Energy Theft Reduction Expert Group

30 August 2023

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01 Welcome and Introductions

02 ETREG Action Updates

03 End to End Process Mapping Update

04 Theft Programme Updates (Portal & Social Media Monitoring)

05 Secure Exchange of Information on Energy Theft

06 Forward agenda

07 AOB

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Welcome and Introductions

Jon Dixon

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Minutes of the Previous Meeting

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

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Action Updates

Roz Timperley

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Action Updates

Reference	Action	Owner	Target Date	Update
ETREG_02_01	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.	ETREG Members	May 2023	One respondent has shared costs. Anonymous survey to be created – to be progressed in conjunction with the TDIS review
ETREG_03_04	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.	RECCo	August 2023	To be discussed during Theft Programme agenda item
ETREG_04_04	Confirm what evidence exists to support the need for there to be an amnesty.	RECCo	August 2023	To be developed during progression of the theft amnesty epic.
ETREG_04_05	Share with RECCo additional details on face to face conferences promoted via social media that claim to help consumers to understand how they can receive 'free energy'	ETREG Members	August 2023	No examples received

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Action Updates

Reference	Action	Owner	Target Date	Update
Forum_01_03	RECCo to ensure that up to date information is available on the energy theft epics on the RECCo website.	RECCo	August 2023	RECCo is reviewing the data made available via the REC Portal
Forum_01_04	RECCo to consider the impacts of MHHS on potential future data sources.	RECCo	August 2023	Will be factored into design of future requirements. Action to be closed
Forum_01_05	RECCo to consider whether AMR meter alerts should also be brought into the scope of the smart alert back testing.	RECCo	August 2023	A metering expert has confirmed that AMRs do not trigger alerts. Action to be closed
Forum_01_06	Share the questions that advice has been sought on around gaps in legislation.	Patrick Holdaway	September 2023	Patrick is seeking further clarification

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November Forum Agenda Item Log

Potential data focused event covering:

- DCC presentation on “The Role of Smart Meters in Tackling Energy Theft”
- Data requirements to support the Energy Police Force
- The Theft Portal Update
- The Theft Detection Incentive Scheme (TDIS) Update (review of upcoming scheme year)

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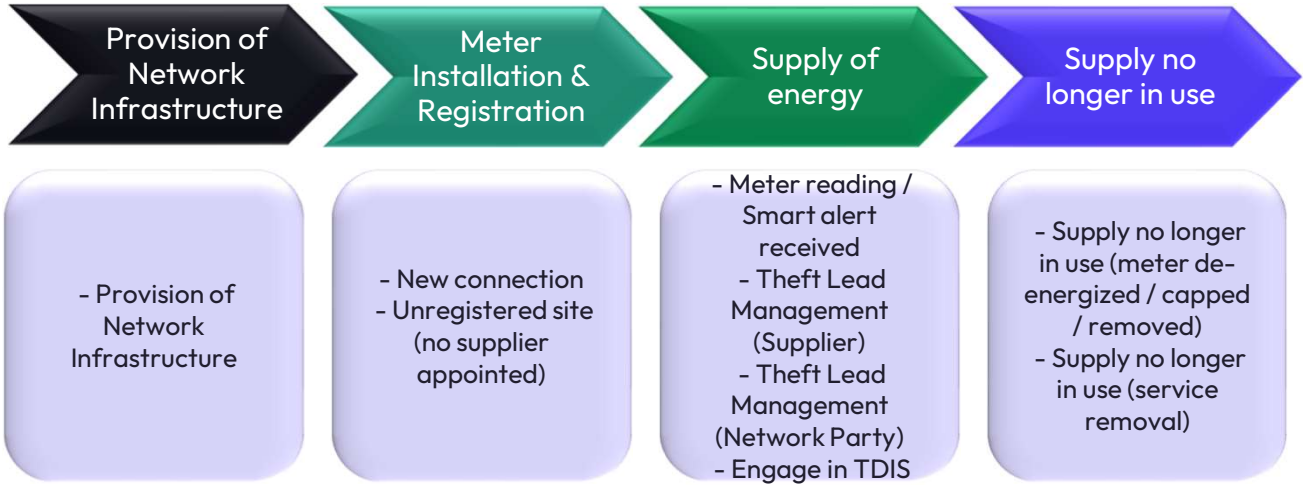
Theft End to End Process Mapping

Jason Salmon

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High level summary

Process mapping was completed against the life cycle of a supply point. This approach was chosen as opposed to the specific theft lifecycle (as outlined in the ASE in 2022) due to the stronger potential to draw out gaps and failures in existing processes. The lifecycle is set out below alongside the process maps that have been drafted.



Obligations placed on parties are mapped to relevant steps of these processes along with an assessment of potential process gaps covering the following areas:

- awareness, incentivisation, obligations / responsibilities, monitoring and reporting

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Process and approach

Initial process maps were created based on the energy lifecycle and building on work knowledge and work already completed via the ASE in 2022 and feedback received via the ETREG and Theft Forum meetings.

Workshops were held on 31 July and 01 August to validate the work completed and provide an opportunity for participants to identify any new gaps or provide further detail on those already identified. The workshops focussed on five process:

- Theft Lead Management (Supplier)
- Theft Lead Management (Network Provider)
- Provision of Network Infrastructure
- Unregistered Sites and Consumers
- Engage in Theft Detection Incentive Scheme

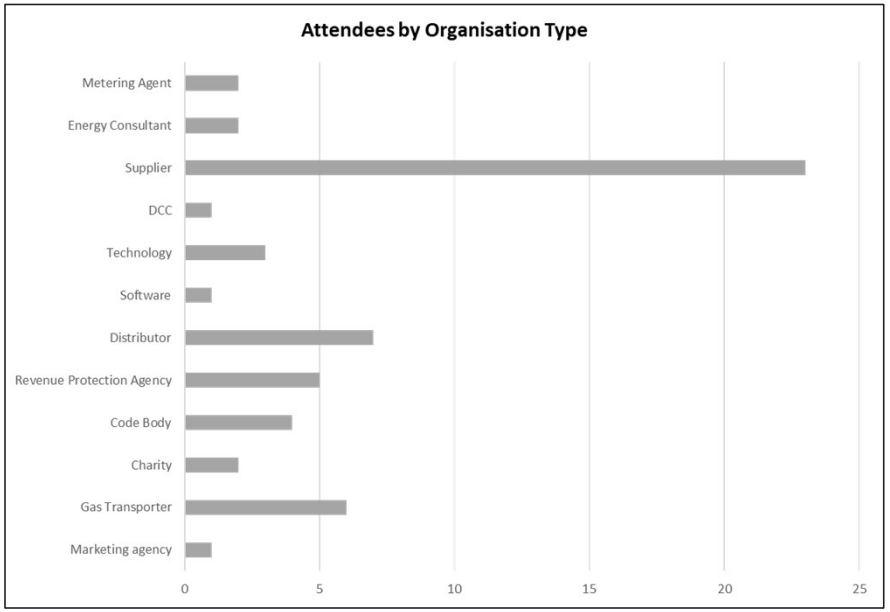
These five maps were selected as they represented the processes that required actions/activity to be completed across the wider breadth of parties and/or had the highest levels of perceived gaps. The gaps covered the following areas:

- Awareness / Incentive
- Monitoring / Reporting
- Obligation / Responsibility

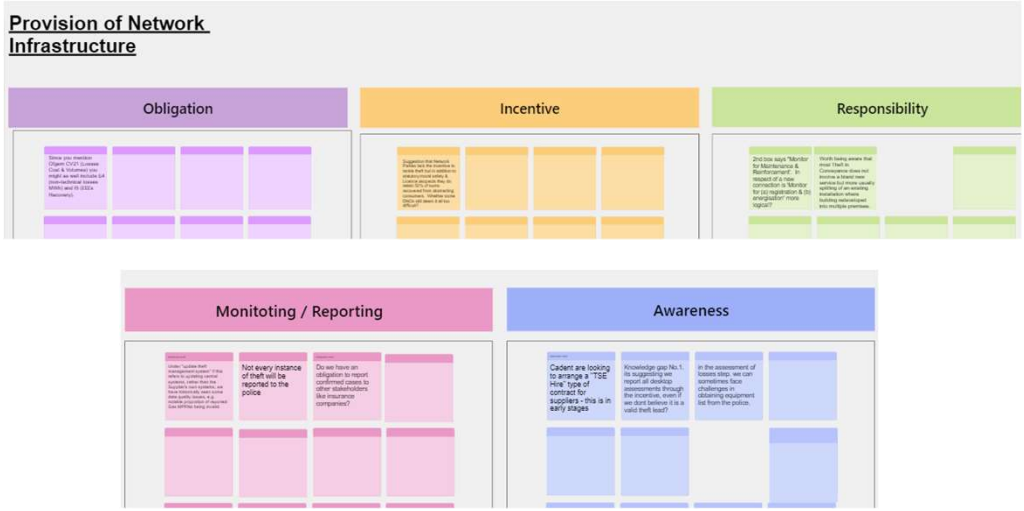
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Process and approach

Across the two sessions there over 50 attendees, the majority from energy suppliers.



The session was conducted using an interactive whiteboard with participants given an opportunity to review the process map and accompany SIPOC and encouraged to complete post it notes capturing comments and topics for discussion.

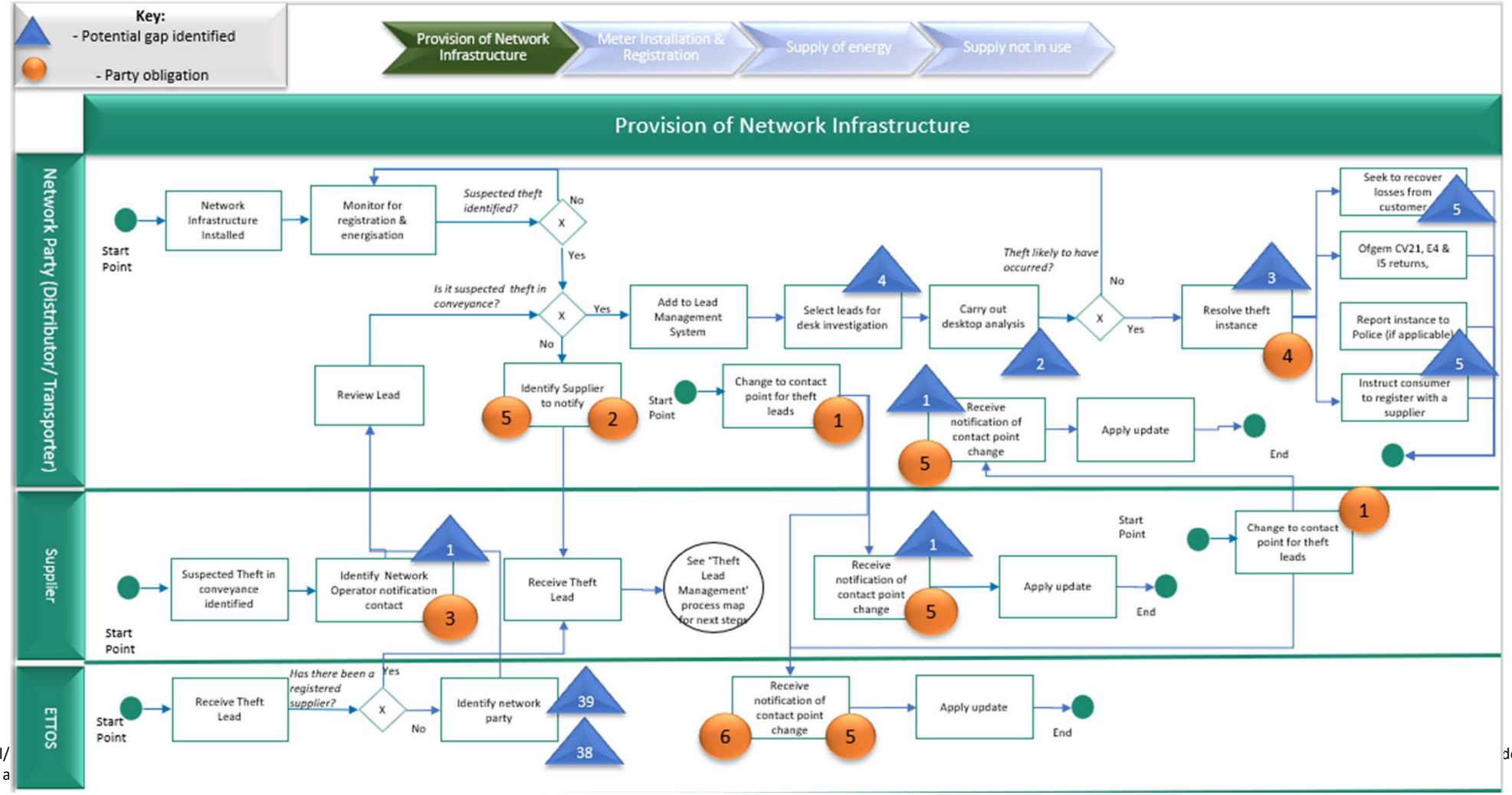


Whilst attendance was generally good and covered a broad range of attendees, Network Parties and Suppliers were the most vocal.

A subsequent session was also held with the Vice Chair of UKRPA.

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Process map example



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SIPOC example

Provision of Network Infrastructure

	SUPPLIERS (those who input into the process step)	INPUTS (what are the inputs to the process step?)	PROCESS (the process step)	OUTPUTS (what are the end results once the process step is complete?)	CUSTOMERS (who does the process step impact upon?)
SIPOC analysis	• Energy consumer • Energy Supplier • Network provider • Local authority • Building Contractor • ETTOS	• Application received from consumer for new connection to be installed (direct to network provider) • Application received from contractor / local authority for new connection to be installed • Request from an Energy Supplier to install a new connection • Report of potential theft occurring at the site • Potential theft identified	New network connection request received	• New connection installed and confirmation sent to industry • Potential theft lead identified and logged in the relevant management system	• Energy Consumer • Energy Supplier • Network Provider
Awareness / Incentives Gap	• Different approaches and data sets are used to identify theft – smaller organisations may have limited resources / capabilities when compared with larger organisations and so may be less effective in detecting energy theft • The Theft Estimation Methodology (TEM) indicates there may be potential bias towards which types of consumer are investigated for energy theft. E.g. Low income / PPM customers are more likely to be investigate • The importance of network parties collating evidence and sharing with energy suppliers / third parties once a theft instance has been resolved. E.g. Photos of the tampered installation / cannabis farm size. This is particularly noticeable when network parties attend emergency isolation visits to make a site safe • Fewer incentives for network Parties to detect and prevent theft				
Monitoring / reporting gaps	• Consistent process for updating and sharing theft contact information as and when it changes • There is no clear, consistent approach that parties take to monitoring sites once a theft has been resolved to detect / prevent further theft occurring at the same site • Inconsistent approach to monitoring and reporting of volume of recoveries of costs and prosecutions. Police info indicates it is inconsistent amongst Police forces. Not clear if suppliers & network parties have consistent processes or visibility for this • Consistent approach and processes across organisations to monitor / prevent future instances of energy theft • Theft is suspected from a consumer but there is no linked address				
Party Obligations	REC Schedule 8 Section 5.1 Ofgem Condition 27. Theft, damage and meter interference REC (3) Responsibilities of Parties: Theft REC Unbilled Energy Code of Practice Schedule 8 - (15) Reports REC Unbilled Energy Code of Practice Schedule 8 (8) - Conduct of Investigations REC Schedule 7 - Annex 1: Energy Theft Tip-Off Service				
Theft Lifecycle stage	• Theft Investigation (Suspected theft in conveyance) • Theft Detection (Desktop analysis) • Theft Resolution (Seek losses, adjust settlement, complete TDIS reporting & inform police)				

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Process gap summary

Whilst the gaps identified are not new, collectively they represent known issues that have existed for a long time. Individually the gaps are not likely to contribute to a significant volume of Energy Theft, collectively they are likely to. With some gaps directly impacting others within the process. The overall themes of these has been summarised below.

AWARENESS / INCENTIVE

- Broadly parties are aware of how the processes work, however, there are some grey areas that would benefit from clarification.
- Existing incentives are not as effective as they are designed to be with some suppliers not engaging fully with industry wide schemes such as the Theft Detection Incentive Scheme.
- There is also scope to review and explore the use of incentives elsewhere in the lifecycle (for example entering unrecorded volumes into settlement) to encourage appropriate behaviours.
- Parties are not clear on when a it would be appropriate / viable to pursue a prosecution for energy theft with the Police.

MONITORING / REPORTING

- There is an overall lack of consistency in the approach taken by parties to monitor aspects of the process, specifically new connections, unregistered sites and those where a supply has been interrupted due to Energy Theft.
- There is also a lack of central reporting and a single view outside of the TDIS for sharing information within the industry relating to the volume and detail of investigations and their outcomes. This can make it challenging for parties to act in a co-ordinated manner especially where there are multiple supply parties with an interest in a particular theft case.
- Inconsistent data is kept by Police forces regarding prosecutions for energy theft and there is no clear visibility back to industry parties on the success of prosecutions.

OBLIGATION / RESPONSIBILITY

- Parties are aware of their obligations and responsibilities in relation to Energy Theft, however, there are some Suppliers and Network Parties that are not consistently adhering to them particularly those relating to proactive theft detection practices.
- There is also scope for changes to some of the existing obligations (for example change of supplier) to assist with the prevention of Energy Theft.

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Recommendations summary

Within the detailed report 20 recommendations have been made with a summary provided below.

- Review of the existing incentive schemes to determine if remain suitable to encourage the desired behaviours in relation to Energy Theft and if additional incentives are required elsewhere in the process

- Review and publication of Best Practice guidance documentation to improve awareness of the following but not limited to:
  - Collection, retention and access to evidence obtained during Energy Theft investigations
  - Responsibilities of Network Parties and Suppliers when encountering an unregistered site
  - When it may be appropriate to pursue a prosecution for Energy Theft

- Review of reporting and monitoring requirements to ensure parties are conducting their responsibilities as they are designed and intended

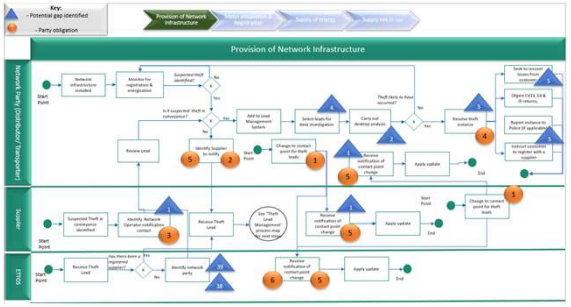
- Utilising data that is currently available (eg. TDIS data) to improve accuracy of reporting and provide further insight into persons committing Energy Theft

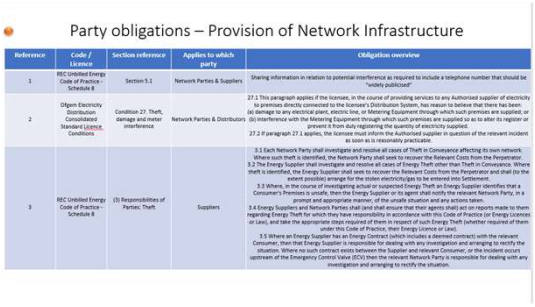
- Provide clarification of the wording of existing regulation to remove ambiguity and assist with compliance

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Outputs

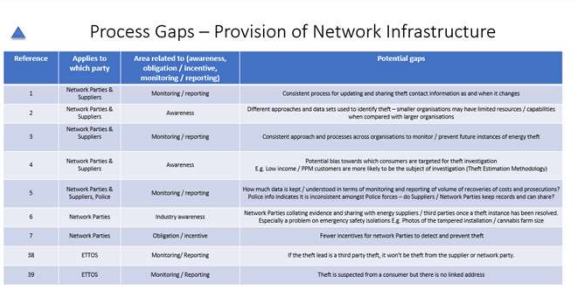
- An interactive document containing the process maps with links to the obligations and identified gaps





Party obligations – Provision of Network Infrastructure

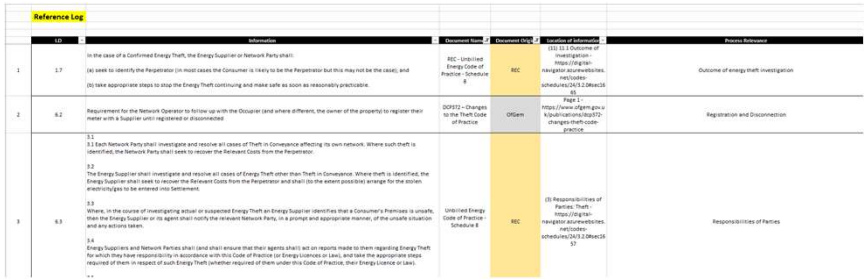
Reference	Code / Licence	Section reference	Applies to which party	Obligation overview
1	REC Unbilled Energy Code of Practice - Schedule 8	Section 5.1	Network Parties & Suppliers	Sharing information in relation to potential interference as required to include a telephone number that should be "widely publicised"
2	Ofgem Electricity Distribution Consolidated Standard Licence Conditions	Condition 27. Theft, damage and meter interference	Network Parties & Distributors	27.1 This paragraph applies if the licensee, in the course of providing services to any Authorised supplier of electricity to premises directly connected to the licensee's Distribution System, has reason to believe that there has been: (a) damage to any electrical plant, electric line, or Metering Equipment through which such premises are supplied; or (b) interference with the Metering Equipment through which such premises are supplied so as to alter its register or prevent it from duly registering the quantity of electricity supplied. 27.2 If paragraph 27.1 applies, the licensee must inform the Authorised supplier in question of the relevant incident as soon as is reasonably practicable.
3	REC Unbilled Energy Code of Practice - Schedule 8	(3) Responsibilities of Parties: Theft	Suppliers	3.1 Each Network Party shall investigate and resolve all cases of Theft in Conveyance affecting its own network. Where such theft is identified, the Network Party shall seek to recover the Relevant Costs from the Perpetrator. 3.2 The Energy Supplier shall investigate and resolve all cases of Energy Theft other than Theft in Conveyance. Where theft is identified, the Energy Supplier shall seek to recover the Relevant Costs from the Perpetrator and shall (to the extent possible) arrange for the stolen electricity/gas to be entered into Settlement. 3.3 Where, in the course of investigating actual or suspected Energy Theft an Energy Supplier identifies that a Consumer's Premises is unsafe, then the Energy Supplier or its agent shall notify the relevant Network Party, in a prompt and appropriate manner, of the unsafe situation and any actions taken. 3.4 Energy Suppliers and Network Parties shall (and shall ensure that their agents shall) act on reports made to them regarding Energy Theft for which they have responsibility in accordance with this Code of Practice (or Energy Licences or Law), and take the appropriate steps required of them in respect of such Energy Theft (whether required of them under this Code of Practice, their Energy Licence or Law). 3.5 Where an Energy Supplier has an Energy Contract (which includes a deemed contract) with the relevant Consumer, then that Energy Supplier is responsible for dealing with any investigation and arranging to rectify the situation. Where no such contract exists between the Supplier and relevant Consumer, or the incident occurs upstream of the Emergency Control Valve (ECV) then the relevant Network Party is responsible for dealing with any investigation and arranging to rectify the situation.



Process Gaps – Provision of Network Infrastructure

Reference	Applies to which party	Area related to (awareness, obligation / incentive, monitoring / reporting)	Potential gaps
1	Network Parties & Suppliers	Monitoring / reporting	Consistent process for updating and sharing theft contact information as and when it changes
2	Network Parties & Suppliers	Awareness	Different approaches and data sets used to identify theft – smaller organisations may have limited resources / capabilities when compared with larger organisations
3	Network Parties & Suppliers	Monitoring / reporting	Consistent approach and processes across organisations to monitor / prevent future instances of energy theft
4	Network Parties & Suppliers	Awareness	Potential bias towards which consumers are targeted for theft investigation E.g. Low income / PPM customers are more likely to be the subject of investigation (Theft Estimation Methodology)
5	Network Parties & Suppliers, Police	Monitoring / reporting	How much data is kept / understood in terms of monitoring and reporting of volume of recoveries of costs and prosecutions? Police info indicates it is inconsistent amongst Police forces – do Suppliers / Network Parties keep records and can share?
6	Network Parties	Industry awareness	Network Parties collating evidence and sharing with energy suppliers / third parties once a theft instance has been resolved. Especially a problem on emergency safety isolations E.g. Photos of the tampered installation / cannabis farm size
7	Network Parties	Obligation / incentive	Fewer incentives for network Parties to detect and prevent theft
38	ETTOS	Monitoring/ Reporting	If the theft lead is a third party theft, it won't be theft from the supplier or network party.
39	ETTOS	Monitoring / Reporting	Theft is suspected from a consumer but there is no linked address

- A reference log containing the list of obligations, parties they apply to and where they are contained within the governance frameworks



Reference Log

	LID		Information	Document Name	Document Owner	Location of Information	Process Relevance
1	1.7		In the case of a Confirmed Energy Theft, the Energy Supplier or Network Party shall: (a) seek to identify the Perpetrator (in most cases the Consumer is likely to be the Perpetrator but this may not be the case); and (b) take appropriate steps to stop the Energy Theft continuing and make safe as soon as reasonably practicable.	REC – Unbilled Energy Code of Practice - Schedule 8	REC	(11) 11.1 Outcome of investigation - https://digital-navigator.azurewebsites.net/codes-schedules/2613.0#sec1685	Outcome of energy theft investigation
2	8.2		Requirement for the Network Operator to follow up with the Occupier (and where different, the owner of the property) to register their meter with a Supplier until registered or disconnected	DCP372 – Changes to the Theft Code of Practice	Ofgem	Page 1 - https://www.ofgem.gov.uk/publications/dcp372-changes-theft-code-practice	Registration and Disconnection
3	6.3		3.1 3.1 Each Network Party shall investigate and resolve all cases of Theft in Conveyance affecting its own network. Where such theft is identified, the Network Party shall seek to recover the Relevant Costs from the Perpetrator. 3.2 The Energy Supplier shall investigate and resolve all cases of Energy Theft other than Theft in Conveyance. Where theft is identified, the Energy Supplier shall seek to recover the Relevant Costs from the Perpetrator and shall (to the extent possible) arrange for the stolen electricity/gas to be entered into Settlement. 3.3 Where, in the course of investigating actual or suspected Energy Theft an Energy Supplier identifies that a Consumer's Premises is unsafe, then the Energy Supplier or its agent shall notify the relevant Network Party, in a prompt and appropriate manner, of the unsafe situation and any actions taken. 3.4 Energy Suppliers and Network Parties shall (and shall ensure that their agents shall) act on reports made to them regarding Energy Theft for which they have responsibility in accordance with this Code of Practice (or Energy Licences or Law), and take the appropriate steps required of them in respect of such Energy Theft (whether required of them under this Code of Practice, their Energy Licence or Law).	Unbilled Energy Code of Practice - Schedule 8	REC	(3) Responsibilities of Parties: Theft - https://digital-navigator.azurewebsites.net/codes-schedules/2613.0#sec1657	Responsibilities of Parties

- A detailed report outlining the approach to the project, process, findings and detailed recommendations

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Theft Programme Updates

Jon Dixon

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Theft Programme Updates

- Energy Theft Portal
- Social Media Monitoring
  - Feedback shared by ETREG
  - Scope of monitoring (beyond search key words)
- Theft Police Force Update

Secure Exchange of Information on Energy Theft

Rosalind Timperley

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Secure Exchange of Theft Information

A review of the Secure Data Exchange Portal (SDEP) is considering the addition of a number of Process Types to SDEP, including one on Energy Theft:

I61	Additional Process Type - Theft
As an SDEP User, I want to be able to exchange information securely about instances of suspected theft, so that consumer data is protected and queries are tracked	
General Query PT	Proposed – General Query level PT for any exchange of information between Suppliers and DNOs e.g. to liaise on appointments, communicate during a switch
Escalation PT	Not currently proposed
Notes	*Schedule 8 specifies various interactions between DNOs and Suppliers.* *DNO - Supplier theft comms usually by phone/email. D0237 and D0238 don't support attachments or additional info. Also, inconsistency of use.* *Supplier has the obligation for theft investigation but may outsource. DNO has responsibility if no Supplier (theft in conveyance).* *Suppliers may want to exchange data on theft during Switch (Switch can't be stopped for suspected theft).*

Secure Exchange of Theft Information

Potential benefits of adding a Theft Process type to SDEP, including:

- It would **raise the visibility of SDEP** as an option for sharing customer information on theft between parties

- It would enable there to be **monitoring of how often information on theft is shared** between parties

- If data sharing on theft increases, then having a specific theft category in SDEP **will provide a clear means for Suppliers to get additional information** if needed.

- It c**an be used to share photographic evidence of theft** using the attachment feature of SDEP

Secure Exchange of Theft Information

The ETREG is invited to provide its comments on the following questions:

1. Is there a need for a formal REC provided secure transfer mechanism to enable REC Parties to share information about consumers regarding Energy Theft, or are current methods sufficient?
2. Do you believe that having a specific mechanism for the sharing of information on consumers regarding energy theft would assist in issue resolution?
3. If yes, is there a preference for this mechanism to be provided via the SDEP or future Energy Theft Portal?
4. Should use of the mechanism be mandatory, with requirements written into REC Schedule 8, or voluntary with no associated legal text requirements?
5. If it is mandated, should there be an escalation process, for instance, where the counter party does not respond within defined timescales?
6. For gas, only domestic gas suppliers are SDEP users. Would it be useful to have a non-domestic gas mechanism too?

Forward agenda

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Forward Agenda

September

•Review draft CP: 2024/25 TDIS proposal (provisional)
•Review draft CP: making ETREG a REC committee
•End to end process report update
•Theft Portal Update

October

- November forum final agenda
- *Social Media Monitoring update (subject to progress)

November

No ETREG – replaced with Forum

December

•November forum outputs
•*Social Media Monitoring update (subject to progress)
•Draft TTM

Note, meeting brought forward two weeks due to Christmas. Proposed face to face, followed by Christmas lunch

January

•Forward Work Plan 2024/25

We welcome suggestions for further forward agenda items

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AOB

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