Energy Theft Reduction Expert Group
Meeting Minutes

Meeting	12
Date	24 April 2024
Location	Remote

Attendees	Organisation	Role
Aiyesha Andrade	RECCo Ltd	Chair
Alan Cookson	British Gas	Committee Member Alternate
Ben Clark	Utilita	Committee Member
Blanka Lemka	UKPN	Committee Member Alternate
Daniel Gibson	SSE Networks	Committee Member Alternate
Gareth Evans	ICOSS	Committee Member
Jane Edge	British Gas	Committee Member
Jenna Smith	Cadent	Committee Member Alternate
Jennifer Pickering	e.on	Committee Member Alternate
Jordan Hills	SSE	Committee Member Alternate
Lisa Warnock	SGN	Committee Member
Megan Cetera	Octopus	Committee Member
Rachel Thorpe	e.on	Committee Member Alternate
Scott Manson	SEEKA	Committee Member
Shamil Udayar	npower	Committee Member
Alessandro Scarlatti	REC Code Manger	Presenter
James Hardy	REC Code Manger	Presenter
Anne Jackson	REC Code Manager	Attendee
Andrew Waghorn	REC Code Manager	Attendee
Rebecca Lowe	RECCo Ltd	RECCo Ltd
Jon Dixon	RECCo Ltd	RECCo Ltd
Paul Sutherland	RECCo Ltd	RECCo Ltd
Rosalind Timperley	REC Code Manager	Technical Secretary
Apologies		
Lynne Fallon	RECCo Ltd	RECCo Ltd
Jessica Jarvis	Cadent	Committee Member

1. Welcome and Introductions

1.1. Attendees were welcomed to the twelfth meeting of the Energy Theft Reduction Expert Group (ETREG).

1.2. The minutes of the previous meeting were approved.

2. Action Updates

2.1. The actions of the previous meeting were reviewed. Updates on all actions can be found in the Actions Log.

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3. Theft Monitoring Service Evaluation Report

3.1. A representative from Gemserv joined the meeting to present on the Theft Monitoring Service (TMS) Proof of Concept (PoC). It was explained that the TMS PoC was established to facilitate an understanding of what information about Energy Theft is available, being promoted and trending online. This will enable the industry to be better informed and adapt the response to emerging trends and specific intelligence.

3.2. The proof of concept has now ended, with the service running from September 2023 to March 2024. Over the course of the service, it delivered:

- 29 TMS weekly reports
- 4 monthly trend reports

3.3. It was noted that work is underway to prepare a 'TMS Evaluation Report' for RECCo with the objective of detailing the achievements of the PoC and summarising findings of the intelligence shared throughout the engagement. In addition, a Data Privacy Impact Assessment (DPIA) is being developed to understand and support how the intelligence can be utilised at its fullest in support to wider industry activities. The DPIA will help facilitate actioning the intelligence.

3.4. In regards to next steps and timelines, it was explained that:

- The first draft of the 'TMS Evaluation Report' has been delivered to RECCo. Gemserv will incorporate any feedback received into a final report that will be delivered by 7 May 2024 in principle, however, this is contingent to the DPIA delivery.
- The DPIA is currently under development and more information regarding the timeline for delivery will be shared once agreed.

3.5. It was noted that there is an intention to share the Theft Monitoring Reports with the ETREG (potentially the full ETREG or a subset) to gather feedback on how the reports can be utilised within their organisations.

3.6. It was highlighted that the service is flexible in terms of where it focuses its resources and, as such, the ETREG can provide leads for investigation by the TMS team.

3.7. An attendee queried, given that the intelligence is open source, why a DPIA is needed. In response, it was explained that this is because the information can be compromising to some individuals. The DPIA will ensure that data is processed on a lawful basis.

3.8. Another attendee queried the likely timelines in terms of turning the service outputs into meaningful information that can drive up theft detection, noting that an increasing volume of material relating to energy theft is being published on social media. In response, it was noted that there is not a specific date but RECCo will be picking up with ETREG on sharing the TMS reports with members. It was cautioned that due to the DPIA considerations, the reports are being shared for feedback at this point, not for direct action using the information in them.

3.9. It was highlighted that ETREG's feedback will define the next steps for this type of service. For example, will the next stage be putting into operation the current process or further refinement.

3.10. It was noted that there is a value assessment required in terms of what can be done with these types of report at present, and what can be done in the future working with the City of London police. At present, there may be limitations on what can be done with the intelligence, but there may be more that can be done via the Police (e.g., cease and desist

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orders). It would be useful for ETREG to provide feedback in both contexts, i.e., the here and now and if we had a dedicated energy theft police unit in place.

4. Energy Savings Trust Theft Calculators

4.1. It was noted that, prior to the ETREG meeting, an online survey was circulated to members seeking feedback on the electricity and gas Theft Calculators. Two responses were received, with these shared on screen. In terms of the responses received:

- One respondent confirmed that they do use the calculators and put forward suggested improvements to it. These included ensuring that the calculator can work on MAC operating systems; providing access to the backend macros; and including provision for heat pumps and solar panels in the calculator.
- The other respondent confirmed that they do not use the calculators, explaining that they calculate energy theft volumes based on a tong test with the amount of power used in 24hrs multiplied by the number of days the theft was in place (noting the challenge in establishing how long the theft was in place).

4.2. In regards to the tool not working on MAC operating systems, it was noted that this had been raised with the Energy Savings Trust and they have tested it on a MAC system and confirmed it does work. The submitter of this anonymous survey response was encouraged to contact the ETREG Chair to provide more details on the challenges they are experiencing using the tool so that this can be investigated.

Action 12/01: ETREG Members experiencing difficulty using the Energy Theft Calculators on MAC operating systems to share details via Theft@retailenergycode.co.uk so that the Energy Savings Trust can look into this.

4.3. It was noted by a Distributor member that the Energy Theft Calculator is Supplier focused, and as Distributor they would not tend to use it. They also flagged the challenges of understanding how long a theft has been occurring.

4.4. It was queried if there would be benefit in having a calculator for use by Distributors, to provide a consistent methodology. In response, it was noted that the tong test shows how much energy is being pulled, so that may not be necessary.

4.5. Another Distributor noted that they use a tong test too, and with illegal connections they might also use consumption for similar properties. If the property was previously registered and the MPAN became unregistered, then previous consumption may be used too.

4.6. A Transporter attendee noted that they use the Xoserve provided theft calculator and the British Gas rates. If meter reads have been provided by the customer or the on-site engineer has provided these, they will be used to understand consumption.

4.7. Another attendee noted that their organisation does not use the calculator due to the results provided, with it sometimes suggesting that they owe the customer money. Other methods used include, for example, identifying the business type and property size then identifying an AQ for a similar customer type and using that value.

4.8. An action was taken for group members to share the types of things they consider when assessing unregistered consumption, so that it can be established if these are currently within the calculator or should be added.

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Action 12/02: ETREG Members to share the types of things they consider when assessing unregistered consumption energy volumes, so that it can be considered whether these should be included within the Energy Theft Calculators.

4.9. An attendee highlighted that there are a number of ways of calculating energy theft, including the Energy Theft Calculators, industry standard EACs and QAs, and previous consumption.

4.10. It was cautioned that there may be some conflicting information in the REC as to whether use of the calculators is mandatory. Text from REC Schedule 8 (Unbilled Energy Code of Practice) was shared, which states that:

> ***"12 Assessment of Unrecorded Units***
>
> *12.1. Each Party must ensure that the assessment of unrecorded units, in respect of suspected or Confirmed Energy Theft, is carried out in a systematic, reasonable, consistent and transparent way.*
>
> *12.2. When assessment calculation tools are required to assess unrecorded units, Parties must utilise the Theft Assessment Calculator most recently made available by the Code Manager."*

4.11. An action was taken for RECCo to establish if more clarification is needed in regards to use of the Theft Calculators.

Action 12/03: RECCo to establish if more clarification is needed in regards to use of the Theft Calculators.

4.12. In regards to back billing, it was noted that this should be the responsibility of the Transporter/Distributor for unregistered sites. It was suggested that the REC may not be clear enough on this, as in some cases Suppliers are back billing the customer for the period of unregistered consumption. An action was taken to confirm if improved clarity on this is required.

Action 12/04: RECCo to establish if more clarification is needed in regards to the responsibility for back billing unregistered consumption.

5. R0155 (Change of Tenancy: Evidentiary Standards and Timescales)

5.1. The REC Code Manager presented on R0155 (Change of Tenancy: Evidentiary Standards and Timescales). It was explained that this Change Proposal seeks to address industry concerns with the Non-Domestic Change of Tenancy (CoT) process, in terms of what documents are required for a change of tenancy to take place.

5.2. R0155 is currently in the Solution Analysis and Development stage until 28 June 2024. To support this, fortnightly workgroup sessions are being held.

5.3. It was noted that in terms of the solution, the levels of fraud and theft involved in change of tenancy is being considered, with this feeding into discussions as to the level of documentary evidence required for a change of tenancy.

5.4. It was highlighted that in terms of whether the identified documentation should be legally mandated via the REC or listed as guidance, this is under consideration.

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5.5. It was noted that in terms of developing the CP solution, the problems have been broken down into those impacting non-domestic consumers, Suppliers and Third-Party Intermediaries (TPIs). The solution development process it looking at addressing each of the problems identified under these categories. For example, one area being looked at is whether there is anything that can be done to prevent fraudulent documents being used.

5.6. It was highlighted that it is challenging to form a view as to the level of fraudulent Change of Tenancies. As an example, it was noted that one TPI had stated that they had never seen any examples of fraudulent activity, whilst a Supplier has shared that 2% of its non-domestic change of tenancies are found to be fraudulent. If that 2% level were repeated across the industry, then the costs of that would £150m, with those costs ultimately passed on to consumers.

5.7. ETREG members were encouraged to share any figures they may have that would help in quantifying the extent of the issue.

Action 12/05: ETREG Members to share any figures they may have that can help to quantify the extent to which fraudulent non-domestic change of tenancy is an issue.

5.8. An ETREG member queried whether, realistically, we are going to see a number of options being consulted upon, given there will be differing views as to how the issue should be addressed. In response, it was noted that the aim of the working group is not to collectively agree on a solution but rather to support the Code Manager in developing a solution. It may be that initially multiple solutions are issued for impact assessment, to help narrow down to a final solution to be consulted on.

5.9. It was highlighted that ETREG are welcome to provide further feedback by emailing the REC Code Manager Change Management mailbox.

Action 12/06: ETREG Members to share any further feedback on R0155 (Change of Tenancy: Evidentiary Standards and Timescales) by emailing change.management@recmanager.co.uk.

6. Police Partnership Strategic Case

6.1. It was explained that a paper was circulated prior to the meeting setting out the draft Strategic Outline Case for the Energy Theft Reduction Police Partnership Proposal.

6.2. It was noted that this is a draft paper that does not currently have a planned publication date, with this being subject to receipt of financial information from City of London Police.

6.3. ETREG members were asked to review the document and provide feedback via email. The feedback received will be used to refine the document. It was noted that members should not complete the survey that has been embedded in the document, as this is to be completed when the finalised version of the document is issued.

Action 12/07: ETREG Members to provide feedback on the draft Strategic Outline Case for the Energy Theft Reduction Police Partnership Proposal to Theft@retailenergycode.co.uk by 3 May 2024.

6.4. The document was shared on screen, with an overview of the key points provided. It was highlighted that the financial information in the document will be updated once this information is provided City of London police.

6.5. An ETREG member queried if there is any visibility of what has been reported to the various police forces and what has been the outcome of these, to aid in benchmarking this service

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once it is stood up. In response, it was noted that information to enable an understanding of the number and outcome of investigations is challenging to obtain. RECCo has previously issued Freedom of Information (FOI) requests and received a limited amount of information back, but it is very inconsistent across the country. It was noted that there are also inconsistencies between gas and electricity in how information is recorded by police forces.

6.6. Based on insight gained from Scotland, it was explained that overall detection rates are falling, and prosecution rates are around 50%. There are certain areas that are higher performing and their numbers haven't dropped but overall detection rates have dropped.

7. Data Sourcing for Benford's Law Analysis

7.1. It was noted that at the February ETREG meeting a paper was shared on the use of Benford's Law to detect energy theft. At this meeting ETREG member's views were sought on the potential to provide smart meter data to RECCo to test if Benford's Law could prove effective at detecting GB energy theft. The feedback received indicated that any request would need to be very clear on how data security regulations would be met.

7.2. It was explained to attendees that RECCo has developed an obfuscation tool which can remove MPANs from data sets and replace them with an obfuscated identifier. The same MPAN from different data sets will always be replaced by the same obfuscated identifier, enabling data sets to be matched. It was explained that RECCo will be writing to Suppliers seeking smart meter data, using this tool to enable the data to be provided in an anoymised format.

7.3. ETREG members were asked if they were aware of any further points that would need to be addressed to enable their organisations to consider sharing data with RECCo Ltd. No points were raised.

8. Theft Amnesty Feedback

8.1. Attendees were invited to share their feedback in relation to ETREG Action 11/03, which was as follows:

"Share the theft amnesty proposal with people in your businesses (including decision makers) and gather their input to ensure that their feedback, including any prerequisite things that have to happen before an amnesty, can be built into the next version of the theft amnesty proposal."

8.2. No comments were raised.

9. Forward Agenda

9.1. Proposed topics for future meetings of the ETREG were displayed on screen and attendees were invited to suggest topics for future ETREG meetings.

10. AOB

10.1. The following AOB item were raised:

- Meeting cadence: it was explained that ETREG will move to quarterly meetings with ad-hoc ones where there are additional items to be discussed, noting that some of the issues that may have been raised within the ETREG in the past will now go to the Theft Issues Group (TIG). The scheduled dates for ETREG will be shared at the May meeting.

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Action 12/08: RECCo to share the cadence for future ETREG meetings at the May meeting of the group.

- It was noted that a number of items have been referred to ETREG by the TIG. RECCo will be looking at how these are taken forward under the group.
- An attendee observed that Some suppliers are very proactive in the theft space and it tends to be the same voices at the energy theft meetings. They queried how we get the voice of the ones who have an obligation but are not actively engaging, so that we can understand why they are not engaging? It was observed that the REC Operational Account Managers may be able to support on this. An action was taken for RECCo to explore what can be done in this area.

Action 12/09: RECCo to explore how engagement can be improved with those Suppliers that are not proactive in the theft space.

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