Energy Theft Reduction Expert Group
Meeting Minutes

Meeting	10
Date	28 February 2024
Location	Remote

Attendees	Organisation	Role
Lynne Fallon	RECCo Ltd	Chair
Alan Cookson	British Gas	Committee Member Alternate
Gareth Evans	ICOSS	Committee Member
Jennifer Pickering	e.on	Committee Member
Jordan Hills	SSE	Committee Member Alternate
Lisa Warnock	SGN	Committee Member
Rachel Thorpe	e.on	Committee Member Alternate
Shamil Udayar	npower	Committee Member
Daniel Gibson	SSE Networks	Committee Member Alternate
Dave Mitchell	SGN	Committee Member Alternate
Jane Edge	British Gas	Committee Member
Tui Pirie	Octopus	Committee Member Alternate
Scott Manson	SEEKA	Committee Member
Paul Hart	UKPN	Committee Member
Maria Pearson	RECCo Ltd	RECCo Ltd
Nirav Vyas	REC Code Manager	Presenter
Rosalind Timperley	REC Code Manager	Technical Secretary
Apologies		
Aiyesha Andrade	RECCo Ltd	RECCo Ltd
Jon Dixon	RECCo Ltd	RECCo Ltd
Rebecca Lowe	RECCo Ltd	RECCo Ltd

1. Welcome and Introductions

1.1. Attendees were welcomed to the tenth 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. Review of ETREG Miro Updates

3.1. It was noted that a small number of updates had been applied to the ETREG Miro board.

3.2. Attendees were encouraged to:

- Familiarise themselves with the Miro board and add comments and additional information.

Copyright © 2024 Retail Energy Code Company

- Review the "Where do you want to see movement in 2024" section of the board to ensure that their post-it notes from the December 2023 face-to-face meeting have been correctly allocated in the board.
- Update the "April Forum" section with content suggestions and break out session topics based on topics they would like to share, discuss or get feedback on.
- Add details on areas they feel need to be considered around the Theft Amnesty, and/or areas that might cause negative press.

3.3. It was highlighted that the Theft Amnesty, and the areas that need to be considered in relation to it, was raised at the UKRPA forum in January. Any additional consideration areas added by ETREG members to the Miro board will be used to support development of the proposal.

Action 10/01: ETREG Members to review and update Miro board.

4. TTM Update

4.1. An update was given on the Theft Target Methodology (TTM). It was explained that the TTM has been reviewed and updated as a REC Category 3 change. It was noted that the key changes made were:

- **Incentive Pots Splits:** the Gas/Electricity Domestic customer segment has been further split by Smart and Non-Smart meter types.
- **Theft Detection Value:** the value has been adjusted for inflation using the December 2023 CPI figure, with a further 20% escalator mechanism increase applied.
- **Theft Targets:** smart and Non-Smart meter type targets have been added within the Domestic customer segment, with weighting applied to focus target on traditional metering.
- **Attribution Methodology:** Electricity Enquiry Service (EES) and Gas Enquiry Service (GES) data has been used to split pots between Smart/Non-Smart.

4.2. It was noted that as part of the recent consultation on the TTM, there were questions raised on the plan for the 20% escalator mechanism. In terms of the plan for the mechanism, it was explained that there will be no further use of the escalator mechanism this year.

5. TDIS Improvements – Issue Group

5.1. It was noted that a range of suggested changes to the TDIS have been put forward. To take these forward, a dedicated issues group will be set up to consider all changes to improve or potentially replace the existing incentive scheme.

5.2. A list of potential improvements was shared on screen. It was highlighted that these were split between those targeted for 2025/26 and longer-term initiatives. ETREG members were asked to put forward any additional suggestions that they would like to see considered by the issues group.

Action 10/02: ETREG Members to put forward additional suggestions for improvements to the TDIS scheme, for consideration by the TDIS Issues Group.

5.3. It was highlighted that any items on the Miro board that relate to the TDIS will also be added to the list of areas for consideration by the issues group.

Copyright © 2024 Retail Energy Code Company

5.4. It was explained that it is hoped that ETREG will take up responsibility for the issues group and any subsequent REC change proposals. This will potentially be under a separate Terms of Reference.

6. Update on REC Theft CPs

6.1. An update was given on the REC Theft Change Proposals (CPs), with the following points made:

- **TDIS Reporting**: the CP has been raised but not yet allocated a CP number. In terms of timelines, it is targeted for implementation in June 2024, with the first reconciliation done at the end of August, for the April to June period, and then every three months after that.
- **Reasonable Endeavours**: this CP is in early stages of discussion. Under this proposal there would be a payment for effort rather than theft found. Work is underway to ensure that what is taken forward under REC works alongside what sits under the UNC reasonable endeavours scheme.
- **Mandating ETTOS follow up:** it was explained that checks indicate that not all ETTOS leads are flowing through into the theft outcome files. It would be expected that for every ETTOS lead that is passed out to Suppliers, there would be a corresponding item in the TDIS file stating that it has been investigated. To address this, this CP would place a minimum performance assurance standard on those leads generated from ETTOS.
- **Creation of Energy Theft Detection and Resolution Body:** under this proposal RECCo would procure and manage a "Theft Detection and Resolution Body". This concept was presented at a theft workshop in 2021 and mentioned at the November 2022 Energy Theft ASE. It was highlighted that it would be useful for those industry parties that only receive a small number of jobs for investigation.

6.2. In response to a query on the mandating of ETTOS follow ups, it was confirmed that if at the desktop level it is decided that a site visit is not needed, then this should be recorded as 'investigated'. Currently, a list is received of all ETTOS tip-offs received. The proposed CP would mandate that these appear in the data reported by Suppliers in their TDIS files. It was noted that a mechanism for tip-offs sent to Distributors would also be required.

6.3. With regards to the creation of an Energy Theft Detection and Resolution Body, an attendee noted that there needs to be consideration as to how this idea will sit along-side the existing services that larger organisations currently use. It was also observed that there are a number of potential uses for the body, including:

- It could support RECCo led trials, with the central body investigating the leads generated under such trials;
- Theft amnesty visits could be delivered through the body;
- Unregistered sites could be fed into this central body, although it was noted that if you took the legislation to the letter the sites should revert back to the previous Supplier;
- If a Supplier is not meeting a reasonable threshold for the investigation of ETTOS leads, the leads could be passed to the central body for investigation, with a charge made to the Supplier for this; and
- The central body could facilitate co-operation where the customer keeps moving Supplier to avoid investigation.

6.4. It was explained that each of the CPs will be raised independently of each other.

Copyright © 2024 Retail Energy Code Company

7. Detecting Theft Using Benford's Law

7.1. A presentation was given on the potential to detect theft using "Benford's Law", which states that in data sets that obey the law lower numbers appear as the leading digits more frequently than higher numbers. It was noted that a paper was circulated to the ETREG members ahead of the meeting setting out how this technique was applied to a sample of half-hourly meters in Florida and the associated results. A point of view paper was also circulated, setting out how the methodology might be applied to GB metered consumption and the associated risks.

7.2. In response to a query, ETREG members confirmed that they were not aware of any such analysis being undertaken on GB energy theft previously.

7.3. It was highlighted that if data were obtained to trial this methodology, other hypothesis around how theft impacts consumption patterns could also potentially be explored. It was noted that this would make sense to do in conjunction with the Benford's Law analysis.

7.4. ETREG members were asked if RECCo were to seek data for the trial from members, what information would members require in order for their business to consider the data request? In response, it was noted that due to the nature of the data that would be required to test this methodology, careful consideration would need to be given to GDPR compliance. This would include a clear idea of how the data will be used, how all data protection principles would be met and how long the data will be stored.

8. Theft Monitoring Service

8.1. An update was given on the Theft Monitoring service, with attendees taking an action to provide additional feedback on what information they would find useful from the theft monitoring service.

Action 10/03: ETREG Members to provide feedback on receiving information from the Theft Monitoring Service.

8.2. It was highlighted that the Theft Monitoring Service is currently a trial. Understanding whether Suppliers can use the data it produces will help determine whether there is sufficient value in the service for it to become an enduring service. It was highlighted that there is also potential for information to be shared via the Theft Portal too.

9. Forward Agenda

9.1. Proposed topics for future meetings of the ETREG were displayed on screen and attendees were invited to suggest topics for future ETREG meetings.

9.2. An ETREG member flagged that Gas Networks do not have access to the Secure Data Exchange Portal (SDEP) and requested that this be explored. It was noted that changes to the SDEP for energy theft have previously been discussed at ETREG. An action was taken to find out the current status of the theft changes to the SDEP and understand what actions would be needed to give Gas Networks access.

Action 10/04: REC Code Manager to find out the current status of the theft changes to the SDEP and understand what actions would be needed to give Gas Networks access.

9.3. It was agreed that this topic should be included in the agenda for the next ETREG meeting. It was also agreed that back testing for smart alerts should be added to the May ETREG meeting agenda.

Copyright © 2024 Retail Energy Code Company

Action 10/04: REC Code Manager to include the SDEP on the agenda for the March ETREG meeting and back testing for Smart Alerts to the May agenda.

10. AOB

10.1. It was noted that the date for the April Forum is to be confirmed.

Copyright © 2024 Retail Energy Code Company