# Energy Theft Reduction Expert Group
## Meeting Minutes

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| Meeting | 03 |
| Date | 31 May 2023 |
| Location | Teams |

| 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 |
| Gareth Evans | ICOSS | Committee Member |
| Jessica Jarvis | Cadent | Committee Member |
| Lisa Warnock | SGN | Committee Member |
| Mandy Barker | e.on | Committee Member Alternate |
| Megan Cetera | Octopus | Committee Member |
| Paul Hart | UKPN | Committee Member |
| Shamil Udayar | npower | Committee Member |
| Tim porter | SSE | Committee Member Alternate |
| Jason Salmon | REC Code Manager | Presenter |
| Anton Moden | REC Code Manager | Presenter |
| Tracy Hardy | RECCo Ltd | RECCo Ltd |
| Lynne Fallon | RECCo Ltd | RECCo Ltd |
| Jon Dixon | RECCo Ltd | RECCo Ltd |
| Rebecca Lowe | RECCo Ltd | RECCo Ltd |
| Rosalind Timperley | REC Code Manager | Technical Secretary |
| Apologies | | |
| Jane Edge | British Gas | Committee Member |
| Jamie Sargent | Octopus | Committee Member Alternate |
| Callum Thackray-Lovett | e.on | Committee Member |
| David Mitchell | SGN | Committee Member Alternate |
| Shane Scarsbrook | SSE | Committee Member |

## 1. Welcome and Introductions

1.1. Attendees were welcomed to the third 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 Detection Incentive Scheme Update

3.1. Attendees were provided with an update on the Theft Detection Incentive Scheme (TDIS). The timeline for the 2022/23 reporting year was presented, and it was explained that the final TDIS submission deadline for the year had now passed. Incentive payment amounts will be communicated by 23 August 2023.

3.2. An overview was then provided of changes made to the TDIS for the 2023/24 scheme year, namely:

- A data submission cut-off for each month has been introduced. This will prevent the batching of submission towards the end of the year.
- Results will be published by the Code Manager solely via the Performance Assurance dashboards.
- A formal query window has been introduced, giving parties 10 working days to query the data after submission.
- Theft investigations are to be reported once initiated, with updates submitted in subsequent months, if appropriate.

3.3. It was queried whether the dashboards could be shared. In response, it was noted that only Suppliers participating in the scheme have access to an individual dashboard, as such Distributors and Transporters will not have visibility of these. It was explained that Annual Stakeholder Performance Assurance Report will contain information on overall TDIS performance. An action was taken to share an anonymised image of the dashboards to ETREG members.

**ACTION 03/01: REC Code Manager to share an anonymous version of the TDIS performance dashboard with ETREG members.**

3.4. An attendee questioned whether there are ever complaints received around the submission of data into the scheme. In response, it was noted that the data is submitted using the form structure that existed pre-REC (which is structured as an Excel form) to minimise change for parties. Data validation is applied via the REC Portal, with files that are not in the correct format (e.g. text in a date field) rejected. The area that has caused most problems is that MPXNs are tested to ensure that they are a valid, with files that contain invalid MPXNs failing validation. It was highlighted that extra support was provided to two organisations last month around challenges faced in submitting valid files.

**Post Meeting Note**: it is highlighted that as a result of a dispute determined by the Performance Assurance Board (PAB), some confirmed thefts from 2021/22 TDIS year have been carried forward and will be included in the financial reconciliation of the 2022/23 scheme year. The relevant PAB Headline Report can be downloaded here (see section 7 – Theft Update).

## 4. Performance Assurance Dashboard Developments

4.1. Attendees were provided with an overview of theft related changes to the Performance Assurance dashboards, namely:

- The dashboards now include the Theft Target;
- A release notes tab has been added;
- There is now a theft row details tab; and
- The Code Manager is looking at how the dashboards could be updated to give team members who are interested in specific areas access only to those areas (e.g. if only

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theft is of interest to them). This could relieve contract managers of the need to extract this information and circulate it around.

## 5. Detecting Theft Using Smart Meter Data

5.1. It was explained that RECCo has initiated a project to establish whether Smart Meter Data can be used to indicate potential energy theft. The aim is to gather smart meter data and carry out back testing, using confirmed thefts, to identify if there are any patterns in the smart meter data that correlate with the confirmed thefts.

5.2. It was explained that Suppliers are being sought who could provide RECCo with permission that would enable DCC to share their smart alert data with RECCo. The permissions received would be shared with Ofgem by DCC, alongside information showing how the data will be transferred, stored and processed in compliance with GDPR to obtain Ofgem permission for smart alert data to be provided.

5.3. It was then explained that there is a limited amount of data that DCC can share as it cannot open up the files sent over it network, and thus cannot provide MPXN level information. This limits the analysis that can be carried out using DCC obtained smart data. As such, RECCo is seeking Suppliers who store smart data and would be willing to share that data with RECCo, particularly daily consumption data.

5.4. An attendee queried whether it would be easier to raise a Smart Energy Code (SEC) change to obtain the data. In the response, it was explained that the aim is to obtain data to test the assumptions around whether smart alert data can identify theft. If there is found to be value in the data then an ongoing process via a Smart Energy Code (SEC) would be established.

5.5. Another attendee asked if it would be possible to confirm exactly what data items are sought, how the data would be stored and how it would be used. An action was taken to provide this information to ETREG members.

**ACTION 03/02: REC Code Manger to document the DCC smart data items that are being sought, how the data would be stored and how it would be used for circulation to ETREG members.**

5.6. One attendee noted that they would need to run this information via their data protection officer to be able to give an answer on whether this would be possible.

5.7. AC offered to share the work on alerts that his organisation has been doing.

**ACTION 03/03: REC Code Manger to engage with AC on the work his organisation has been doing on utilising smart alerts.**

5.8. It was explained that a consultation on using smart meter data had been issued to industry parties. ETREG members were encouraged to respond to this consultation.

## 6. Police Unit Draft Operating Plan

6.1. It was explained that a paper (ETREG_03_05) had been shared with ETREG members providing an overview of an opportunity to enter into a partnership with the City of London Police to create a dedicated Enforcement Department to tackle Energy Theft nationally. It was explained that within the insurance industry there is a partnership in place to tackle insurance fraud and this model could potentially be followed for the energy industry too.

6.2. It was highlighted that RECCo has been engaging with the police on the potential for this. It was noted that a robust business case would be needed if this were to be taken forward. The

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intention would be to target the genuine criminal elements via the police unit, thefts associated with greed rather than need.

6.3. Attendees were invited to share their views on the proposal using a whiteboard. Appendix A shows the points put forward via this whiteboard.

6.4. The group discussed the whiteboard feedback, with the following points raised:

- It was observed that data is key across the board. To link patterns of behaviour, as has been done under the insurance industry, can only be done if there is a rich data source that can enable those patterns to be identified. The data that the scheme receives cannot just be based on what is held in Suppliers systems. It needs all the data that Suppliers and Networks hold and it then needs to map this data against other data sources, such as addresses.
- In response to the above point, it was questioned whether data analysis was more of a TRAS2 activity, and should this proposal be viewed more as the industry passing over deserving cases where it is believed that a police investigation is warranted? It was confirmed that this is correct but noted that the police will need sufficient information to take the cases forward, which is where data comes into it.
- In terms of funding, it was suggested that an option under consideration is spreading it based on market share, similar to how ETTOS is funded.
- It was noted that the return on investment may not be purely financial, for instance, it can also act as a deterrent and promote health and safety.
- It was questioned how many referrals would realistically be considered per month. In response, it was noted that there will be screening before a referral is made to police and then the police would apply a triage to them, so it may be that not every referral will be accepted. At the moment it is not clear how many referrals will be taken forward each month, as there is work that needs to be done to establish the volumes that may be involved.
- It was noted that at present only energy theft is being considered. At a future point potentially import/export payments and demand response schemes could also come in scope for this project.
- It was observed that the scheme could be offered alongside an amnesty, e.g. to those who are vulnerable to meter replacement scams.
- It was questioned how long it would take to set up a police force such as this. In response, it was noted that this has yet to be determined. An action was taken to understand how long it took to set up the insurance scheme and whether there are any lessons that can be learnt from this.

**ACTION 03/04: RECCo to establish how long it took to set up the insurance scheme police unit and whether there are any lessons that can be learnt from this.**

- It was observed that work will also be needed to establish how long a set up time is required from an industry perspective. For instance, processes will be needed to generate the leads and pass them on.
- It was agreed that having the force in place for three years seems a reasonable timescale, as it is unlikely that many benefits will be realised within a year.

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- It was suggested that to protect the integrity of networks, illegal connections to the network which could have a deadly impact should be an area of focus for the force. An example was given of developers who have on multiple occasions connected to the network illegally.
- Another attendee suggested that an area where the industry does not currently do very well at is joining the dots across multiple cases, covering multiple Suppliers. There would be value in targeting such cases via the force.
- To put the £1m per year cost of the police scheme into context, it was highlighted that RECCo issued c.£6.3m of invoices to energy suppliers who were required to pay into the 2021/22 TDIS scheme. It was also observed that the Theft Estimation Methodology estimated the losses from theft to be up to £1.4bn.

6.5. Attendees were invited to share any further comments on the proposal via email.

**ACTION 03/05: ETREG members to share any post meeting comments on the proposed dedicated police enforcement department to tackle energy theft via email to technicalenquiries@recmanager.co.uk.**

## 7. Theft Epics Overview

7.1. It was noted that a paper (ETREG_03_05) had been circulated prior to the meeting setting out the 44 Accelerated Solutions Environment (ASE) actions from the workshop in November and how these link to the Theft Epics that make up RECCo's Energy Theft Reduction Programme.

7.2. Attendees were invited to comment on how the ASE actions are linked to the Theft Epics, including any gaps. No comments were raised.

## 8. Agenda for Theft Forum

8.1. The agenda topics for the June Theft Forum were shared on screen. 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 comment and suggest topics for future ETREG meetings.

## 10. AOB

10.1. It was queried whether a timeline could be shared on RECCo's planned activities around energy theft over the next 12 to 24 months, to aid REC Parties understand what they will need to be preparing for. It noted that a plan would be shared with the June Forum, along with a one-page dashboard for each project.

10.2. RECCo took an action to prepare a one-page plan to share with ETREG members.

**ACTION 03/06: Prepare one page plan of RECCo's planned activities around energy theft over the next 12 to 24 months for circulation to ETREG members.**

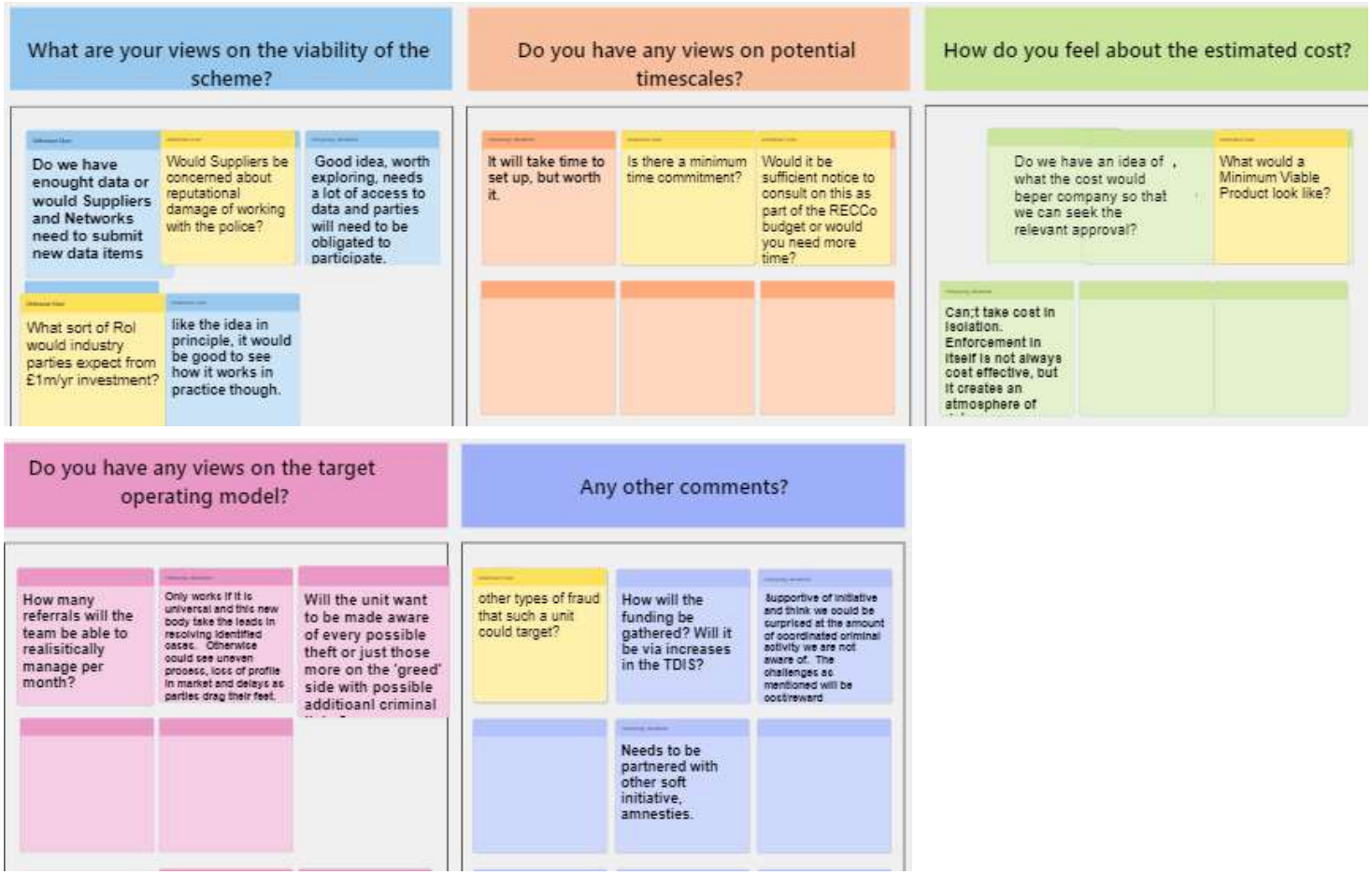
10.3. The meeting chair highlighted that RECCo is hosting three workshops in Glasgow, Birmingham and London where attendees can help shape the future of two of the REC Services – the Code Manager and Energy Enquiry Services. ETREG members were invited to attend. An action was taken to circulate more details via email.

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**ACTION 03/07: RECCo to provide more details on the RECCo workshops via email.**

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## Appendix A - Energy Police Unit Whiteboard




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