REGULATED INDUSTRIES COMMISSION

Strategies and Policy Guidelines for the Efficient Use of Water in Trinidad and Tobago

November 2024

Final Decision

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1.0 Introduction

1.1 Background

The Regulated Industries Commission (RIC) is the economic regulator for the electricity and water sectors in Trinidad and Tobago. In the conduct of its regulatory functions, the RIC is guided by the legislative and regulatory framework set out in the RIC Act, Chapter 54:73. Under Section 6(1) of the RIC Act, the RIC is responsible for ensuring, *inter alia*, as far as is reasonably practicable, that the service provided by a service provider operating under prudent and efficient management will be on terms that will allow the service provider to earn sufficient return to finance necessary investment. In pursuit of this function, the RIC is obliged to ensure that WASA pursues the most efficient way of meeting customers' water needs.

Although Trinidad and Tobago is not classified as water scarce, the country's sole water utility, the Water and Sewerage Authority of Trinidad and Tobago (WASA), faces difficulties in adequately meeting the country's daily water demand because of (i) inefficiencies in water use and the distribution system and (ii) inadequate capacity of the water supply network to satisfy demand. Additionally, water tariffs are relatively low and metering is limited. Thus, Trinidad and Tobago is characterised by relatively high per capita water consumption compared to a number of countries in the region.

The RIC recognises the need for policy intervention to appropriately address problems relating to water use efficiency in Trinidad and Tobago. Hence, in August 2023, the RIC published the public consultation document, ***Strategies and Policy Guidelines for the Efficient Use of Water in Trinidad and Tobago***, in which the RIC put forward its perspective and invited stakeholders to provide comments. The RIC identified the role key stakeholders can play in the development and implementation of suitable water-efficiency strategies and policies to increase water use efficiency and minimise the need for new water supply resources in Trinidad and Tobago. The document was published on the RIC's website and a link and invitation for comments were posted on the RIC's social media pages, including Facebook, Instagram, X and LinkedIn. The document was also sent to more than 500 persons and organisations on the RIC's stakeholder listing, including WASA.

1.2 Purpose of Document

The purpose of this document is to present the RIC's final decision on the strategies and policy guidelines for the efficient use of water in Trinidad and Tobago that were put forward in the consultation document.

1.3 Structure of Document

This document is organised as follows:

Section 1: Introduction.

Section 2: Consultation Comments and RIC's Response.

Section 3: RIC's Final Decision.

2.0 Consultation Comments and RIC's Response

Improvement in water use efficiency requires a holistic approach that takes into account the views of all stakeholders.

2.1 Comments Received During Consultation

The RIC received one comment from a member of the public during the consultation period. WASA did not provide comments.

Respondent: Kalawtie Bheishan

Comment:

I believe the citizen of Trinidad need to get a 24-hour supply of water first before we can discuss effective use of water. in my area I get water a few days for the week sometimes no day for the week and to me this is unacceptable because my bill for the quarter is $304.00, and I don't miss a payment. So I believe that citizen should be supply with water 24 hours first before we can discuss effective use of water in this country.

RIC's response:

The RIC agrees that service levels must improve, especially for customers in the worst-served areas. In this regard, the RIC identified "***Improving Security of Water Supply by Upgrading the Water Infrastructure***" in its consultation document as a key area to be addressed by WASA. However, improving the water supply system is not an undertaking only for the service provider. All stakeholders contribute to making the system efficient, reliable, equitable and sustainable. Efficient water use is an essential part of improving cost efficiency, water availability, and ultimately achieving the desired outcome.

3.0 RIC's Final Decision

The final decision represents the RIC's position, perspective and recommendations on the strategies and policy interventions to be employed by key stakeholders for the efficient use of water in Trinidad and Tobago.

3.1 Role of the Service Provider

The RIC will provide specific directives in its Price Review, but WASA is required to pay particular attention to the following:

A. Raising Awareness about Efficient Water Use through Public Education

Frequent communication with consumers is essential to promoting water use efficiency. Outreach activities should include the use of social media, mass media and print material (as appropriate) to raise public awareness about the importance and benefits of water efficiency, inclusive of the benefits of replacing existing fixtures with more efficient models, which can reduce water consumption.

B. Improving Security of Water Supply by Upgrading the Water Infrastructure

A significant portion of customers receive an intermittent water supply. This leads to water use inefficiencies as many of these customers typically resort to storing water in tanks, barrels and buckets. Water stored in barrels and buckets is often discarded when a fresh supply is received. These practices can be eliminated by improving the consistency of supply to customers through improved performance of the supply network. Improving the security of water supply requires upgrades in the local water infrastructure, which include increasing the capacity of treatment plants, expanding the transmission and distribution infrastructure and increasing the capacity of water storage facilities.

C. Implementing a Water Loss and Leak Minimisation Programme

Water loss through leaks in the water supply infrastructure is a significant challenge in the local water supply system. Thus, it is important to implement a sustained Water Loss and Leakage Management Programme.

D. Implementing Water Accounting System: Supply Side and Demand Side

A Water Accounting System (WAS) is a useful tool for strategic long-term water management and will assist the service provider to monitor the dynamics of water inputs, outputs, demands, and supply constraints and aid in the management of the demand/supply balance of the water supply system.

3.2 Role of the Regulator

The RIC, in the conduct of its Price Review, will pay particular attention to:

A. Ensuring appropriate cost-reflective tariffs

The need for appropriate pricing and its relationship to metering in the water sector as a tool for reducing demand is well documented. Informing customers about the impact of water use efficiency on operational costs and how these costs affect their bills is expected to send the right signals to customers to use water more efficiently. Thus, the RIC, in its Price Review, will move to tariffs that more closely reflect the true cost of providing the water supply service.

B. Facilitating Funding Mechanisms for Capital Investments

Upgrades to WASA's infrastructure will be addressed as part of the overall price determination.

C. Implementing Performance Indicators

The RIC intends to implement a performance monitoring framework, utilising appropriate performance indicators and targets, to foster continuous improvements by the utility.

3.3 Role of the Government

The RIC has a duty to advise the government on the sectors that fall under the regulator's remit. The government is responsible for policy matters in promoting water use efficiency, and the RIC expects that it will decide on the policy framework it believes is most appropriate for Trinidad and

Tobago. In this regard, the RIC takes the opportunity to identify the following key issues for consideration:

A. ***Prioritising Implementation of the National Integrated Water Resources Management Policy***

The National Integrated Water Resources Management Policy is expected to unify the various initiatives related to water and provide a strong direction and vision for the effective management of the nation's water resources in an integrated and sustainable manner.

B. ***Prioritising the Creation of Appropriate Institutional Framework and Organisational Structures for Effective Water Management***

It is important to prioritise the enactment of legislation to provide for the creation of an appropriate institutional framework (inclusive of the creation of new organisational structures) for the effective regulation of the water and wastewater sectors.

C. ***Evaluating How Far Trinidad and Tobago is from Water Efficiency Best Practice***

It is important to identify water-efficiency solutions and best practices and assess/measure Trinidad and Tobago's performance against these. One approach is to develop a national water dashboard, which should include various water efficiency indicators. The dashboard will provide scores that reflect opportunities for adjustment or development of specific strategies to improve water efficiency.

D. ***Developing National Indicators/Targets for Water Consumption per* Capita**

It is important to establish national indicators/targets for per capita water consumption and best practices.

E. ***Developing a National Water Efficiency Plan for Trinidad and Tobago***

A national water efficiency plan can be incorporated within the overall national integrated water resources management plan. A well-designed water efficiency plan would set the stage for the successful implementation of measures to avoid water loss

and to manage demand for effective water resource management. Additionally, a roadmap and financing strategy should be established for the implementation of the water efficiency plan.

F. ***Implementing New Home Building Incentives/ Variable Infrastructure Charges for New Developments***

Consideration should be given to the development of mechanisms to incentivise local consumers to construct high-performance buildings/homes to encourage water efficiency uptake. These can include incentives such as tax breaks, rebates, financing, education and training, information sharing and technical assistance.

G. ***Establishing a Water Efficiency Labelling Scheme***

The implementation of a water labelling scheme can inform and encourage consumers to buy more water-efficient devices. The Trinidad and Tobago Bureau of Standards can be mandated by the government to establish a water efficiency labelling scheme. The use of high-efficiency fixtures and fittings in domestic plumbing installations can improve water use efficiency considerably in households in Trinidad and Tobago.