

# Capacity Sharing

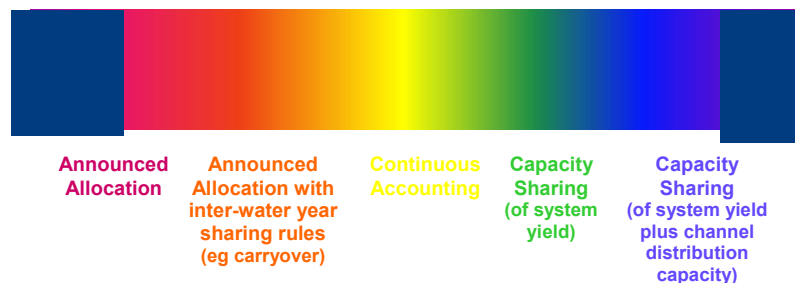
Tom Vanderbyl  
 Manager Strategic Water Management

Drivers for Change:

- value of water (minimise costs)
- evaporation management (minimise storage losses)
- transmission loss management (minimise delivery losses)
- water trading (maximise benefit to self)
- sharing rules (minimise transfer of benefit to others)
- drought management (minimise chance of being “cut-off”)

Water Sharing Systems:

There is a spectrum of water sharing systems available

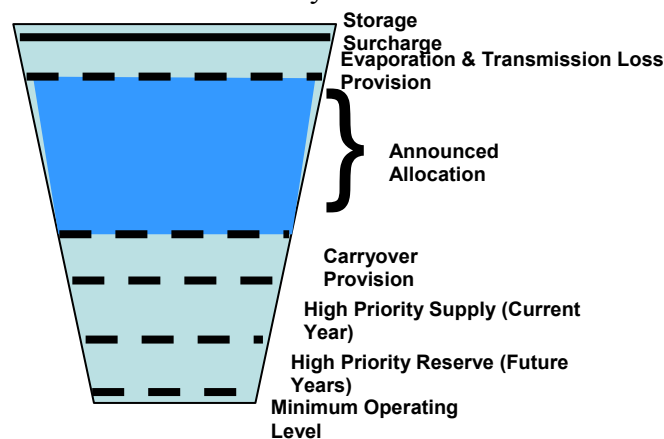


Current Situation:

- All but one of SunWater schemes operate under an *Announced Allocation* water sharing system
- This system was developed in the 1970’s before the concept of water markets
- SunWater is introducing an alternative water sharing system called *Capacity Sharing*
- *Capacity Sharing* is an alternative market-compatible water sharing system that has been fully operational at St George for 5 years

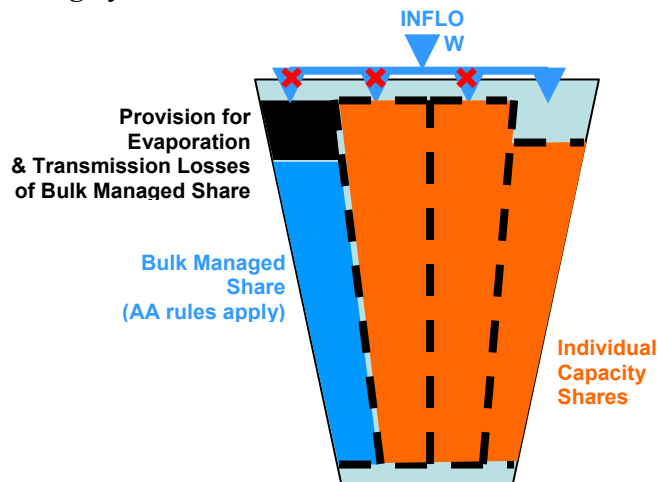
Announced Allocation:

How do we determine the amount of water available to customers under an *announced allocation* system?



## Capacity Sharing:

How do we determine the amount of water available customers under a *capacity sharing* system?



## Capacity Sharing Opportunities:

- More flexible, self-managed system which allows users to individually decide on their water use performance
- Already successfully implemented in St George with widespread acceptance and utilisation among users
- Isolates the activities of the user of one share from impacting opportunities of others
- Preserves opt-in/opt-out for traditional method of AA in Bulk Share as a change management strategy
- Provides real time access to inflows as they occur
- Can transfer/trade water so users can tailor their volume to suit business needs

## Capacity Sharing Challenges:

- Requires a greater degree of data monitoring, assessment and processing (daily account balance management plus monthly reconciliations)
- Involves considerable investment in building understanding and trust in the new arrangements with customers
- Requires the regulator to become familiar and acquainted with the new water accounting systems and terms
- May require special arrangements for HP customers in some schemes
- Requires water users to embrace water trading, storage and efficiency as the tools for tailoring their water supply reliability to their specific business needs

