Energy Theft Reduction Expert Group

Headline Report

Meeting 01 (29 March 2023)

This Headline Report provides an overview of the discussion points of the Energy Theft Reduction Expert Group (ETREG) at its meeting on 29 March 2023.

- Theft Reduction Strategy: it was explained that RECCo's Theft Reduction Strategy is structured such that activities are split into "Themes" of Data; Engagement & Collaboration; and Empowerment & Incentives. Sitting under each Theme are a number of "Epics," which will be taken forward as projects, delivered using an agile methodology. The ETREG, as theft experts, will be asked to contribute to these projects. This will include identifying risks and associated mitigations and providing a steer on project direction.
- Theft Target Methodology and Timetable: it was noted that R0091 'Clarifications to the Theft Detection Incentive Scheme' was raised based on the lessons learnt from the first year of operation of the TDIS under REC. The Change Proposal (CP) introduces additional clarity which will benefit the administration of the scheme. In addition, C3-040 has been raised to introduce the Theft Target Methodology and TDIS Reporting Timetable as Category 3 documents. This will increase visibility and clarity for Parties. Both R0091 and C3-040 will be implemented on 1 April 2023.
- Theft Detective Incentive Scheme (TDIS) 2024/25: It was explained that consideration will be given to how the future incentives can be improved. Areas for consideration include:
    - Should there be changes to the structure of the TDIS? For instance, should targets for smart/non-smart meters be split out; should business categories be taken into consideration; should incentives be tied into ETTOS leads?
    - What are the end-to-end incentives around theft and, more widely, unbilled energy? For instance, are the incentives under RIIO properly incentivising the investigation of smaller instances of theft? What data issues are contributing to instances of unbilled energy?
- TEM Recommendations: an overview of the Theft Estimation Methodology (TEM) was presented, highlighting that the TEM estimates annual energy theft to be 636 GWh to 1059 GWh (£93m - £155m) for gas and 1703 GWh to 2837 GWh (£737m - £1233m) for electricity.
- Update on Theft Portal: It was explained that RECCo is exploring the potential for the development of an Energy Theft Portal. This would be a central portal with secure access for REC Parties to facilitate data sharing and enable insight to be derived. RECCo is currently in the stage of developing the business case and project brief.
- Energy Theft Reduction Hub: it was noted that the Energy Theft Reduction Hub is now live on the REC Portal, giving users access to information on the different areas that link into energy theft in a single location.
- Energy Theft Accelerated Solutions Event (ASE) Actions Log: it was explained that the 44 actions recorded at the November 2022 Energy Theft ASE have been grouped into five workstreams. Each workstream will include a number of projects and CPs to enable the actions to be completed.
- Theft Stakeholder Forum: an open forum on Energy Theft will be held on 28 June, with attendees invited from the energy industry and beyond. ETREG members shared their views on areas for focus, which included engagement with police and improving reporting around energy theft.

The next meeting of the group is scheduled for 26 April 2023.

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