

Energy Theft Reduction Expert Group

31 January 2023



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Welcome and Introductions

Minutes of the Previous Meeting

The ETREG is invited to approve the minutes of the previous meeting.

Action Updates

Rosalind Timperley

ETREG Action Updates

Reference	Action	Owner	Target Date	Update
ETREG_07_02	Electralink to present the proposed process for the theft investigations as part of the trial to ETREG members via the meeting	ElectraLink	TBC	Awaiting confirmation from ElectraLink
ETREG_08_01	Consider the new SME definitions being developed by DESNZ and assess the feasibility of identifying such consumers within REC systems, to better facilitate REC Parties discharging applicable licence obligations.	RECCo	Feb 2024	
ETREG_08_02	Investigate the UNC theft detection reasonable endeavors scheme and the potential to revamp it.	RECCo	Feb 2024	REC CP to be raised: update provided in later slides
ETREG_08_03	Confirm how a report of somebody not paying their energy bill for several years would be treated (would ETTOS pass this for investigation, or assume that customer is running up debt and sign post the caller elsewhere)?	ETTOS Service Provider	Jan 2024	The information would be passed on, using the established process, as it would be considered theft.
ETREG_08_04	Work with RECCo on establishing what types of marketing content Distributors and Transporters would find valuable to promote reporting of network theft.	ETTOS Service Provider	Jan 2024	

ETREG Action Updates

Reference	Action	Owner	Target Date	Update
ETREG_08_05	Make the personas report available via the REC Energy Theft Reduction Hub.	RECCo	Jan 2024	Complete
ETREG_08_06	Share further suggestions of organisations that could be engaged with to promote awareness of commercial energy theft.	ETREG Members	Jan 2024	Feedback has been received
ETREG_08_07	Establish if updates can be issued each time the Energy Theft Reduction Hub is updated	RECCo	Jan 2024	Ongoing

ETREG_08_02 Update

15 Jan letter proposed to go further than the changes outlined in the TTM:

- Introduce an escalator to '*discover*' the appropriate Theft Detection Value, initial increment 20%;
- Change from annual to quarterly TDIS reporting;
- Further work on '***reasonable endeavours***' to complement the TDIS

Question	Answer
This seems to be a material change – why is it category 3	- The categorisation applies to the document – and the Theft Target Methodology which sets out the TDV is a Cat 3 document. - The process for changing that document was revised by R0091, implemented 1 April 2023. - The TDV is not a prescribed value – stated in REC as being "based on the likely net cost to an Energy Supplier of having undertaken activity to detect the theft, as compared with having taken no action" and that "the Code Manager shall… ***establish and publish a TDV***; - The escalator is intended to assist the Code Manager in identifying the appropriate TDV.
Why 20%	- No empirical basis for 20% - but needs to be large enough to sharpen incentives without going too far too far – intended to be adjusted incrementally;
Why 1 April	- As things stand, change to the scheme must be made < 1 April in order to avoid retrospective effect – suggesting fall back date would be 1 April 2025; - As the change is limited to the TDV, no new actions required of suppliers – aimed at encouraging more of existing obligatory activity
Will quarterly add to suppliers administrative burden	- Proposal would not change existing reporting requirement – R0091 (re)introduced requirement to submit confirmed theft files on a monthly basis; - Change would allow Code Manager to reconcile results after only 3 months, with RECCo issuing invoices/credits much sooner - Enables adjustments to be introduced at start of each reporting period, rather than only once per year

Overview of legacy scheme/proposed by UNC231

Activity	Payment
(i) Attendance at premises (including at primary or secondary sub-deduct (premises) following a breach of paragraph 10(1) of schedule 2B of the Act, including preparation of investigation report and notification to the police (actions 1 and 2 in paragraph 3 of the Reasonable Endeavours Document for Gas Illegally Taken)	Actual costs up to a maximum of £1000.
(ii) Attendance at premises (including at primary or secondary sub-deduct premises) following a breach of paragraph 11(2) of schedule 2B of the Act including preparation of investigation report and notification to the police (actions 1 and 2 in paragraph 3 of the Reasonable Endeavours Document for Gas Illegally Taken)	Actual costs up to a maximum of £1000.
(iii) In cases (i) and (ii) above the assessment and pursuit of charges for gas taken (actions 3, 4 and 5 in paragraph 3 of the Reasonable Endeavours Document for Gas Illegally Taken)	Actual costs up to a maximum of £1000.
(iv) Attendance at premises (including at primary or secondary sub-deduct premises) where a supply has been taken in such circumstances as are mentioned in standard condition 7(4)(c) of the Transporter's Licence including assessment and pursuit of charges and attempted identification of person taking supply (actions 2, 3, 4 and 5 in paragraph 3 of the Reasonable Endeavours Document for Gas Illegally Taken)	Actual costs up to a maximum of £1000.
(v) Meter exchange costs, including material, labour and sundry costs relating to new meter and its installation	Actual costs up to a maximum of £1000.
(vi) Forensic tests	Actual costs up to a maximum of £1000.
(vii) Court fees including issue of summons, service, judgment and execution fees	Actual costs.

Questions for ETREG

- **Would you support a 'reasonable endeavours scheme' to sit alongside TDIS in the REC?**
- **What activities should it cover?**
- **How should we determine the value of payment?**

Next Steps - TTM

5 Feb

- Responses invited to RECC consultation letter

9 Feb

- Subject to responses:
  - Confirm whether escalator to be included in TDV;
  - Raise REC Change Proposals to change TDIS to quarterly and introduce REC version of reasonable endeavours scheme

1 Mar

- Final TTM published and suppliers notified of individual targets
- Annual and Quarterly targets provided – no seasonal profile proposed for 2024/25
- Confirm reconciliation timetable in event of CP being accepted by June, or not

1 Apr

- Scheme Year (Quarter) takes effect

Next Steps – Reasonable endeavours

- Engaged with xoserve to better understand legacy arrangements and revamp
- Share and develop proposals with ETREG
- Test applicability to electricity
- Raise REC Change Proposal

Scottish Warrants

Megan Cetera

Rejection of Scottish Warrants

The issue: Some RP Warrants are being rejected due to the Involuntary PPM Code of Practice, despite the warrants being made specifically for RP.

Where: Current examples in Hamilton and Aberdeen.

Reasoning: For Hamilton, not enough contact attempts before warrant (this is a rule of the CoP)

Work done so far: Glasgow Sheriff Court Committee have provided templates and guidelines to tighten & streamline the process across courts

This could become a more prevalent issue now that some suppliers have the 'greenlight' to resume Involuntary PPM.

ETREG is invited to discuss if there are actions that can be taken to address this issue and remove the confusion between debt and energy theft warrants?

Interactive board: where do you want to see movement in 2024 on energy theft?

All

Movement in 2024

At the December ETREG attendees were asked to note their thoughts on the following questions down on post it notes:

- What do you see are the biggest challenges in relation to tackling energy theft?
- Where do you want to see movement in 2024 in energy theft?
- What are you planning to do differently within your organisation in 2024 to tackle energy theft?

These post it notes have been collated onto a Miro board which can be used for collaboration going forward. You will get an email invite to join the board after the meeting. This will allow you to:

- View all the post it that were submitted last month
- Move your post it if it has been put in the wrong column
- Add clarification by responding to the questions
- Add new post its if you think of something new
- Post questions on anything that is not clear

ETREG is invited to access the Miro board going forward and add any feedback.

Forward Work Plan 2024/25

Jon Dixon

Energy Theft Reduction *Strategy*

Our Theft Reduction Strategy aims to deliver the insights, tools and services that will enable REC Parties to more effectively ***Prevent, Detect and Respond*** to energy theft.



Energy Theft Reduction *Strategy*

i. Engagement

2023/24:

- Established the Energy Theft Reduction Expert Group and the Theft Stakeholder Forum.

2024/25:

- Change Proposal will recognise ETREG as a responsible committee within REC governance.
- Forum will continue to provide external updates on the progress of our Theft Reduction Strategy.
- Respond to requests for more face-to-face meetings, to include training and guidance.

ii. Awareness

2023/24:

- Ongoing Stay Energy Safe campaign, run by Crimestoppers.
- Marketing procurement.
- REC Code Manager social media monitoring.

2024/25:

- Implement findings of Theft Awareness review.

“

The combined volume of gas and electricity theft in Great Britain is worth around ***£0.9bn – £1.4bn*** per year.

(Based on December 2022 prices)

Energy Theft Reduction *Strategy*

iii. Data & Insights

2023/24:

- Identifying necessary data sets, sources and pursuing access/data sharing agreements.

2024/25:

- Develop theft data hub and analytics in partnership with Detertech UK.
- Continue efforts to obtain access to smart data reads and tamper alerts.
- Retrospective analysis of data sets to generate new theft leads.

iv. Incentives

2023/24:

- Changes to the Theft Detection Incentive Scheme in April 2023.
- Improve the efficacy of scheme from April 2024.
- Commissioned independent 'whole of system' report, identified gaps in responsibilities and commercial incentives.

2024/25:

- Build upon report recommendations.
- Engaged Ofgem on the ability to raise an objection where there is a live investigation.

v. Enforcement

2023/24:

- Research into legal position, early development of guidance and ongoing work with police and other agencies.
- Feasibility study and development of a target operating model for a dedicated, but operationally-independent unit to tackle energy theft.

2024/25:

- Consult on business case and proposed governance of energy theft police unit.
- Plan for mobilisation.

Theft Amnesty

Jon Dixon

Theft Amnesty

We are increasingly focused on the safety implications of energy theft, including considering of how to assess safety ‘risk’ on an industry wide basis.

As part of consideration on how to make safe as quickly as quickly, we are considering viability if an Amnesty

Potential to develop as a flip side of collaborative work on prosecutions, i.e. if we know “how and who with”, we also know who would need to be part of any amnesty scheme.

Aims:

- To quickly identify and make safe existing unsafe situations;
- To educate and protect consumers around the dangers of meter tampering;
- To re-engage non-paying consumers;
- To gather intelligence and improve theft detection process;

Theft Amnesty

We are now seeking information request to support the potential development of a Theft Amnesty

Initial questions posed to UKRPA members:

- What level/scale of additional work could you accommodate with your existing resource alongside your existing client base?
- Would you be able to create additional capacity by delaying or de-prioritising certain work or jobs type for the period of the amnesty, in co-operation with your clients?
- If you do not have spare capacity, what notice period would be necessary to recruit and upskill sufficient resource?
- Do you envisage any problems recruiting additional resource for a limited period exercise?
- Are you aware of any preplanned activity that may impact resource availability or anything else that needs to be considered when planning an activity such as this?
- If there was a requirement for a centralised Theft Investigation Service for some or all of the reports generated through an amnesty, would you want to be included in discussions for provision of that service?
- Do you have any other specific considerations we need to take into account as we develop a proposal for an amnesty?

Question: Is there a role for ETREG in this information gathering?

2024 Meeting Schedule

All

2024 Meeting Schedule

- Calendar invitations have been issued for 2024 ETREG meetings
- All fall on the last Wednesday of the month, except December which has been brought forward two weeks due to Christmas.

ETREG is invited to comment on the below proposed 2024 ETREG and Energy Theft Forum meeting schedule:

Month	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Type	ETREG	ETREG	**Forum**	ETREG	ETREG	ETREG	ETREG	ETREG	**Forum**	ETREG	ETREG
Location	Remote	Remote	Remote	Remote	Remote	Remote	Remote	Remote	TBC	Remote	Face to face
Notes			Poll to be held on whether subsequent forum should be face to face		UKRPA conference in June				Location subject to poll results		

Energy Theft Forum Planning

Rosalind Timperley

Energy Theft Forum Planning

Forum Feedback

At the last ETREG meeting, we shared the November Forum attendee feedback. Points raised included:

- Several respondents suggested there would be value in face-to-face forums
- It was suggested that it would be preferable not to cover topics covered previously (e.g. ETTOS)
- A pre-forum handout, with more detail on the content and pre-planned breaks was requested
- It was suggested that the networking opportunities provided under the SPAA and DCUSA best practice forum had provided value

Potential Structure for the next Forum:

Part 1: Information Sharing
- Updates on RECCo initiatives
- Sharing of non-RECCo initiatives

Part 2: Sharing Best Practice
- Randomly allocated breakout groups
- Discuss challenges and share insight

ETREG is invited to comment on the proposed Forum structure and the topics it would like to be discussed at the forum.

Forward agenda

All

Forward Agenda

January

- Forward Work Plan 2024/25

February

- Theft Portal Feedback Session
- TTM Update
- Police Partnership & Engagement
- ETTOS Service Feedback
- Update on REC Theft CPs

March

- Theft Monitoring Service (six month results)
- Theft Amnesty Update
- Network Engagement Management Service (Crimestoppers)

April

- Energy Savings Trust Theft Calculator

May

We welcome suggestions for further forward agenda items

AOB

AOB

Stay Energy Safe Website Upgrade

- The platform that is used to host, manage and support the Stay Energy Safe website is being upgraded.
- This will give access to the latest development features and allow for design and userbility improvements to be made.
- We would like your feedback on your experience using it, including ease of navigation, design & layout and content clarity.
- Link to the short survey is here https://forms.office.com/e/CqepeJxjwx it will also be sent out after the meeting.
- Please can you complete the survey by 6th Feb