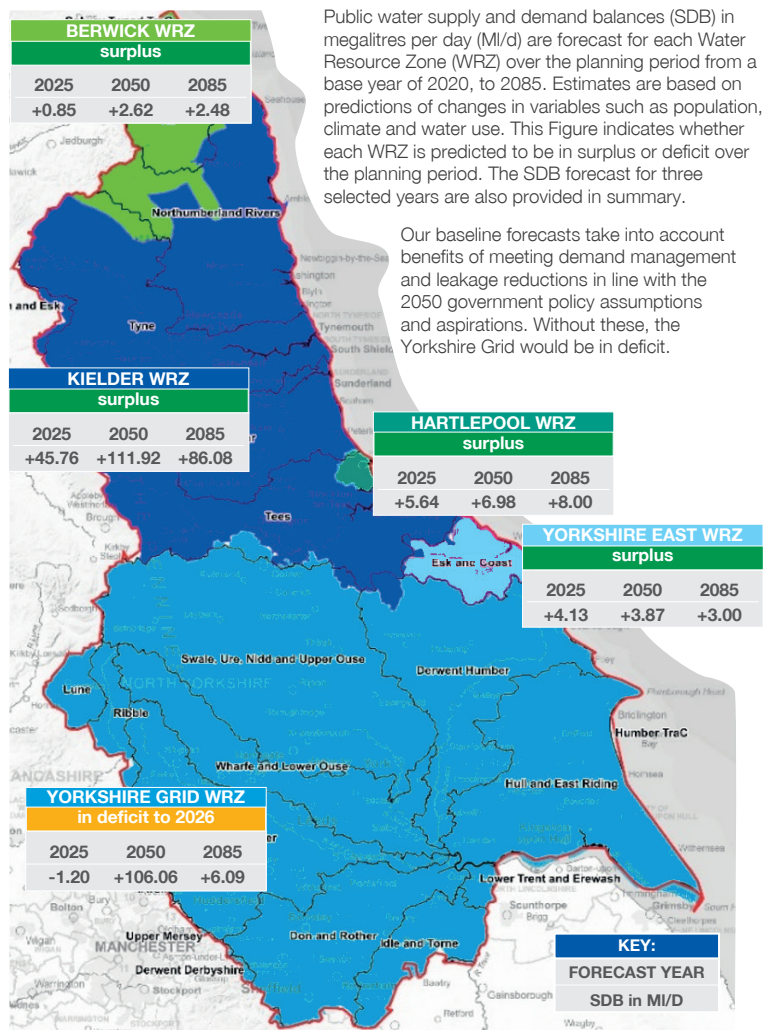


JANUARY 2022 EMERGING PLAN FOR CONSULTATION: SUMMARY ON A PAGE



Our emerging plan presents an update on our regional position as of January 2022 and a summary of our progress towards our first Regional Plan. It reports outputs from the inter-regional 'reconciliation' process through autumn 2021 which was developed collectively by regional planning groups and regulators to enable regional plans to iteratively appraise solutions and to align with each other. A further round of reconciliation is planned for spring 2022 following consultation on the emerging plans. This is a high level summary to complement the document.

SUPPLY AND DEMAND FORECASTS



DEVELOPING A BEST VALUE PLAN

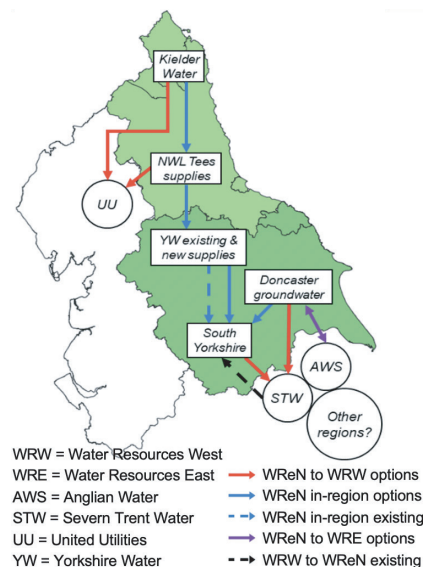
A Multi-Criteria Analysis (MCA) approach has been taken to appraise options against multiple metrics. This allows us to consider our plan against a wider set of considerations of interest to customers and stakeholders than just meeting the supply-demand balance as cost-effectively as possible. The criteria or metrics are linked to pre-defined objectives. Our process allows for consideration of "trade-offs" between different factors in selecting a best value plan.

Decision-making metrics summary



AVAILABLE REGIONAL OPTIONS AND RECONCILIATION OUTPUTS

Potential regional transfer options explored



In autumn 2021, regional groups carried out the iterative reconciliation process to collectively explore inter-regional and regional resource options. An output of this process is that other regions have not identified a need for any WReN transfer options in their regional plan work to date.

In addition, during this process it also became apparent that the most significant bearing on WReN's emerging plan, particularly in terms of short-medium term investment needs, was driven by the potential loss of all or part of the existing water transfer from WRW to WReN (→ STW to YW).

The way we address this lost water, or the potential for alternative solutions to allow the transfer to cease is a key choice area across regional plans. We have therefore presented two pathways: one with the STW import retained, and the other represented a full loss of the import.

THE EMERGING BEST VALUE PLAN

We have applied scenarios and stress tests around the two pathways to consider the best-value plan under each case, and considered how these solutions compare between pathways as part of developing our plans. At this stage, neither pathway can be stated as the formal 'preferred plan' in a national context, as it is dependent decisions in other regions; at this stage, they should therefore be viewed as equally likely.

WReN indicative pathways

