Energy Theft Reduction Expert Group

27 September 2023

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Welcome and Introductions

Aiyesha Andrade

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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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ETREG 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	Included within TDIS consultation
ETREG_05_02	Confirm which gas industry organisations have access to the SDEP.	REC Code Manager	September 2023	Just gas suppliers have SDEP access
ETREG_05_03	Confirm whether attachments uploaded to the Secure Data Exchange Portal (SDEP), such as photographs, can be downloaded from the system.	REC Code Manager	September 2023	Yes, files can be downloaded
ETREG_05_04	Share a list of REC acronyms with ETREG members.	REC Code Manager	September 2023	Included in agenda

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Forum 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_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)

Updates:

- ETTOS Partner Material
- End to End Process Mapping

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REC Theft Target Methodology 2024-25 Options Paper

Nirav Vyas

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Change Options

Incentive pots:

- The Domestic customer segment will have an additional split by meter type and include Traditional Prepayment, Traditional Credit and Smart/AMR
- Disaggregation of the Non-Domestic customer segment into Small Medium Enterprise (SME), Industrial & Commercial (I&C) and Domestic Type customers
- Further splitting of the SME customer type in the Non-Domestic customer segment is further split between Smart/AMR and Traditional meters

Theft Detection Values:

- In light of the new incentive pot split options, the TDV will be revisited to determine appropriate values
- For the avoidance of doubt, no change is proposed to the underlying definition of the TDV – such as basing it on the value of theft avoided or setting it in a way designed to incentivise specific behaviours

Theft target:

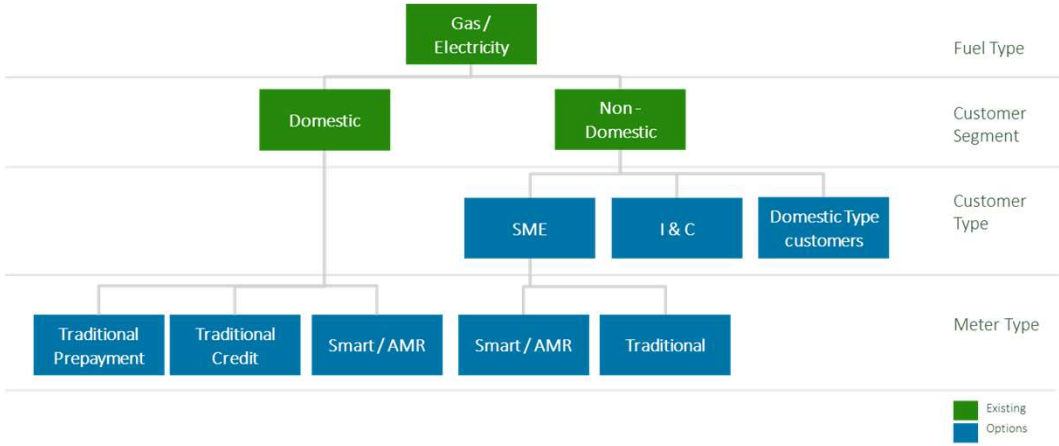
- In light of the new incentive pot split options, the Theft Targets will be revisited to determine appropriate values
- Propose retaining the overall target of 41,000 confirmed thefts
- Adjustment of targets for the existing customer segments and new additional splits

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Incentive Pots and TDV

Each option can be considered individually

The Domestic type customer split is proposed as these meters would be expected to exhibit levels of theft and investigation costs more closely aligned to the wider domestic sector and hence suppliers with a significant number of meters in this population would otherwise have a significant potential advantage in identifying and confirming thefts compared to the wider non-domestic pot



- TDV has not significantly changed from 2022/23 to 2023/24, with only an inflation adjustment using the Consumer Price Index (CPI)
- Given the potential change in incentive pots and the limited update to TDV over the past scheme years we believe it is important to refresh the evidence base for the setting of the TDV
- For the avoidance of doubt, no change is proposed to the underlying definition of the TDV – such as basing it on the value of theft avoided or setting it in a way designed to incentivise specific behaviours
- TDIS Survey indicated a majority agreed that weighting should be applied in order to incentivise detection activity

- Request that participants provide as much information as possible in response to the TDV consultation questions

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Theft Targets

- The new Theft Targets will be based on the market share of each Supplier in the relevant segment and not industry averages.
- We propose retaining the overall target of 41,000 confirmed thefts
- Performance against target does not directly impact the calculation of credits/debits positions of Parties – rather this is based on performance of Suppliers relative to others in the same segment but the pot value impacts the scale of the credits/debits.
- Adjustment of the current targets for the existing customer segments
- Will be necessary to further split down the targets for the new incentive pots
- Approach based on market share with a weighting applied
- Split the target based on the market share of the overall customer segments (as per the table above) using the total number of meters for each incentive pot but with a weighting applied

Fuel Type	Customer Segment	Current	Option
Electricity	Domestic	30,000	31,500
	Non-Domestic	4,000	3,000
Gas	Domestic	5,110	5,500
	Non-Domestic	1,890	1,000

Customer Segment	Customer Type	Meter Type	Weighting
Domestic	-	Traditional Prepayment	0.8
	-	Traditional Credit	1
	-	Smart	0.6
Non-Domestic	SME	-	1
	SME	Smart / AMR	0.6
	SME	Traditional	1
	I&C	-	0.5
	Domestic Type	-	1

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Consultation

- The purpose of this is both to gather **feedback** on the proposed options and be a **call for evidence** to support the determination of specific aspects of the potential changes.
- The REC Theft Target Methodology 2024/25 Options Paper has been published on the REC Portal alongside a TTM 2024-25 Response Template
- The information gathered through this process will be used to develop an updated TTM for the 2024/25 Theft Scheme Year which as a Category 3 document will go through a formal change process including industry consultation later in 2023/early 2024.
- The Code Manager seeks views and welcomes feedback on the options and specific questions.
- All feedback should be provided by return of the questions template to performanceassurance@recmanager.co.uk with the email title as "TTM Options Paper 2024/25" by 27th October 2023.

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End to End Process Mapping

Jason Salmon

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ETREG Review Update

The end-to-end process mapping report and supporting process maps were issued to ETREG members for review on 10 September with a deadline to provide feedback of 21 September.

In total 2 responses were received. Broadly they agreed with the findings of the report and the process maps that were created with one respondent providing details comments on the report and the process maps. A summary is provided below.

Report comments

Unregistered sites and consumers (workshop summary)

- Network parties also face the same reputational risks as suppliers when deciding whether to disconnect a site
- Additional challenges identified by a DNO regarding how suppliers can lose track of meter locations / consumers and/or a consumer is no longer paying after building work has been completed that leads to a supplier attempting a logical disconnection to make the problem go away. Suppliers also informing DNOs the existing meter has been removed in order to install a new meter against the MPAN but the original remains.

Evidence collection, retention and access

- When DNOs are called out in an emergency safety related job they are not there to act as a pseudo-RP agent and often do not have the required training / skill set to capture RP related information so this would be very challenging and a big shift in role.

Monitoring of sites with new connections & those post Energy Theft resolution

- Highlighting that it may not be possible for a DNO to refuse a new connection (under existing governance and regulations) even if there has been a previous service removal for theft reasons. This should be clarified.
- Agreement that DNOs have a licence obligation to take all reasonable steps to take 'all reasonable steps' to resolve instances of Theft in Conveyance but seeking to clarify if this extends to physical disconnection where the occupier either refuses to register the proffered MPAN or refuses to undertake the necessary DNO/Customer-side works to permit MPAN issue.

Objection to a change of supplier request

- Suggested reviewing the terminology to ensure it is consistent

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ETREG Review Update

Process map comments

Provision of Network Infrastructure

- Agree that DNOs should monitor for registration but believes monitoring for energisation should be a Supplier responsibility
- Review the process steps within the ETTOS section to clarify the responsibilities between DNO and Supplier on a disconnected / de-registered MPAN

Unregistered Site

- Agree with the process step but highlighting it is more nuanced in terms of the process that each DNO may follow to determine the consumer and site set up with each taking an approach that suits them which may not be uniform across the industry.

Theft Leads Management (Network Party)

- Highlighting that where an MPAN has been disconnected in error then a 'resurrection-from-the-dead' was a possible option under MRA Process MAP04 but it's more restricted under CSS arrangements; also, it would need to be with the agreement of that Supplier and such agreement could be with-held.

Supply No Longer in Use (Service Removal)

- Do not agree that DNOs should be expected to monitor every site that has been disconnected. Suggests it may be more feasible if it was just for those disconnected due to debt / theft however this would still provide challenges for DNOs as they would need to have a process in place to flag and periodically follow up on these sites where they no longer have assets, however this could be a challenge for DNOs to implement

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Next Steps

Update the report and process maps to factor in the comments received including additional recommendations in the report then issue as a final version.

RECCo to review the recommendations within the report and agree a forward plan to address these

ETREG members are invited to:

- Note the contents of these slides
- Provide additional feedback on the report and / or process maps by using the below email address

technicalenquiries@recmanager.co.uk

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Energy Theft Reduction Programme

Information correct as at 14/09/2023

Ann Perry

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Energy Theft Reduction Programme – information sharing

RECCo wants to share information about the scope and progress of activity being progressed as part of the Energy Theft Reduction programme.

A monthly update will be provided to ETREG members as part of the ETREG papers.

In addition to an overview of the activities (scope) and a plan on a page, there are options on the level of detail that can be provided about progress and status of the individual activities and initiatives

- **Option 1** – One page status report for each activity (setting out the plan / milestones and risks)
- **Option 2** – One page overall programme summary (setting out the status and an update for each activity)

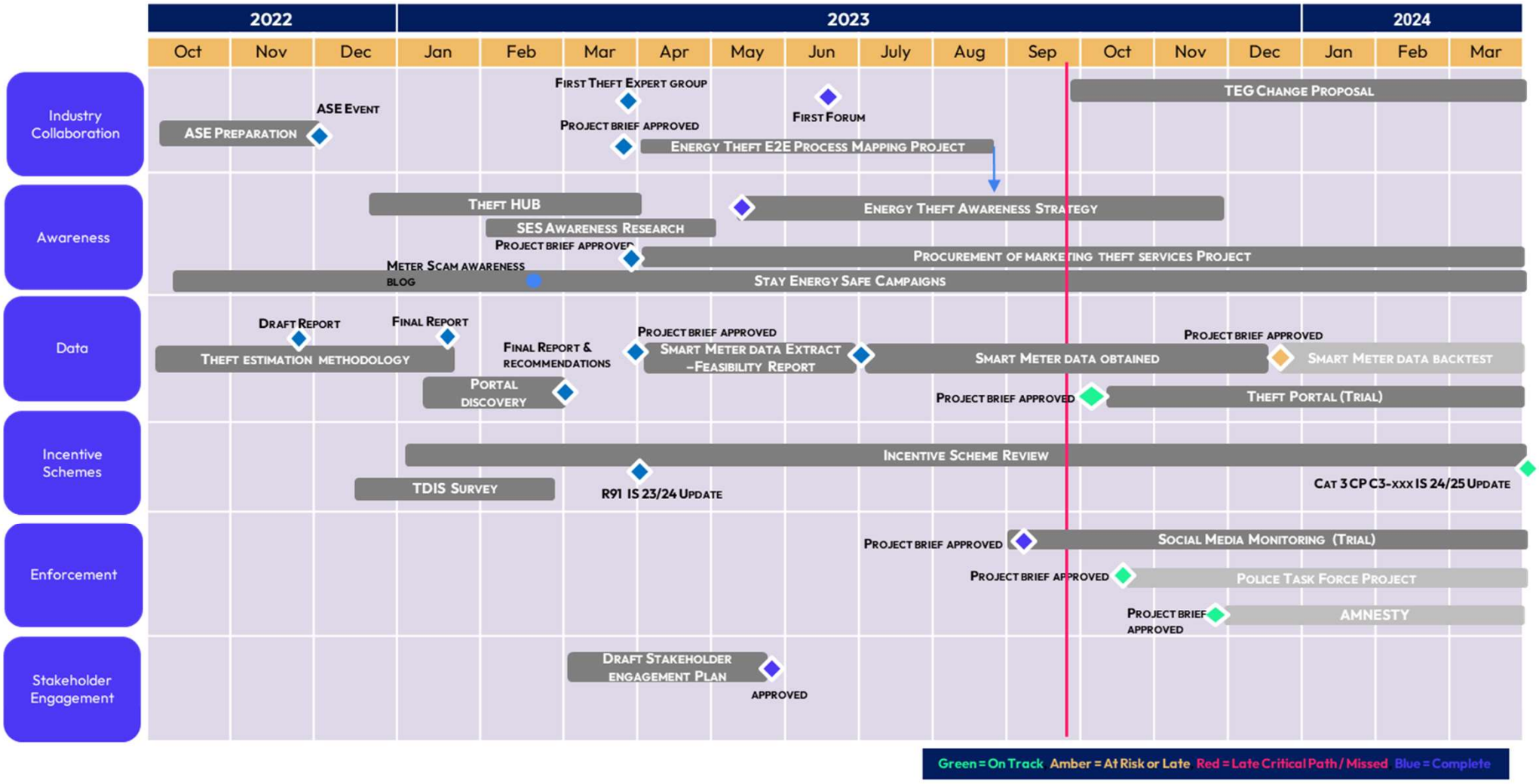
The ETREG is invited to provide views on the preferred option

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Programme Scope

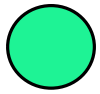
Workstream	Project / Activity	Overview / aims
Industry Collaboration	End to End Process Mapping	Mapping of the overall industry processes relating to Energy Theft – including the inputs and outputs, code and licence condition obligations. The identification of gaps, areas of weakness, pain points or risks within the current processes and monitoring of Energy Theft – and recommendations to address these.
Awareness	ETTOS Marketing Review	Competitive procurement of the Marketing Services that are required to support the Energy Theft Tip Off Service (ETTOS) and Stay Energy Safe platform, to ensure the services are best value for money and to drive improvements. Although the Marketing Services are BAU, the procurement activity is being tracked through as part of the programme.
	Theft Awareness and Action Strategy	Development of a detailed strategy for how awareness and action can best be raised across both industry and consumers. This will highlight how the effectiveness of existing tools and initiatives can be improved and identify new / alternative means of increasing awareness. This will result in the identification of recommended projects and initiatives to increase awareness and action.
Data	Smart Meter Alert Data	Work is underway to explore the feasibility of using Smart Meter data to improve the assumptions and data contained within the Theft Estimation Model (TEM). The intention is to complete testing (known as backtesting) on already reported thefts, to determine which, if any, Smart Meter alerts are correlated to instances of Energy Theft and could be used to better predict and detect energy theft in the future.
	Energy Theft Data Portal	The development of a dedicated portal to improve industry-wide data sharing. This could provide heat-mapping, trend analysis and threat assessments to be used by a variety of stakeholders to help develop their Energy Theft associated processes, policies and strategies.
Incentive Schemes	Improvements to the Theft Detection Incentive Scheme (2024/2025 scheme)	As the cost of undetected Energy Theft is currently socialised, it can be a commercial advantage to individual suppliers to not detect and investigate it; the Theft Target Methodology (TTM) will be reviewed and revised to ensure those best placed to manage risk are incentivised to detect and investigate Energy Theft.
Enforcement	Social Media Monitoring	A trial of a threat Intelligence and social media monitoring service that will identify emerging trends, that can be used by RECCo and other interested/impacted stakeholder in the development of their processes, policies and strategies.
	Police Engagement and Partnership Feasibility	Development of proposals for a REC funded dedicated Police energy theft / fraud reduction unit; to enable a nationally consistent, robust and proportionate police and prosecutorial response to Energy Theft.
	Amnesty	The exploration of potential models for an Energy Theft amnesty, so that consumers receive help to correct and make safe their metering installation without fear of costs and criminal consequences whilst receiving support and information to prevent further reoccurrences of Energy Theft.

Programme POAP



Option 1 – Individual status reports for each activity/initiative: E2E Process Mapping/ 14 Sep 23

Headline Status	Delivery Stage
Final findings and recommendation report has been drafted. The report has first been issued to ETREG members for their review and feedback, before being published more widely.	Delivery

Overall Project RAG Status		
Previous	**Current**	Forecast
		

Status Indicators				
Plan	Budget	Scope	Resource	Dependencies
				

Key Milestones & Deliverables	Baseline Date	Forecast Date	RAG
Project Brief Approved	30/03/2023	30/03/2023	
Requirements for RFP drafted & approved	01/06/2023	02/06/2023	
RFP Issued	01/06/2023	09/06/2023	
RFP completed	07/07/2023	03/07//2023	
E2E processes mapped	30/06/2023	03/08/2023	
Draft report produced	04/08/2023	16/08/2023	
Process and report review and approval	21/08/2023	01/09/2023	
ETREG review of final report	27/09/2023	27/09/2023	
Project closed	21/10/2023	31/10/2023	

Green = On Track, Amber = At Risk or Late, Red = Late Critical Path / Missed, Blue = Complete

Ref	Problem Statement & Impact	Mitigation	Rating
R7	There is a risk that parties may not engage and disclose actual working practices, leading to processes being inaccurate to the extent that they reflect historic expectations rather than current custom and practice	c50 parties engaged through the workshops Feedback requested following the workshops ETREG members will be asked to review/feedback on the draft final report and process maps	6

Option 2 – One page update covering all activity Programme Status

Overall Programme RAG Status		
Previous	**Current**	Forecast

Workstream	Project	Project Stage	Previous RAG	Current RAG	Forecast RAG	Key activity / Update
Industry Collaboration	End Process Mapping	Delivery				Final findings and recommendation report has been drafted. The report has first been issued to ETREG members for their review and feedback, before being published more widely.
Awareness	ETTOS Marketing Review	Delivery				Following the decision at the Steerco on 06 September, the ETTOS Marketing project is now back to a green RAG status. Activity now progresses for the invitation to a market engagement event.
	Theft Awareness and Action Strategy	Planning				Project governance has been established with Frog and Jon H as SRO. Kick off meeting held 13 September.
Data	Smart Meter Alert Data	Delivery				Awaiting confirmation from Parties that they are able to provide all the required data before formally requesting. Discussions are still ongoing with Electralink and Correla/Xoserve to obtain additional data via data flows. Project is now back to green status following a replan.
	Energy Theft Data Portal	Pre-project	n/a	n/a		Agreement to be signed with Detertech. Portal to be configured (with Theft Detection Incentive Scheme data initially); there will be a soft launch with ETREG members, ahead of a wider launch. Dates to be determined following the signing of the agreement with Detertech.
Incentive Schemes	Improvements to TDIS (2024/2025 scheme)	Planning				RPA desktop research activity is in flight, ahead of preparing options for circulation later this month (date to be confirmed by RPA)
Enforcement	Social Media Monitoring	Delivery	n/a			Change Request and Project Brief approved at the Theft SteerCo on 06 September. Gemserv onboarded as the provider - kick off session held to review first report. Reporting to be provided weekly, with amendments made following RECCo and ETREG member feedback.
	Police Engagement and Partnership Feasibility	Pre-Project	n/a	n/a		Project brief to be developed and presented to the RECCo Portfolio Board, ahead of a proposal being shared with the City of London Police.
	Amnesty	Pre-Project	n/a	n/a		Activity and plan to be progressed – activity not yet due

Preferred Option

Please use the meeting poll to share your preferred option

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Theft Acronyms

Rosalind Timperley

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Theft Acronyms

The REC Portal contains a Wiki acronyms page. Following last month's ETREG meeting, we have reviewed this list and added additional theft related acronyms:

Existing:
TRAS – Theft Risk Assessment Service
TEM – Theft Estimation Methodology
TDIS – Theft Detection Incentive Scheme

Newly Added:
AoE – Abstraction of Electricity
ETREG – Energy Theft Reduction Expert Group
DPIA -Data Privacy Impact Assessment
DSA – Data Sharing Agreement
ETTOS – Energy Theft Tip-Off Service
LV - Low Voltage
SES – Stay Energy Safe
SLC - Standard Licence Condition
ToE - Theft of Energy
ToG – Theft of Gas
TTM - Theft Target Methodology,
UKRPA – UK Revenue Protection Association

The ETREG is invited to review the list of acronyms and advise if any other additional theft ones should be added.

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Forward agenda

All

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Forward Agenda

October

- November forum final agenda
- *SMM update (subject to progress)
- Theft Portal Update
- Review draft CP: making ETREG a REC committee

November

No ETREG – replaced with Forum

December

•November forum outputs
•*SMM 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

February

We welcome suggestions for further forward agenda items

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AOB

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AOB Items

- Update on raising a CP to make ETREG a REC Committee
- UNC MOD445 and MOD425 (additional details in following slides)

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MOD425 Explanation

This process seeks to address a subset of Shipperless sites, where the Transporter (or another party) during, for example, a gas safety visit identifies, that following an Isolation or Isolation and Withdrawal, a different Supply Meter (to the previously connected Supply Meter) is installed at the premises and is capable of flowing gas.

In the absence of any knowledge of who installed the different Supply Meter asset or when the meter was installed, it is evident that these meter points could remain Shipperless indefinitely.

If appropriate action is not taken to address the situation, there is a clear risk that the costs of any gas consumed at Shipperless sites will continue to be inappropriately targeted and will alternatively be smeared to the remainder of the industry.

The obligation is placed on the last registered Shipper to take responsibility for resolving the issue by undertaking investigations as appropriate and by ensuring that actions are undertaken that will satisfactorily resolve the issue within three months from the date of notification.

Successful outcomes of a Shipper's investigation could include: the re-registration of the site by the investigating Shipper or registration of the site by another Shipper. The re-registration of a site may be the result of Shipper action or force confirmation/force attachment from Xoserve.

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MOD455 Explanation

Under GS(I&U)R (Gas Safety (Installation and use) Regulations), if a meter is removed from site, an engineer is sent to confirm the removal has been left in a safe state. If the engineer finds a meter on site, capable of flowing gas (if it is not capable of flowing gas, it is a safe), the MPRN will be sent to the MOD 425/455 process. The last stage of MOD 455 is to attach a meter to the site.

After a contact has been through the MOD 425 process and has reached 40 business days old in the MOD 455 process, the final step is to attach a meter to the MPRN. When a meter is attached, the record has successfully completed its cycle through the MOD 455 process.

The MOD 455 RCRE Report is created to identify all newly created records within the MOD 455 database. When a new record is created in the MOD 455 database, the responsible Shipper should be notified as soon as possible so they can take action to attach the meter or raise a dispute.

When a contact reaches 40 business days old, a Shipper should have already confirmed the site. From the details provided on the GSR visit located on CMS, a meter should be identified and will then be attached to the MPRN in question. At this time, the responsible Shipper will have had sufficient time to raise any query they have with the MPRN and will be expecting a meter to be attached under the terms of the MOD.

The purpose of forcing a meter to be attached is to push the Shipper into dealing with the site. When a MPRN is confirmed with a meter attached, the responsible Shipper can then remove the meter, withdraw from UK Link and withdraw from site. This will then raise another GSR visit to ensure the meter was removed safely.

Successful outcomes of a Shipper's investigation could include: the re-registration of the site by the investigating Shipper or registration of the site by another Shipper. The re-registration of a site may be the result of Shipper action or force confirmation/force attachment from Xoserve.

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