Energy Theft Reduction Expert Group
Meeting Minutes

Meeting	01
Date	29 March 2023
Location	Teams

Attendees	Organisation	Role
Aiyesha Andrade	RECCo Ltd	Chair
Ben Clark	Utilita	Committee Member
Cathy Mulliss	e.on	Committee Member
David Mitchell	SGN	Committee Member Alternate
Jane Edge	British Gas	Committee Member
Jenna Smith	Cadent	Committee Member Alternate
Lisa Warnock	SGN	Committee Member
Paul Hart	UKPN	Committee Member
Shamil Udayar	npower	Committee Member
Jon Dixon	RECCo Ltd	RECCo Ltd
Rebecca Lowe	RECCo Ltd	RECCo Ltd
Tracy Hardy	RECCo Ltd	RECCo Ltd
Rosalind Timperley	REC Code Manager	Technical Secretary
Apologies		
Mandy Barker	e.on	Committee Member Alternate
Lynne Fallon	RECCo Ltd	RECCo Ltd
Jessica Jarvis	Cadent	Committee Member

1. Welcome and Introductions

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

2. Purpose, Objectives and Terms of Reference

2.1. It was explained that the purpose of the group is to facilitate direct and on ongoing engagement with the industry on matters relating to energy theft. The intent is for the ETREG to act as a project steering group, to advise RECCo on prioritisation and direction for projects associated with Energy Theft. It was noted that RECCo does not have direct obligations to tackle theft but, rather, is here to help REC Parties discharge their obligations.

2.2. The group is currently established as a RECCo run group. In the near term, the group will provide direction and steer to RECCo. It is expected that in the future the group will be embedded within the REC itself through a Change Proposal (CP). Once formally recognised with the REC, the group would take on responsibility for voting on CPs which impact on the Energy Theft provisions within REC.

2.3. It was flagged that RECCo theft experts Rebecca Lowe and Lynne Fallon will be supporting the group.

2.4. Attendees agreed to act in accordance with the Terms of Reference of the group.

Copyright © 2023 Retail Energy Code Company

3. Update on Theft Reduction Strategy

3.1. It was explained that the RECCo Theft Reduction Strategy is focused around three areas:

- **Prevent** - Activities to deter theft, through raising awareness of the risk of organised fraud, including scam services to avoid energy bills.
- **Detect** - Better use of data and analytics to enable assessment of the scale of theft and other sources of non-technical losses of energy to the system, as well as providing insights on where those losses are occurring and the effectiveness of mitigating measures .
- **Respond** - Enhancing the ability of industry parties to deal with individual cases of theft once detected and to gain insights for better prevention and detection. Giving the industry more in their "tool kit" to address the limitations in what can currently be done when theft is identified.

3.2. An overview was provided of the approach to delivering activities under the Theft Reduction Strategy, noting that an agile methodology will be utilised. Activities will be categorised into 'themes'. Sitting under each theme will be a series of epics, which are work items with defined desired outcomes. The epics will be delivered as projects that will, collectively, deliver the over-arching theme.

3.3. An overview was provided of the epics that fall within the themes. It was noted that the ETREG, as theft experts, will be asked to contribute to the projects, including identifying risks and mitigations against those risks, and providing a steer on project direction.

3.4. In respect of the theme on engaging with non-industry agencies, it was highlighted that Cadent has been engaging with the National Police Chiefs Council (NPCC) regarding support for warrants. It was noted that it is useful for the ETREG to share information such as this, to bring alignment in activities and reduce the risk of overlap.

4. Theft Target Methodology and Timetable

4.1. It was explained that two separate changes have been made to REC with regards to the Theft Detection Incentive Scheme (TDIS), namely:

- R0091 'Clarifications to the Theft Detection Incentive Scheme' is 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; and
- C3-040 has been raised to introduce the Theft Target Methodology and the TDIS Reporting Timetable as Category 3 documents. This will increase visibility and clarity for Parties. It was observed that as Category 3 documents, changes can be made via a formal change process which provides visibility but does not require a committee vote.

4.2. Both R0091 and C3-040 will be implemented on 1 April 2023.

5. TDIS 2024/25

5.1. It was noted that within the RECCo Forward Work Plan (FWP) there are three tranches to the TDIS work. The first tranche, improvements to the existing schemes, has been delivered through R0091 and C3-040.

Copyright © 2023 Retail Energy Code Company

5.2. The second area will consider further improvements to the efficacy of the TDIS. For instance:

- reviewing the findings of the Theft Estimation Model (TEM) which identified potential biases in investigations and looking at how these might be addressed via the TDIS; and
- considering other potential changes to the setting of the targets, such should targets for smart/non-smart meters be split out; should business categories be taken into consideration; should incentives be tied into ETTOs leads?

5.3. It was cautioned that it will need to be ensured that the data to support any future proposed targets has the right level of confidence to maintain integrity.

5.4. It was noted that the review of the TDIS is an area for potential consideration by the ETREG at a future meeting. This work is on the Codes Roadmap, to be delivered by the REC Code Manager, as the scheme is within the existing scope of the REC.

5.5. The third area, looking at the end-to-end incentives around theft, sits outside of the existing REC provisions and will be taken forward by RECCo. Under this area, it will be considered whether there are gaps in the process which could be addressed. For example, under RIIO it could be asked whether the risks and rewards are properly incentivising the investigation of smaller instances of theft in conveyance. This area will also look more widely at unbilled energy, for instance, considering areas that are potentially data issues rather than the consumer committing an action of theft (instances of omission rather commission). The ambition is to make sure that we have a fully mapped, robust, monitorable processes with the disincentives for ensuring energy is billed identified, so that they can be addressed.

6. TEM Recommendations

6.1. It was explained that the Theft Estimation Methodology was published in January 2023, giving estimated values for electricity and gas theft. An overview of the methodology was provided to members.

6.2. Attendees were asked their views on the value of estimated theft provided in the report. One attendee confirmed that the value is in line with their expectations.

7. Update on Theft Portal

7.1. It was explained to attendees that RECCo was exploring the potential for the development of an Energy Theft Portal. This would be a central portal with secure access for REC Parties to share data and enable insight to be derived. It is intended that the Theft Portal would be delivered over five phases.

7.2. The proposed requirements for the Portal were shared on screen and attendees were invited to comment. An attendee queried whether GDPR had been considered. In response, it was noted that GDPR will be a critical consideration and RECCo's Information Security & Data Protection Officer will be overseeing this.

7.3. It was explained that a report was commissioned by Mason Advisory which has made a number of recommendations on taking forward the portal. RECCo is currently at the stage of developing the business case and project brief. ETREG members will be invited to comment on the development of the Theft Portal at a future meetings.

Copyright © 2023 Retail Energy Code Company

8. Energy Theft Reduction Hub

8.1. It was explained to attendees that at the Accelerated Solutions Event (ASE) on Energy Theft, which was held in November 2022, a theme that came out was that there is not enough awareness of different elements linking into energy theft. Off the back of this feedback, an energy theft reduction hub has been created to store information on the different areas that link into energy theft.

8.2. The hub is available on the REC Portal and contains information such as the obligations on parties and news and events. The hub also contains a link to a collaboration space. If Parties have operational issues that they need assistance with they can enter these in the collaboration space and seek support from other users of the collaboration space.

8.3. It was noted that feedback and suggestions for the hub are welcomed.

9. ASE Actions Log

9.1. It was noted that the Energy Theft ASE brought representatives from across the industry and beyond to collectively identify improvements to the approach to energy theft mitigation. As an output of the event, 44 key actions were recorded, one of which was the formation of the Energy Theft Reduction Expert Group.

9.2. RECCo has turned the actions in to a set of epics and has implemented a programme of work to start delivering on them. These are grouped across the following workstreams:

- Industry collaboration
- Awareness
- Data
- Incentive Schemes
- Enforcement
- Stakeholder Engagement

9.3. Each workstream will be looking to deliver a number of projects and change proposals. The ETREG will act as an external steering group for the programme, with the group invited to provide advice and feedback.

10. Theft Stakeholder Forum (June)

10.1. Attendees discussed the planned Energy Theft Stakeholder Forum, which is scheduled to be held in June 2023. It was noted that the forum will update on progress taken on the actions from the ASE. The ETREG were invited to share suggested topics for inclusion on the forum agenda.

10.2. A group member noted that their organisation has struggled with a lack of engagement with the police and queried what RECCo can do to improve this. In response, it was noted that this an area RECCo is looking at and several police forces were invited to the ASE, with representatives from three forces attended. It was observed that there can be differences between police forces in terms of level of engagement in energy theft matters. Ultimately, the goal would be to obtain consensus across police forces about what they are interested in and how we get greater engagement, noting that energy theft is a £1.4bn issue, with links to the safety of the public.

10.3. Another group member noted that their organisation has shared feedback with the NPCC from the theft groups they have been attending. They explained that one frustration that has come out is with freeman on the land type scenarios. The local constabulary will arrive

Copyright © 2023 Retail Energy Code Company

and will not be able to enforce the warrant as they are not sure what they can and cannot enforce. His organisation has reached out to the NPCC to see what they can do to provide education to some of the forces in this area.

10.4. It was highlighted that part of the focus of the RECCo Theft Strategy is to give the industry the tools it needs to mitigate theft. Potentially the theft portal could be used to co-ordinate activities and help demonstrate evidentiary thresholds to support police.

ACTION 01/01: RECCo to include working with the police on the list of potential agenda topics for the June Forum.

10.5. An attendee flagged that they had been seeking to obtain findings around crypto currency related energy theft from West Midlands Police but had not yet succeeded. It was queried whether the NPCC could be asked to share information on this.

10.6. In response, it was observed that it is challenging to obtain information from the police forces, partly due to them not recording information consistently. For instance, even if they hold the data being requested, it may not be recognised that they do due to the nomenclature used or may not be indexed in a way that allows it to be extracted from their systems.

10.7. It was noted that crypto mining has been identified as a potential driver for future theft as it is very energy intensive, similar to cannabis cultivation. Furthermore, activities like EV charging can be via unregistered EV charge points. Another scenario is people tapping into their neighbours' energy supply (behind the meter theft). As an industry, there is a need to think about what is measured and how it is measured.

10.8. Another attendee noted that their organisation raised a Freedom of Information request with Sheffield Council on copper theft, which creates potentially dangerous situations. The quality of information provided was not great - there were a couple of hundred instances but it could not be specified what percentage were just copper reels stolen, and only a couple were taken through to prosecution.

10.9. It was observed that it would be useful to source data that would help in understanding the risk profile of different types of property, for instance, some types of business are more likely to be found to be engaging in energy theft. There are things that can be done to identify different sources of data and overlay that with existing data to see if it gives any new insights.

10.10. It was queried whether Suppliers should be asked to start reporting data via the Theft Portal on crypto currency mining and cannabis cultivation. It was agreed that potentially this could be added future confirmed theft reports or through the portal.

ACTION 01/02: RECCo to include improving data collection and reporting to the list of potential agenda topics for the June Forum.

10.11. It was queried whether there could be engagement with water companies for the June forum. It was noted that one of the ways crypto currency related energy theft is detected is by looking at water consumption due to the cooling needs. An action was taken by RECCo to explore the potential of engaging with water companies.

ACTION 01/03: RECCo to explore the potential to engage with water companies, particularly around the potential to identifying crypto currency related theft via water consumption.

Copyright © 2023 Retail Energy Code Company

10.12. Attendees were asked to think about additional agenda items that they would like to see on the June Forum agenda.

ACTION 01/04: ETREG Members to share suggestions on agenda topics for the June Theft Stakeholder Forum.

11. Forward Agenda

11.1. Proposed topics for future meetings of the ETREG were displayed on screen and attendees were invited to comment on the topics. No comments on the topics were raised.

11.2. Attendees were invited to contact Theft@retailenergycode.co.uk if they have any future agenda items.

12. AOB

12.1. The chair queried whether the date and time of ETREG meetings (2 pm on last Wednesday of the month) was suitable for all attendees. One member requested an earlier time of day.

12.2. It was explained that the Energy Savings Trust has an obligation to deliver an annual workshop on the Theft Calculator. Attendees were invited to comment on whether they feel there is merit in holding a workshop to develop the calculator, noting that previous feedback received suggested that there may be limited appetite for this. Four attendees stated that they do not utilise the calculator, with one noting that they would be willing to engage on future developments to the tool. Another attendee stated that their organisation uses the Theft Calculator, and a workshop would be useful to understand how new technologies and tamper types should be considered and consistently assessed.

12.3. Attendees were invited to share thoughts on how the ETREG meetings are structured going forward. This can be done via the collaboration space on the REC Portal, or via email to Theft@retailenergycode.co.uk.

Copyright © 2023 Retail Energy Code Company