Energy Theft Reduction Expert Group
Meeting Minutes

Meeting	07
Date	25 October 2023
Location	Teams

Attendees	Organisation	Role
Aiyesha Andrade	RECCo Ltd	Chair
Eve Marriner	REC Code Manager	REC Code Manager
Philip Hawkes	REC Code Manager	REC Code Manager
Lisa Warnock	SGN	Committee Member
Jessica Jarvis	Cadent	Committee Member
Alessandro Scarlatti	REC Code Manager	REC Code Manager
Gareth Evans	ICOSS	Committee Member
Ben Clark	Utilita	Committee Member
Michelle Simpson	Electralink	Attendee
Paul Hart	UKPN	Committee Member
Jenna Smith	Cadent	Committee Member Alternate
Shamil Udayar	npower	Committee Member
David Mitchell	SGN	Committee Member Alternate
Jon Dixon	RECCo Ltd	RECCo Ltd
Megan Cetera	Octopus	Committee Member
Danielle Gibson	SSE	Committee Member Alternate
Jason Salmon	REC Code Manager	REC Code Manager
Rebecca Lowe	RECCo Ltd	RECCo Ltd

1. Welcome and Introductions

1.1. Attendees were welcomed to the seventh 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.

3. ElectraLink Trial Overview

3.1. An introduction to the programme and project was provided, highlighting ElectraLink is working with a DNO on using data to resolve non-technical losses.

3.2. An update was provided on the overall approach, noting that the DNO is collecting LV monitoring data to assist with identifying the cause of non-technical losses one of which being theft. Using the 2012 Ofgem figures the DNO estimates the value of energy theft within their area to be £40m. It was noted that this figure could be revised using more up to date figures.

3.3. The DNO is looking to target innovation pot funding for this and there are two approaches to securing funding – net zero and vulnerability. Therefore, the DNO is targeting the vulnerability pot.

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3.4. An overview of the approach was provided. The DNO will use low level feeder data as the input data and compare it with output data and other data sets including usage. Using 2500 – 3000 feeders to 50 – 100k consumers. The project intends to take consumption data down to its lowest level looking at feeder meter and premise data and comparing to LV network data. Any differences found at MPAN level will be flagged for further investigation.

3.5. An overview of the project phases was provided (details are contained within the meeting slides) with the objective of establishing a new digital process for the DNO to use on an ongoing basis. It was made clear that that technical losses are out of scope of the project.

3.6. The project will look to highlight unregistered sites, disconnections in error, sites with no MPANs, theft in conveyance and traditional theft within the customer boundary. Any follow up actions will be completed as per normal processes.

3.7. It was highlighted that DNOs can enter consumer boundaries to inspect meter installations under rights of entry acts, however, the DNO believes suppliers should investigate if it is inside the customer boundary.

3.8. An attendee raised a question on what happens if a supplier doesn't engage or respond to any communications from the DNO as a result of this project or if there is a lack of clarity on who the supplier is. The response was that the project will be seeking to gain feedback from suppliers on all outputs of the trial, to determine the success and ensure that it is understood the reasons why a supplier may or may not investigate any information provided by the DNO. It was noted that the trial is reliant on supplier co-operation to be successful.

3.9. The cost recovery options were presented (details of these are included in the slide deck) with the presenter inviting attendees to provide views on the best approach. One attendee queried how suppliers / DNOs would recover costs for multiple site visits and what happens with cost recovery in scenarios in which the energy supplier is not clear. It was acknowledged that this will need to be confirmed as part of the trial.

3.10. An attendee agreed that it is correct for DNOs to recover costs related to this activity however doesn't believe it should be through the existing TDIS and suggested the TDIS in its current form is not as effective as it is intended to be in encouraging correct behaviours relating to energy theft. They also highlighted that DNOs are not currently included in the scheme nor does it reward effort where no theft is detected. The attendee acknowledged that a targeted obligation is a potential mechanism however in it's current form it is not effective.

3.11. Attendees agreed there is no simple solution and work is required regarding cost recovery as part of the trial but they should be recovered.

3.12. Another attendee queried how it is being funded noting that DNOs struggle to recover costs if they can't confirm with certainty who the perpetrators are. It was acknowledged this is a recognised problem and will require some work to resolve.

3.13. Another attendee highlighted that, in their experience, a lot of investigations are completed into unregistered sites and that the existing mechanisms allow a lot of costs to be recover, it was acknowledged that some parties are more effective than others at this. DNOs and GTs can invoice large sums for unrecorded energy with a proportion being retained by the DNO / GT.

3.14. Another attendee noted that there are two issues that need addressing - DNO cost recovery and supplier cost recovery for investigations that do not result in confirmed energy theft. The attendee also queried why is it difficult for DNOs to identify a supplier? In response an attendee noted that some perpetrators are in full knowledge of what they are doing whilst others don't know theft is occurring due to something that has occurred without their knowledge. Eg. A rogue landlord bypassing a supply. It was noted that there is a large grey area, with instances of theft often being mix of both supplier and DNO/GT areas.

3.15. Another attendee acknowledged this but in their experience the vast majority of the time it is clear who is responsible.

3.16. An attendee queried if the scheme was about finding unregistered sites and / or theft lead generation for suppliers? The response was that it is a mix. They are expecting DNOs to

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complete a full investigation to determine who is responsible and if it is a supplier, the lead would be passed to them and DNOs would expect co-operation. It was noted that there will not always be energy theft occurring where leads are passed to suppliers and re-iterated the point that feedback from suppliers is key to determine if theft was found and why / why not. It was noted that an important aspect of making the trial a success is to establish a process to ensure suppliers are acting on leads generated from the trial, even if this is just a desktop investigation. Active engagement is needed to get the required data and insights to further enhance the model.

3.17. The presenter explicitly asked for supplier feedback which was not forthcoming.

3.18. Of the cost recovery options, an attendee queried if there are any that parties would rule out. In response another attendee agreed that points 1 to 5 (see slides) are acceptable but the TDIS is not suitable to recover costs associated with this trial

3.19. Another attendee asked if costs are socialised would that be acceptable as part of the trial for the duration of the trial. In response an attendee agreed this has potential and that costs being recovered via REC payments could be feasible but would need to be considered. In response another attendee noted that if it is a confirmed theft by a supplier this would be included in TDIS therefore would be ok but queried what happens to costs associated with non-confirmed theft, how would they be reflected and recovered? In response another attendee highlighted the design of the solution as part of the trial is key as this will drive effort and therefore cost that parties put in. The presenter agreed they would work with the DNO to draft a process to understand the extra steps and therefore costs associated with it.

3.20. An attendee raised the point that if no theft is found as part of the trial how do parties recover their costs and if they can't are they likely to put in effort. It was noted that Each supplier has different treatment for theft leads which will likely not change as part of this trial however consistency is key to its success.

3.21. Another attendee noted that suppliers are likely to treat leads from this trial no differently from other lead types and therefore costs wouldn't be onerous.

3.22. It was confirmed by attendees that large supplier would likely receive the majority of leads from this trial.

Action 07/01: ETREG members to share any additional feedback or comments relating to the Electralink non-technical losses trial directly with Electralink via michelle.simpson@electralink.co.uk

Action 07/02: Present the proposed process for the theft investigations as part of the trial to ETREG members via the meeting

4. Theft Monitoring Intelligence Reporting

4.1. An overview of the report was provided with the presenter highlighting what intelligence is available and what sources are actively promoting information regarding energy theft, the techniques applied and the process for monitoring this. An image of the report was also shared.

4.2. The presenter advised a 24/7 monitoring service is available with the intention of providing insight for targeted interventions. Examples of the terms that are being monitored was also shared.

4.3. It was confirmed the pilot will be running until the end of March 2024 with the service provider continually evolving their approach and sources used.

4.4. An overview of the initial findings was shared covering the following areas:

- Sources and platforms used
- Identified intelligence (not all applicable to UK but monitoring is ongoing)
- Benefits overview

4.5. A recent report was presented to attendees – highlights included the type of things found such as items promoting energy theft alongside those discouraging it.

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4.6. A deep dive into one of the groups identified was shared. This included: who they are, when they were set up, the user base, some of the tips and "insights" provided and how they are funded.
4.7. It was confirmed by the presenter that a "Trends" section is in development for inclusion in future reports.
4.8. Attendees were invited to comment and provide feedback on the report. One attendee shared information on examples they had found with the presenter confirming they were already aware of this item and would continue to monitor it. The attendee also suggested other areas of focus that could be included in future reports, the presenter confirmed they would take these areas away and review how they may be included.
4.9. Another attendee confirmed they had been in contact with multiple external companies to request assistance in combating energy theft and discussions with these companies was ongoing.

ACTION 07/03: ETREG members to share feedback and comments on the Theft Monitoring Intelligence Reporting to Gemserv via alessandro.scarlatti@gemserv.com

4.10. One attendee highlighted the recent Online safety bill may provide tool for assistance with tackling energy theft.

4.11. One attendee highlighted the challenge of how best to secure prosecutions related to energy theft and how this could be used as a future deterrent. The presenter responded that this is an ongoing challenge however they are continually working to gain as much information on perpetrators as possible to assist with this. Their approach will continue to be reviewed and adjusted as needed.

4.12. Another user highlighted that a co-ordinated approach is required and is key to disrupting theft related activities and raised a general discussion point on what may be done in this space. They highlighted the challenge that in their experience once one source is removed another quickly appears. In response the Code Manager confirmed the theft awareness strategy was ongoing and any outputs from the Theft Monitoring Intelligence Report would be factored in to the strategy.

5. Marketing Service Provider Update

5.1. An overview of the Marketing Service Provider procurement plan and the reasons for the review were confirmed.
5.2. Stay Energy Safe is currently run by Crimestoppers but RECCo want to bring it in house. It was made clear there have been no issues to date with the service provided but through this exercise RECCo are aiming to ensure users are receiving the best value for money.
5.3. An overview of the current operating arrangement was provided alongside the future operating arrangement. This can be viewed in the meeting slides.
5.4. RECCo confirmed the process will be complete with the new arrangements in place from 01 April 2024
5.5. As part of the transition arrangements RECCo will work with the current provider to ensure existing standards of quality are maintained.

6. November Forum Agenda

6.1. The proposed agenda was presented with ETREG members invited to provide comments on the agenda and to confirm their attendance by 31 October 2023.

7. Forward Agenda

7.1. The forward agenda was presented with ETREG members invited to add any additional agenda items.

7.2. One attendee highlighted the need to review the TDIS arrangements to improve the behaviours of participants and therefore the outcomes of the scheme, including changes to incentivisation.

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The attendee confirmed they would welcome the opportunity to engage directly with RECCo on this to share ideas. RECCo responded to confirm there is a wider action to review the overall incentive mechanisms related to energy theft, not just the TDIS and welcome input from industry parties

8. AOB

Making ETREG A REC Committee

8.1. It was confirmed that a draft CP had been issued with general feedback being sought on the overall proposal. A specific request for feedback on the proposed make up of the membership – currently this is proposed to be made up of energy suppliers, DNOs and subject matter experts.

8.2. One attendee queried how industry trade bodies are reflected in the proposed make up. They suggested that members from Energy UK and the UKRPA would be valuable. RECCo asked if a different approach to the one proposed would be needed. In response one attendee raised the concern that the proposed membership make up and numbers would exclude a number of interested party and suggested more thought should be applied to the make up. Another attendee noted that in their opinion the more diverse the membership the better. This sentiment was shared by attendees.

8.3. RECCo asked if attendees thought that expanding membership more broadly but limiting voting members would be a suitable approach. In response one attendee suggested learnings from other REC committees should be reviewed to understand how the potential ETREG committee could be improved

8.4. RECCo asked for feedback on the Energy Theft Forum and how it is working? Specifically do they need to be more frequent. It was noted the EMF, GMF are more frequent occurring every 3 months. One user commented that based on the forward agenda of the ETREG and the current forum, more frequent forum sessions would be beneficial to discuss governance arrangements

8.5. RECCo confirmed a survey would be sent to members to gain insight into what is working well and any areas for improvement related to the ETREG and theft forum. Attendees were encouraged to complete this survey once it is issued.

ACTION 07/04: RECCo to issue a survey to gain feedback on the energy theft forum to understand what is working well and what could be improved.

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