The details of the proposed hierarchy include measures that could impact on the investment in projects, against Government policy ambitions; for example, carbon capture, utilisation and storage (CCUS) is assigned to Tier 3, which could preclude the development of CCUS projects, and could impact on the ability of power and industrial sectors to decarbonise in line with wider carbon and environmental ambitions.

EA should consider the strategic allocation of water for future projects that are currently undefined. In addition to establishing an effective hierarchy, a pre-set reserve of water resources should be held back to ensure that water is available for existing and emerging sectors beyond our current ability to predict.

Question 13. To what extent do you agree that the hierarchy should reflect the needs of public water supplies first?

Please choose one of the following:

Working With Others

Environment Agency

□ Strongly Agree
□ Agree
□ Somewhat Agree
□ Somewhat Disagree
□ Disagree
□ Strongly Disagree
□ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

It is critical that the hierarchy is reflective of the interdependencies between sectors. Without access to water, investment in new power production projects will not occur, and water companies require power to operate the public water supply system.

The proposed approach prioritises water abstraction rights for PWS, and without any wider consideration, this will impact industrial growth and the delivery of the significant private investment required to meet UK energy needs in the coming years. That would, in turn, impact the cost of energy and the security of power supply for years to come.

Question 14. To what extent do you agree that the hierarchy should place national critical infrastructure above other schemes (not including schemes for public water supply)?

Please choose one of the following:
□ Strongly Agree
□ Agree
□ Somewhat Agree
□ Somewhat Disagree
□ Disagree
□ Strongly Disagree
□ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

As noted earlier, the exact definition of national critical infrastructure must be set out clearly and should include energy production.

Net zero carbon investments, such as a dispatchable power plant that includes CCUS or hydrogen combustion, as well as broader projects such as hydrogen production, should be assigned to Tier 1, depending on the project size.

Question 15. To what extent do you agree that government should set out its priorities in a water plan?

Please choose one of the following:
☒ Strongly Agree
☐ Agree
☐ Somewhat Agree
☐ Somewhat Disagree
☐ Disagree
☐ Strongly Disagree
☐ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

Leadership from the Government on how their policy priorities should be implemented is required across strategic plans. This would provide clarity for investors, developers, and operators across the sector.

Whilst there are different Government plans for different sectors, the interactions between sectors are not well defined. Clarity on how priorities should interact with water demand and the environment would give much-needed guidance from a national perspective.

PWS is often seen as the top priority for water abstraction, but water companies have a range of options to abstract, store and transfer water, whereas a power station at a specific location can only abstract at that location.

To deliver on the Government's ambitions for clean power, growth, and cost-of-living reductions, it must ensure that water is available for the entire range of low-carbon energy production technologies, including generating plant paired with CCUS, hydrogen combustion plant, and hydrogen production projects.

Question 16. To what extent do you agree that regional planning groups should be involved in translating government priorities into tier 3 of the proposed hierarchy so that they are reflected locally?

Please choose one of the following:
☐ Strongly Agree
☐ Agree
☐ Somewhat Agree
☐ Somewhat Disagree
☐ Disagree
☐ Strongly Disagree
☒ Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

It is unclear what is intended by this proposal. If regional groups were given the power to de-prioritise projects given a high position in the hierarchy, moving a project from Tier 2 to Tier 3, for example, then Energy UK cannot support the proposal. Likewise, if the regional groups are dominated solely by Water Companies, this would not be an appropriate approach.

Only where regional groups are made up of a diverse group of stakeholders can Energy UK support a proposal for regional groups to be given additional powers to translate national priorities.

Regional Groups are tasked with delivering plans for water, but they currently hold no remit to consider electricity system security. This could result in insufficient water allocation for future power projects required to deliver Government priorities and best outcomes for consumers. For example, a regional group with a Government-assigned industrial cluster in its region should include in its priorities the allocation of water for low-carbon industrial developments in that cluster.

Question 17. To what extent do you agree that this framework ensures fair consideration of schemes from other sectors or local projects?
Please choose one of the following:

Strongly Agree
Agree
Somewhat Agree
Somewhat Disagree
Disagree
Strongly Disagree
Do not know/ not applicable

Please provide specific comments to support your response. (Optional)

There is insufficient information to answer this question.

Details of the final hierarchy, national priorities, and frameworks for local projects and cross-sector interdependencies remain unclear.

There are no metrics to determine how water will be reserved or how alternative use options will be compared.

The level of demand for reserving water abstraction rights has yet to be determined, so it is impossible to know how much water will be left for projects in lower tiers.

Free text questions
[Please avoid including any personal information in your responses]

Question 18. Do you think any other sectors should be prioritised in the decision-making hierarchy?

Please choose one of the following:
Yes
No
Don't know

If you selected Yes, please provide specific comments below:

Where wider government priorities are present in regions, for example, in Government-defined low-carbon industrial clusters, projects contributing to the delivery of those priorities should be prioritised.

To ensure electricity system security, water for power projects must be available at some locations in the future, some of which will come from direct abstraction from rivers. Without a secure electricity system, many other critical systems will not be able to operate reliably, including PWS, as electricity is needed to operate water treatment plants and pumping stations.

The Government's target to decarbonise the electricity grid by 2030 will require access to water for new and existing power projects, many of which are being advanced in the queue for connections. Beyond 2030, new low-carbon and dispatchable power will continue to connect, and these projects will require access to water. Hydrogen production is another policy focus, and should also be given a level of priority based on investment frameworks and specific projects established by the Government.

Question 19. With regards to the allocation of water resources, what changes to the future landscape of water resources planning and abstraction licensing would you like to see to better enable access to water resources while protecting the environment and existing abstractors?

Please provide specific comments below:

Water for low-carbon dispatchable power and hydrogen production should be included in regional water resource plans.

Funding needs to be available to construct the necessary water resource schemes to supply water to industry and to enable regional groups to plan for all non-PWS sectors.

A clear hierarchy is necessary, and must be aligned with Government targets across all Government departments.

Transparency in the decision-making is critical. The metrics that will be used are currently unclear.

Catchment Permit Reviews and Environmental Destination need to account for power stations' requirements for water access for the duration of the site's lifetime. Any uncertainty related to future access to water could prevent an investment decision to build or upgrade a power station that would otherwise contribute to electricity system security and enable the delivery of a clean power system.

Question 20. Do you foresee any challenges with the proposed approach?
Please choose one of the following:
☒ Yes
☐ No
☐ Don't know

If so, what are they?

Projects with a long lead time, such as reservoirs and other strategic water resource options, may result in the reservation of all water resources for the future. Different sectors have different market rules and project lead times, and sectors with shorter project lead times could find themselves without water based on that resource being reserved far in advance for specified projects in a different sector.

Certainty of your rights to use reserved water rights is important for investment decisions. Without the certainty of an abstraction right, power generation cannot guarantee to be available when called on, as is required for those sites with a CM contract.

It is not known what will be in RESPs yet, or how often they will be updated, nor is there clarity about the exact processes for the SSEP. This uncertainty is impacting investment decisions already, and a lack of transparency in water rights reservation would similarly impact investment confidence.

Question 21. Do you foresee any unintended consequences with the proposed approach?
If so, what are they?
Please choose one of the following:
☒ Yes
☐ No
☐ Don't know

If so, what are they?

The approach could create barriers for critical energy infrastructure if water were reserved for long lead-time PWS projects. Ultimately, the unavailability of water for power could increase

energy prices for the end consumer, including for water companies. Securing water for PWS may help keep prices down for water bill payers, but it could inadvertently put up prices for electricity bill payers if the power project had to find an alternative source of water or resort to less efficient air cooling.

Barriers to access to water for new industries may prevent these industries from growing, impacting the Industrial Strategy ambitions of this and future Governments.

PWS projects have longer lead times than energy projects, potentially resulting in all water being reserved for PWS. This is compounded by the proposed hierarchy that places PWS above other national critical infrastructure. An allocation per sector of a portion of water available, without reference to a specific project, could mitigate these unintended consequences.

Currently, the regional plans have assumed sectoral needs based on current licensed volumes – this may provide a suitable model.

Question 22. Are there any specific sectors or types of projects that you believe should be given additional consideration?
Please provide specific comments below:

Projects that contribute to the Government's wider ambitions, including Clean Power by 2030 and the industrial strategy, should be given additional consideration. The Government-defined low-carbon industrial clusters should be given additional consideration. Industrial developments without access to sufficient water will not receive a financial investment decision to proceed.

Dispatchable power projects that would contribute to electricity system security and align with Clean Power by 2030 should be given additional consideration.

The hierarchy could create a market barrier for hydrogen projects, which are part of the Government's priorities. This would result in hydrogen production projects having to develop more expensive sources of water if insufficient water is available via abstraction. Shorter lead times for green hydrogen production than for PWS infrastructure could result in all water being reserved for PWS in a catchment, before a hydrogen project has been developed.

Question 23. Do you see any potential conflict of this proposed framework with other policy goals and objectives?
Please choose one of the following:
Yes
No
Don't know

If you selected Yes, please provide specific comments below:

Government departments such as DEFRA and DESNZ must urgently work with environmental regulators to ensure there is sufficient water available for future energy projects.

The Environment Agency has a remit to protect the environment and consider the water supply duties of water companies when making decisions on allocation and management of water, but the EA has no remit to consider electricity system security or carbon targets. Curtailing use or reliability at existing sites may risk stress to the electricity grid if these sites are unable to generate when called upon. For new power projects, an inability to use water is likely to result in increased electricity prices if alternative technologies have to be used to generate electricity.

If no water is available for these types of electricity project, the UK will fail to secure the needed private investment to deliver its ambitions.

Question 24. Do you have any other comments or suggestions regarding the proposed approach?
Please provide specific comments below:

Energy UK supports the principle of the reservation of water for national critical infrastructure. The lack of clarity regarding where Nationally Significant Infrastructure Projects for power sit within the proposed hierarchy must be addressed.

Energy UK would welcome continued engagement with the sector on the developing details of the framework to ensure clarity on how government priorities will be incorporated into the approach.

To mitigate against too much water being reserved for projects with long development timescales, we suggest consideration of an allocation of water held back for sectors where it is not yet possible to reserve water for the future, because that need cannot currently be tied to a specific project.

Thank you for responding to this consultation. Following the end of the consultation, we will produce a consultation response document and this will be published online by Monday 11 May 2026.