Energy Theft Reduction Expert Group
Meeting Minutes

Meeting	02
Date	25 April 2023
Location	Teams

Attendees	Organisation	Role
Aiyesha Andrade	RECCo Ltd	Chair
Ben Clark	Utilita	Committee Member
Callum Thackray-Lovett	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
Shamil Udayar	npower	Committee Member
Tracy Hardy	RECCo Ltd	RECCo Ltd
Lynne Fallon	RECCo Ltd	RECCo Ltd
Rosalind Timperley	REC Code Manager	Technical Secretary
Beth Brown	REC Code Manager	REC Code Manager
Apologies		
Paul Hart	UKPN	Committee Member
Rebecca Lowe	RECCo Ltd	RECCo Ltd
Jessica Jarvis	Cadent	Committee Member
Shane Scarsbrook	SSE	Committee Member
Jon Dixon	RECCo Ltd	RECCo Ltd

1. Welcome and Introductions

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

1.2. The minutes of the previous meeting were approved.

2. Action Updates

2.1. The actions of the previous meeting were reviewed. It was noted that all actions remain open.

3. TDIS 2024/25 - Potential Changes Discussion

3.1. It was explained that RECCo is looking at what changes can be made for the 2024/2025 Theft Detection Incentive Scheme (TDIS) reporting year that will positively impact the functionality and participation in the scheme. It was noted that a summary of the responses received to the RECCo survey on potential TDIS changes was provided in paper ETREG_02_03, with potential changes categorised into themes.

Copyright © 2023 Retail Energy Code Company

3.2. Attendees were invited to share their views on potential changes using a whiteboard, grouping the changes by must have, should have and could have. Appendix A shows the suggestions put forward via this whiteboard.

3.3. The group discussed the suggestions made via the whiteboard, with the following points raised:

Must Haves

- **Targets should be realistic:** it was explained that targets must be achievable rather than aspirational.
- **Changes should be phased**: it was noted that any changes to the targets would need to be based on something substantial, e.g., historic performance or findings from the Theft Estimation Methodology (TEM). If it was determined that a particular sector's targets should be increased significantly then this should be delivered over a number of scheme years. Conversely, reductions to targets could potentially be implemented fully in the next scheme year. It was noted that any proposed changes would be subject to consultation with REC Parties.
- **Breaking down of the segments further:** it was suggested that there would be merit in further breaking down the segments, especially breaking down the Commercial segments to SME and I&C.
- **Segmentation changes require consideration**: it was noted that if the segmentation is changed then there could be the potential for mode switches mid-year (e.g. from prepayment to credit). How this is dealt with would need consideration.
- **Evidence that theft investigations cover the geographical footprint of the parties' portfolio:** it was noted that this might align with the theft portal, as with the portal in place there would be increased visibility of what is occurring across the industry for all parties.
- **Increased value for the incentives:** it was suggested this increase should be such that the cost to complete investigations is under that of the incentive itself. It was observed that this will need some work, as costs by party can vary significantly (e.g. whether they do it in house, or use an external company and the approach taken to investigations). It was noted that it would be useful if any parties could share information on their costs to help understand the value of the incentive relative to these costs.

ACTION 02/01: members to share information with RECCo via the technicalenquiries@recmanager.co.uk mailbox on the costs to complete energy theft investigations, to help in understanding the value of the Theft Detection Incentive Scheme relative to these costs.

- **Clear definitions:** it was explained that people can have different interpretations of what is meant by the same term, so definitions need to be very clear. As an example, it was noted that if the categories are widened to include targets not just on confirmed thefts but also on completed investigations, then there would need to be a very clear definition of what is considered to be a 'completed investigation'.
- **Defined boundaries:** it was suggested that the incentive scheme should not be used to manage other issues, such as monitoring performance against licence requirements.

Copyright © 2023 Retail Energy Code Company

- **Targets based historic performance:** it was suggested that if parties are only achieving, for instance, 40% of their targets in a year, then consideration should be given to lowering the targets the following year rather than consistently not achieving them. Some parties are not actively participating in the TDIS because it costs less to pay into the scheme than participate. Targets based on historic performance would encourage these parties to participate.

Should Have

- **Quarterly targets rather than yearly:** it was observed that this would ensure targets are met throughout the year, rather than being heavily weighted towards the end of the scheme year. It was noted that quarterly reconciliation could help cashflow for some parties.
- **Data that can be downloaded and exported for use internally:** it was explained that if there is data that can be used to help Suppliers in focusing their efforts, that would be helpful.
- **Annual review of targets linked to TEM once it has matured:** this would demonstrate that efforts taken are reducing theft numbers. It was observed that this forms part of the Theft strategy, such that in the future there is a view of the total volume of theft and it is possible to monitor year on year the impact that the various stages of the theft strategy are having in reducing that number.
- **Production of heatmaps by postcode:** it was noted that this could potentially be picked up in the Energy Theft Portal.

Could Have

- **Reporting on the count and energy volume of thefts:** it was explained that it may be useful to have reporting to quantify where the losses are occurring, and which sector is taking the most energy.
- **Effort based activities as an underpin/entry gate into the scheme**: it was suggested that, for instance, if a party had a target of 1000 confirmed thefts and did not achieve half of that target then they should not qualify for the scheme.

3.4. Attendees were invited to email any post meeting suggestion to technicalenquiries@recmanager.co.uk.

ACTION 02/02: members to send any post meeting further suggested changes to the Theft Detection Incentive Scheme (TDIS) to technicalenquiries@recmanager.co.uk.

3.5. It was explained that RECCo will be taking forward the suggestions received as potential changes to the incentive scheme for the next scheme year. Changes will need to be approved via the REC Change Proposal process.

4. Energy Theft Portal Requirements

4.1. It was noted that paper ETREG_02_04 had been circulated seeking views on requirements for the Energy Theft Portal. As set out in the paper, it is proposed that the portal be developed over five phases.

4.2. Attendees were invited to share their feedback via a whiteboard. Appendix B shows the requirements put forward via this whiteboard, grouped by must have, should have and could have.

Copyright © 2023 Retail Energy Code Company

4.3. The group discussed the suggested requirements documented on the whiteboard and noted the following points:

Must Have

- **Change of Supplier information:** parties to feed in where they are part way through an investigation and the customer changes supplier. It was noted that under the current plan, this would fall into the phase 2 of the portal development. If there were demand, this could be brought into phase 1, subject to data availability.
- **Reports to Suppliers by other Parties**: parties to feed in where they have reported potential theft situations to a supplier.
- **Oversight on co-ordinated investigations, including Magna Carta investigations:** it was agreed that if all the information is in a central repository it will be much easier to pull information together.

Should Have

- **Flagging of malicious reports:** it was explained that there are instances where multiple reports for the same site are being made where no theft is occurring, intended to disrupt customer. It was agreed that this would be valuable information to make available. It was observed that where these reports are received by the same staff at Crimestoppers during a shift, then they will remove duplicate reports. It was queried whether, in instances where there is a history of malicious reports at an address, are Suppliers required to investigate? In response it was noted as it cannot be certain that nothing has changed since the previous investigation, reports should be investigated.
- **Real time updates**: it was noted that ideally real time updates will be available in later portal phases.
- **Reporting on theft volumes to show environmental impact:** it was noted that the assessed losses are mandatory for the incentive schemes, so this information is available for inclusion.

Could Haves

- **Heatmapping:** it was agreed it would be useful to be able to view a count of thefts within each postcode. Information on the type of tamper would also be valuable. It was noted that there was potential for this to be at street level, not just postcode.
- **Function to share intelligence between parties**: as an example, it was suggested the system could facilitate co-ordinated theft investigations between parties. It was noted that this could enable parties to work together to cover the same geographic areas at once.
- **Micro-generation and EV data**: it was suggested that sourcing data from companies installing microgeneration solutions, EV charging points and similar could help to indicate if this activity is generating potential theft situations. It was noted that this data would also be useful to identify reasons for reductions in energy usage.
- **Local Authority/Housing Association information**: it was noted that ideally this information would be provided.
- **Consolidated view of theft investigations by Police Forces:** it was noted this would aid in illustrating the scale of the issue, to help drive engagement at a local level. It was also observed that having all the data in one place may make it easier to partner with police forces.

Copyright © 2023 Retail Energy Code Company

4.4. Following the review of proposed requirements put forward via the whiteboard, an attendee queried whether the data populated into the portal would be used in performance assurance processes. In response, it was noted that it potentially could be, but this would need to be agreed and approved as part of the performance assurance regime.

4.5. It was queried whether the portal would have live updates, or whether there would be a lag to updates. In response, it was explained that initially it would be based on the incentive scheme data and there would be a lag. Ideally, it will be as close to real time as possible in future iterations, subject to Parties' appetite for the provision and receipt of data.

4.6. With regards to centralisation of criminal offence data, it was queried what was meant by this. In response, it was noted that this term is as stated in GDPR and includes all data that has been looked at to prove or disprove if a criminal offence has happened. If there were a desire to widen the scope of this data, then additional steps would need to be taken to enable that data to be stored and shared in a way that remains in compliance with GDPR.

4.7. It was queried what the interaction with the portal will be for Crimestoppers. In response, it was noted that it will be subject to the restrictions that Crimestoppers have on who they can and cannot share information with. This is an area for development, with potential for Crimestoppers tip-offs to be shared on the portal. It was observed that any solution would have to be as good as, or better than what is currently in place, for instance, we would not want to increase timescales for receiving tip-offs.

4.8. Attendees were invited to email any post meeting suggestion to technicalenquiries@recmanager.co.uk.

ACTION 02/03: members to send any post meeting additional requirements for the Energy Theft Portal to technicalenquiries@recmanager.co.uk.

5. TEM Outline Plan

5.1. It was explained that, in terms of the next steps for the Theft Estimation Methodology (TEM), RECCo is exploring the opportunity to obtain smart meter data that would enable a back test to be carried out against confirmed thefts. The intent of this back test would be to understand whether smart meter data can be used as an indicator of potential theft. Subject to the results of this back test, the TEM could be updated to further refine the energy theft estimate.

6. MHHS and Settlement of Identified Energy Theft

6.1. It was noted that RECCo recently met with Elexon to discuss the Market Wide Half Hourly Settlement (MHHS) programme and the impact on energy theft. The current settlement window is due to be reduced from 14 to four months and trading disputes window is also to be reduced.

6.2. It was explained that a paper (ETREG_02_06) had been circulated to members setting out options for the approach to settlement of identified energy theft under MHHS. ETREG members were invited to share their views on which option should be taken forward.

6.3. No views were expressed. Attendees were invited to submit comments after the meeting via email.

ACTION 02/04: members to send any post meeting comments on settlement of identified energy theft under MHHS to technicalenquiries@recmanager.co.uk.

Copyright © 2023 Retail Energy Code Company

7. Agenda for Theft Forum

7.1. The agenda topics proposed thus far for the June Theft Forum were shared on screen. Attendees are asked if they had any further topics that they would like to see added to the agenda.

7.2. An attendee flagged that they had been made aware of an incident of liquid energy theft (oil), where the perpetrator dug down to a pipeline which was very close to a gas asset. This presented a safety issue in an area not governed by REC. It suggested that this could be added to the forum for discussion.

7.3. Another attendee noted that they had started receiving requests for payment from police forces for the provision of information, for instance, in relation to cannabis reports. It was suggested that at the forum there should be a collective discussion on how the industry would like to take forward such requests.

7.4. It was questioned whether any parties might be having difficulty with the recently issued Ofgem guidance regarding prepayment meters, in terms of how it might apply to theft cases. An action was taken for ETREG members to send thorough any questions they may have so that clarification could be sought ahead of the forum.

ACTION 02/05: members to send any questions they may have on how the Ofgem prepayment meter guidance applies in cases of theft to technicalenquiries@recmanager.co.uk so that clarification can be sought from Ofgem ahead of the forum if required.

ACTION 02/06: RECCo to add pipeline theft; requests from police forces for payment; and Ofgem prepayment meter guidance to the forum agenda.

7.5. It was noted that there is an open action on ETREG members to suggest further topics for discussion (Action 01/04). Suggestions should be sent to technicalenquiries@recmanager.co.uk.

8. Code Roadmap – REC Theft Provisions

8.1. It was explained that as part of the REC Code Roadmap, work is due to commence on reviewing the REC arrangements around energy theft, under the Energy Theft Epic.

8.2. The proposed areas for consideration under the epic were presented to attendees. No comments were received.

9. Process Maps

9.1. It was explained that RECCo has started work to map out the end-to-end processes for energy theft. The intention is to develop a full end-to-end process and from this identify potential improvements.

9.2. It was noted that if any ETREG members have processes or documentation within their own organisations that can be shared with RECCo, this would help form a clearer view of what is happening across the industry. It was clarified that there would be no review or individual feedback given on the processes received, they would just be used to help build up the end-to-end view. An action was taken for members to share documentation via email.

ACTION 02/07: ETREG members to email technicalenquiries@recmanager.co.uk with processes or documentation which could aid RECCo in mapping out end-to-end theft processes.

Copyright © 2023 Retail Energy Code Company

10. Forward Agenda

10.1. 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.

10.2. It was highlighted that attendees can contact technicalenquiries@recmanager.co.uk if they have any future agenda items.

10.3. It was noted that the May ETREG meeting falls on the same week as a bank holiday and queried whether the date should be moved to maximise attendance. ETREG members agreed that there is no need to change the meeting date.

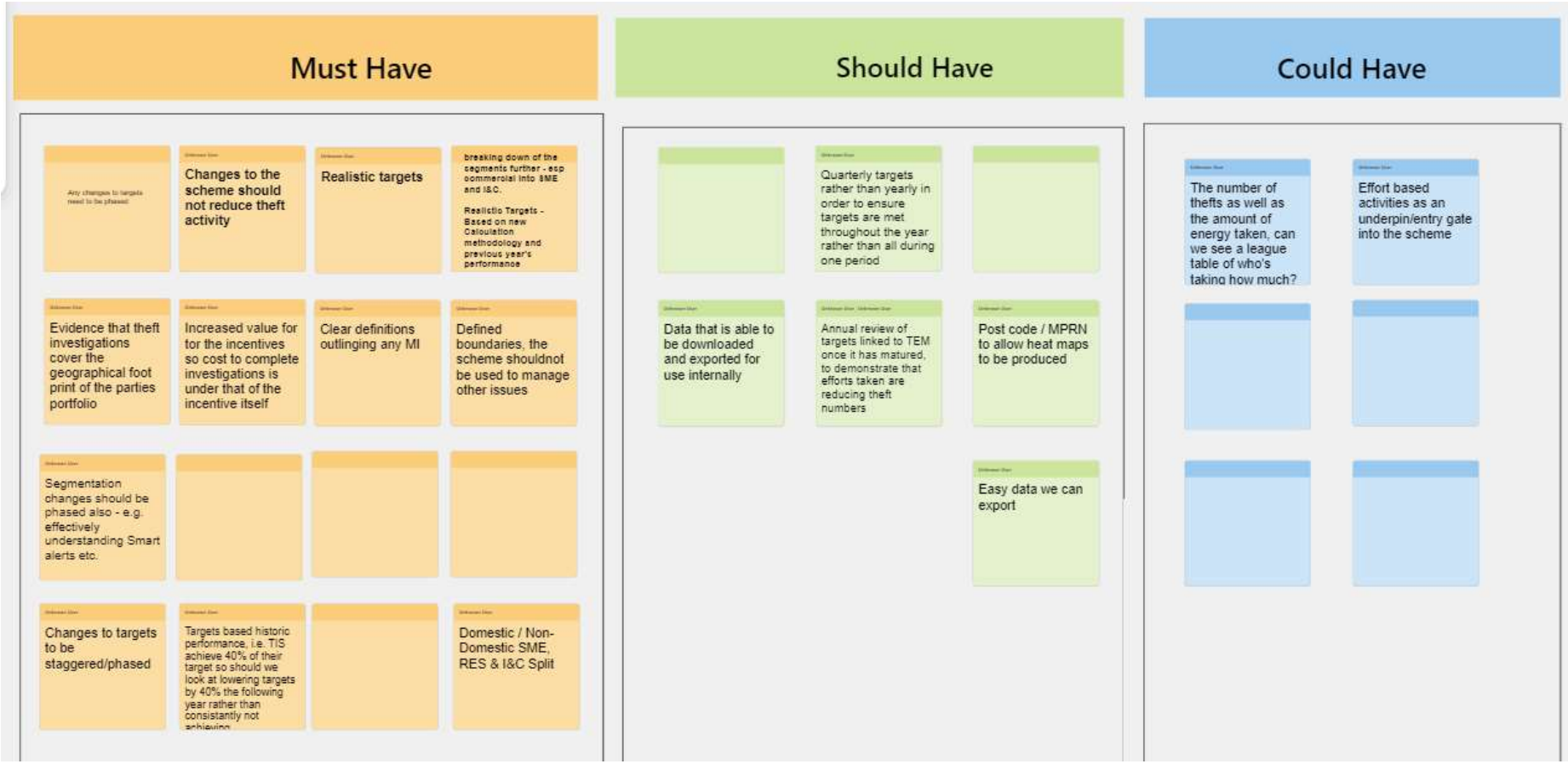
11. AOB

11.1. It was queried whether there is a guide on where to find information on the REC Portal. The REC Code Manager took an action to confirm if there is a guide or similar that can be shared.

ACTION 02/08: REC Code Manager to confirm if there is guidance available on finding information on the REC Portal.

Copyright © 2023 Retail Energy Code Company

Appendix A - TDIS 2024/25 - Potential Changes Whiteboard



Copyright © 2023 Retail Energy Code Company

Appendix B - Energy Theft Portal Requirements Whiteboard



Copyright © 2023 Retail Energy Code Company