Energy Theft Reduction Expert Group
Meeting Minutes

Meeting	11
Date	27 March 2024
Location	London

Attendees	Organisation	Role
Aiyesha Andrade	RECCo Ltd	Chair
Alan Cookson	British Gas	Committee Member Alternate
Blanka Lemka	UKPN	Committee Member Alternate
Danielle Gibson	SSE Networks	Committee Member Alternate
Dave Mitchell	SGN	Committee Member Alternate
Gareth Evans	ICOSS	Committee Member
Jane Edge	British Gas	Committee Member
Jenna Smith	Cadent	Committee Member Alternate
Jennifer Pickering (remote)	e.on	Committee Member Alternate
Jim Scaife	SEEKA	Committee Member Alternate
Jordan Hills	SSE Networks	Committee Member Alternate
Lisa Warnock (remote)	SGN	Committee Member
Megan Cetera	Octopus	Committee Member
Paul Hart	UKPN	Committee Member
Tui Pirie	Octopus	Committee Member Alternate
Rachel Thorpe (remote)	e.on	Attendee
Shamil Udayar (remote)	npower	Committee Member
Michelle Simpson	ElectraLink	Presenter
Elise Handy	REC Code Manager	Presenter
Lynne Fallon	RECCo Ltd	RECCo Ltd
Rebecca Lowe	RECCo Ltd	RECCo Ltd
Jon Dixon	RECCo Ltd	RECCo Ltd
Rosalind Timperley	REC Code Manager	Technical Secretary

1. Welcome and Introductions

1.1. Attendees were welcomed to the eleventh 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.

2.2. In relation to action ETREG_10_01 on updating the Miro board, it was noted that if anyone experiences issues using the board, they can send their updates via email to technicalenquiries@recmanager.co.uk instead.

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3. ElectraLink Network Trial

3.1. An update was given on the ElectraLink non-technical losses innovation funding project. It was explained that non-technical losses present a significant impact for Distributors and ultimately consumers. ElectraLink has been working with a DNO that has been collecting a significant amount of LV data to trial loss detection. Originally, this was going to be a direct proposal from ElectraLink, but subsequently it has been decided that the proposal will be progressed under the Ofgem innovation funding mechanism, run through the ENA.

3.2. In October 2023 it was discussed with the ETREG what the process might look like for the investigation of leads generated under the trial by Suppliers. Since this date, National Grid Energy Distribution has released a problem statement on non-technical losses via the ENA Innovation Basecamp seeking proposals in this area. It was noted that Northern Power Grid are looking at this issue as well.

3.3. In April ElectraLink will be submitting its proposal to the innovation project, other organisations may submit proposals too. ElectraLink have advised that in both proposals they submit, they will recommend a referral and reporting process for theft investigations which involve Suppliers be defined and agreed with Suppliers. There will then be a period of time for consideration and presentation of proposals to the Distributors that wish to attend, with pitching occurring in September. Feedback might be expected in late September. An action was taken for ElectraLink to return to ETREG in July to present an update on the proposal.

Action 11/01: ElectraLink to provide an update on its Network Trial at the July meeting of the ETREG.

4. Sharing Theft Information via the SDEP

4.1. An overview was provided on REC Change Proposal (CP) R0121 (SDEP Review Improvements (1) - Process Types). It was explained that the CP came from the Secure Data Exchange Portal (SDEP) review, and will add a range of new process types for a range of purposes to the SDEP. One of these new process types is a theft general query, with one for electricity and one for gas. These will facilitate the sharing of information on energy theft via the SDEP. These process types will be non-mandatory and don't have a defined escalation route but can be raised to the REC Contract Manager if needed.

4.2. The legal text, which is still under review, includes changes to REC Schedule 8 (Unbilled Energy Code of Practice) stating that Energy Suppliers and DNOs may raise queries and otherwise securely exchange personal data relating to a Consumer with other Energy Suppliers and DNOs in respect of Energy Theft, via the SDEP.

4.3. It was noted that even if a query is sent via the SDEP, it does not need to be resolved via the SDEP and can be resolved outside of the system. It was highlighted that R0122 (SDEP Review Improvements (2) – Usability) seeks to make it easier to close down SDEP cases progressed outside of the SDEP system.

4.4. Whilst R0121 will not be impacted by MHHS go-live, R0122 could potentially be impacted by the MHHS change freeze, which has potential to delay implementation of this CP until after MHHS go live.

4.5. It was noted that there will be guidance and training ahead of R0121 being implemented to enable users to know how to utilise the new process types within SDEP. Organisations will also need to set up who can receive and action the differing process types, so that they go to the appropriate teams within their business. This can be done in bulk via a spreadsheet

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mechanism, to save parties the task of manually entering the information into the SDEP themselves. The spreadsheet will be sent out via the REC Operational Account Managers (OAMs).

4.6. ETREG members were encouraged to keep an eye out for communications issued via the REC Bulletins and their OAMs on R0121.

4.7. It was noted that SDEP access is provided only to Energy Suppliers and electricity Distribution Network Operators at present. A change has been raised to add Gas Transporters. The time scales for progression of this change have yet to be confirmed, and there is potential for the MHHS change freeze to impact on timescales, with the change potentially not being implemented until after MHHS go-live. An ETREG member flagged how useful access to the SDEP for Gas Transporters would be and noted that the sooner it is implemented the better.

5. Theft Monitoring Service Update

5.1. A recap was given on the Theft Monitoring Service, noting that the aim of the service was to see whether it is possible to use existing off the shelf tools (such as marketing tools that look at brand sentiment) to monitor and provide analysis on social media discussions regarding energy theft/fraud.

5.2. Over the past six months a trial has been run with regular reports produced on the insights found. This trial is now reaching its final month. The trial has established what information is available on the internet. It was noted that some of the information is openly available on publicly accessible sites, whilst some of it is on the dark web, furthermore, some of it contains sensitive details, such as peoples' names. It was explained that within the data there are different categories of what has been found, these have been classed as:

- Green: non-sensitive and can be shared freely with the public.
- Yellow: information that may be considered sensitive and careful consideration should be taken before sharing externally.
- Orange: confidential information that should be shared on a need to know basis, for example, with Suppliers.
- Red: restricted data to be held within the project team only.

5.3. It was noted that the red and orange categorised items are possibly the most useful.

5.4. RECCo is working through the information to establish what can be shared, taking into account GDPR requirements. A Data Privacy Impact Assessment (DPIA) will be completed to inform next steps. An option being considered is to establish a project team and invite ETREG members to join (this may include the signing of an NDA). This group would then be able to view the information gained and advise on how to derive insight and inform next steps. In terms of options for next steps, the options that require consideration are:

- Do nothing – close trial and publish report;
- Maintain monitoring – reduce scale/cadence of monitoring, insights purely to inform counter-narratives;
- Further trial – address lessons learnt and include follow up actions within scope of the trial; or
- Reconsider scope of service, with wider and deeper requirements gathering to inform a future REC CP and procurement.

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5.5. It was noted that to make use of the information gained via the monitoring service would involve the parties that are investigating energy theft to make use of the actionable insight that can be derived from the monitoring service.

5.6. It was observed that the trial has given insight in the volume of the social media groups; the narrative that they use; and how they gain members. The challenge is utilising the potentially actionable insight, such as pictures that include MPAN numbers etc.

5.7. It was noted that particular companies and agents are mentioned within the data gathered. It might be possible for the Supplier to identify the customer based on this information. There are also specific situations where it might be possible to identify additional training for front line staff, so that they are not wrong footed by customers saying things like your warrant isn't valid for particular reasons, giving staff a counter narrative that they can use to make it clear that the warrant is valid. It was noted that there is also quite a lot of information about how to block access, e.g., locks to use; how to block a meter box; and how far agents will go in forcing entry.

5.8. An attendee flagged that videos are circulating on social media of "castle doctrine" which promotes the idea that everyone has the right to protect their home or property using force if necessary. In these posts, this is being incorrectly presented as saying that if you deprive my home of electricity then I can't use it, thus I have a right to use lethal force to protect it.

5.9. It was noted that one of the things RECCo could do is to provide a set of guidance on the right of entry, potentially for both industry and consumers to counter false claims on social media.

5.10. An attendee noted that they are exploring the possibility of how AI can support within their business, and questioned whether this had been considered in relation to social media. In response, it was noted that the ETTOS Marketing Service provider had proposed use of AI to target marketing. It was also observed that the insurance industry use AI to detect things like crash for cash. It was noted that there is the potential to use AI in the energy sector with several organizations capable of offering such services. It was also flagged that chat bots could present an opportunity to provide a counter narrative to social media posts on energy theft.

6. Theft Amnesty Update

6.1. It was noted that ahead of the meeting, a paper was shared with ETREG setting out the proposed approach towards trialing an energy theft amnesty. It was explained that the paper is an early draft of the proposal, with input being sought to refine it. A similar proposal was issued by ElectraLink in 2019, and this was used as a starting point for the proposal paper circulated to ETREG members.

6.2. The paper puts forwards a proposed approach, so that there is opportunity for energy organisations to comment on it, such that the proposal can be refined. It was noted that the final proposal needs to be one that the industry can collectively sign up to and feedback is needed to achieve this. It was also flagged that engagement is needed with police on their views on the amnesty, including how it would sit in relation to other criminality, such as energy theft for cannabis production.

6.3. It was advised that the estimated cost to the industry to run the amnesty would be £2million. This value was taken from the 2019 ElectraLink document, with an uplift applied to it. It was noted that this is an estimate and there is potential for actual costs to be significantly different. The costs could depend on the type of theft that will be uncovered, e.g., single fuel

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prepayment theft remedy costs would be lower than, say, illegal connections to the networks for both fuels. Until we start looking, the costs are largely unknown. Furthermore, the size of the amnesty trial will significantly impact the costs.

6.4. It was flagged to attendees that a lesson learnt from the water amnesty is that people rang up to report themselves without realising that they didn't fall within the scope of the amnesty and ending up with large bills. This resulted in negative press for the amnesty. It was noted that nationwide is easier from messaging point of view and marketing clarity to the public, however, this could create capacity challenges for the industry.

6.5. ETREG attendees raised a number of points in regards to the amnesty, namely:

- It was cautioned that you could conceptionally have landlords encouraging one of their tenants to report their illegal connection to get the whole building properly connected without the landlord bearing any costs.
- There would be nervousness about potentially treating theft customers more favorably than non-theft customers, such as those struggling with energy debt.
- It was queried whether there would there be a change to settlement rules to reflect the non-recovery of costs from the customer. In response, it was noted that potentially a proposal could be created to socialize the cost of the stolen energy across industry. An option might be to use the reasonable endeavours scheme that is currently under development as a mechanism for supporting costs incurred through the amnesty scheme.
- It was noted that currently under TDIS, at the end of the year the total pot is divided up based on performance, so you might expect to get, say at the start of the year, £1000 but actually get £5000 due to the performance achieved by other Suppliers. The residual amount that is paid into the pot from all of the Suppliers could instead potentially be used to fund the amnesty. It was noted that a new lead source in the TDIS files would be needed to identify leads that come from the amnesty.
- It was queried whether it is known how the repeat offenders, mentioned in the amnesty paper, would be monitored. For example, would Suppliers be able to look up MPANs to check if there is a previous tamper history under a previous Supplier. In response, it was noted that currently Suppliers would only know about repeat offenders if it was on their portfolio previously. If the customer has arrears from a previous theft case and are still with the same Supplier they would not be included in the amnesty until they have paid off the arrears. It was noted that if the theft portal is up and running before the theft amnesty scheme is initiated, then this could potentially give visibility of historic theft with previous suppliers.
- It was asked whether the intention would be to leave out or include commercial properties. In response, it was noted that this is still up for discussion. Originally, it was suggested that commercial premises should be excluded but counter to this, the safety issue of these instances does need to be considered. It was noted that the criteria for inclusion/exclusion and the rational will need to be carefully considered and documented.
- It was observed that there needs to be a means established to ensure there is a limited scope, so that the workload is manageable. It could be that if we identify somebody who is doing bypasses as a service, we could do it off the back of that. For example, by saying that we are aware that somebody is in this area offering

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this as a service, you have been taken advantage of and we are here to support you.

- It was suggested that we could look at hot spots of theft and areas of similar levels of deprivation where we would expect to see higher levels of theft than we do. Is this the type of area where an amnesty could focus, to establish if the level of theft is there but not reported?
- It was cautioned that "theft" covers people who know what they are doing to people who are totally ignorant and don't realise that they have a dangerous illegal connection. It was noted that using the term theft could be quite emotive.
- It was queried whether there would be any polling of consumers as to their views on whether they would support an amnesty. It was observed that this links back to the point previously raised around perceptions of treating those engaging in theft better than those that have run up debts.
- An attendee flagged that by the time an amnesty occurred, it could well be that there has been significant progress with hydrogen. It was noted that this is an area that may require consideration.

6.6. ETREG members were asked whether they felt that the amnesty was worth doing. In response:

- One attendee agreed that it was a positive thing from their perspective.
- Another attendee cautioned that it could give people the impression that there will be a future amnesty so they may as well steal until the next one comes along. It could also plant a seed with people that they can tamper a meter, which they might not have considered before. It was noted that this is where a consumer focus group ahead of any amnesty could prove useful, to understand the sentiment and how best to promote the amnesty.
- Another attendee asked whether we are convinced that we have done enough with the Stay Energy Safe Tip off-Line; have we optimised use of industry data; and are we confident that all parties are doing everything they could be to correctly identify theft? It was suggested more should be done in these areas before giving people the opportunity to "get away" with theft. It could be viewed as a journey of activities, and once you are confident that you are doing the maximum that you can in these areas, then the amnesty would come at the end of the journey.

6.7. It was noted that if an amnesty lead comes through for a Supplier that isn't participating in TDIS and isn't investigating ETTOS leads, then you have got to have a solution as to who is going to investigate. That lead would go to the Supplier, and if they don't take any action then there would become greater visibility of which Suppliers are not investigating their leads. These could be taken forward by an Energy Theft Detection and Resolution body, if established. At the moment there isn't this level of visibility but evidence suggests some Suppliers are not taking forward leads.

6.8. It was suggested that potentially a first stage could be an amnesty on the Suppliers who are not currently meeting their energy theft obligations.

6.9. It was questioned whether there is a piece around engaging meter manufactures, and how tamper proof their meters are. It was noted that there would be value in this, although people can still remove meters.

Action 11/02: RECCo to consider engaging with meter manufacturers on preventing energy theft.

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6.10. In terms of next steps, it was explained that RECCo is gathering information and will use this to refine the proposal for issue as a "version 2". ETREG members were asked to share the version 1 proposal with people in their businesses (including decision makers) and gather their input to ensure that their feedback, including any prerequisite things that have to happen before an amnesty, can be built into version 2.

Action 11/03: ETREG members to share the theft amnesty proposal with people in their businesses (including decision makers) and gather their input to ensure that their feedback, including any prerequisite things that have to happen before an amnesty, can be built into the next version of the proposal.

6.11. It was observed that the paper doesn't mention successes, for example, what volume of energy theft will be saved? In response, it was noted the success could be around energy billed going forward or it could be about resolving safety issues.

7. Network Engagement Service

7.1. An overview was given on Network Engagement Service for ETTOS, with the purpose of the service being to connect with various partners and build awareness of energy theft, the dangers of it and raise the profile of the ETTOS reporting service.

7.2. It was explained that there are four main groups being targeted:

- Existing partners
- Electrical and construction
- Retail and hospitality
- Property

7.3. The cold outreach method was used to reach various organisations in these groups, followed by referrals and events. In terms of response rates, it was noted that electrical and construction companies did not respond very well, at less than 5%. For this reason, this sector will be targeted in the coming quarter.

7.4. In total, there were 25 meetings and 23 organisations agreed to share information on the dangers of energy theft with their members. Examples of organisations taking part were shared on screen.

7.5. A request was made to share examples of online articles that have been published as a result of the service with ETREG.

Action 11/04: ETTOS Service Provider to share examples of online articles that have been published as a result of the Network Engagement Service.

7.6. It was queried whether any articles published online had received comments. In response, it was noted that the information tends to be disseminated via newsletters that don't have an ability to log comments. It was suggested that in terms of generating awareness, it would be good to get feedback from the organsiations on how the message has landed within their member organisations.

7.7. It was explained that for quarter 2, the focus will be on professional industry organisations (such as trade bodies and membership organisations) and businesses (such as electricians, plumbing and maintenance). ETREG members were encouraged to put forward suggestions of organisations that could be reached out to via the Network Engagement Service. In response, the following suggestions were put forward:

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- The Institution of Gas Engineers and Managers (IGEM)
- The Institute of Mechanical Engineers (IMECE)
- Industry trade shows such as the National Energy Convention
- The Pipeline Industry Guild
- The Environment Agency
- Councils (maintenance and planning)
- The organisation that runs the Lloyd's register of qualified electricians
- Oraganisations such as Check a Trade and Trusted Trader

7.8. It was also suggested that there would be value in approaching the UKRPA, noting that they have been doing lots of engagement with housing associations.

7.9. An ETREG member noted that they would share further suggestions via email.

8. Police Partnership and Engagement

8.1. It was explained that RECCo is in the process of preparing a report on how a police partnership on energy theft might work, with support from a company called Mason Advisory. There is a further meeting with City of London Police scheduled to discuss the proposal and refinement areas. It was noted that the police would be looking for a minimum commitment of three years. This is similar to what they have done in the past around insurance and financial fraud, and they are keen to engage.

8.2. A strategic outline case will be shared with industry for consultation, seeking views on whether they are supportive of the principle. Assuming that there is support in principle for working with the police within industry, then a more detailed business plan will be developed and consulted upon. If there is support for this, then the proposed funding will be included within the future RECCo budget and associated REC CPs raised.

8.3. In terms of timings, the strategic outline case will be delivered in a few weeks' time, with the detailed business case following in early summer and more formal consultation in autumn. Assuming there is support for the initiative, it will be including in the January 2025 RECCo Forward Work Plan, with detailed costings included in the February 2025 budget consultation for the 25/26 financial period.

8.4. It was explained that in terms of how the police unit would work, it would be expected to have operational independence but there would be a triage process to pull together the information from the industry. This will require a team of people delivering a quality assurance aspect, in terms of has the raising party done everything in their power before referring it and have we identified the patterns and links between different cases (e.g., landlords with multiple properties). Work needs to be done to define how this triage body will ensure the appropriate evidential threshold and quality standard.

8.5. It was cautioned that establishing the police unit would not be a quick thing to put in place. There will be a need to build up the artifacts and tools to make the process work. With the police being at the end of the chain, and the need for everything before that element in the chain to be equally robust.

8.6. It was highlighted that the draft document that has been shared with the police, has also been circulated to ETREG members ahead of the meeting.

8.7. In response to a query on the likely cost, it was noted that 18 months ago the figure was £1m a year for a minimum commitment period of 3 years. An action was taken to confirm how many police staff would be funded for this figure.

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Action 11/05: RECCo Ltd to confirm how many police unit staff would be funded by the £1m a year cost.

8.8. It was explained that one area that will be consulted on is what the success factors for the unit look like. Rather than viewing the unit as something where the investment pays for itself in terms of recovered charges, we have other benefits such as the deterrent factor; the ability to issue cease and desist orders to repeat offenders; and better ability to take down dubious social media sites. RECCo will be consulting on if the industry is committing £3m, what do they expect to get out of that? For example, the volume of prosecutions; deterrent media coverage; uptake in social media posts on how energy theft is becoming more risky. The intent would be to build in the metrics and assess the success of the unit, so that decisions can be made around whether to continue it at the end of the three-year period or even expand it. A common view on how success is measured will be required. ETREG members were asked to think about this and share their views via the up coming consultation.

9. Energy Theft Forum

9.1. It was noted that the next Energy Theft Forum will be in late June 2024, avoiding any clash with the UKRPA conference. Suggested agenda topics were shared on screen.

10. Forward Agenda

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

11. AOB

11.1. It was highlighted that there are various theft CPs in flight, with the following updates provided:

- **TDIS reconciliation:** this CP, which seeks to change the TDIS reconciliation period to quarterly, has been raised. In terms of timelines, the aim is to implement in June 2024, with the first reconciliation done at the end of August for the April to June period.
- **Reasonable Endeavours Scheme:** it has been agreed that this should be looked at as part of a wider review of the efficacy of the incentives by an issues group. The intention is to run back-to-back meetings of the ETREG and issues group. The secretariat will be different but the same group of people will be discussing things at the same forum, operating formally under two different Terms of Reference. The ETREG will inform the wider energy theft reduction strategy, whilst the issues group will be tasked with thrashing out the ideas as to how the incentive schemes can be improved and raising CP(s) off the back of their discussions. It may be that the first meeting of the issues group is in April.
- **Energy Theft Detection and Resolution Body:** it was noted this is an ICOS proposal that builds upon previous suggestions in this area, in particular there was a proposal for a National Revenue Protection Service which was presented to Ofgem around 10 years ago, with Ofgem choosing not to go down that route at the time. The service would act as a provider of last resort to investigate energy theft, and would be a national organisation available via REC to all Suppliers. It was observed that it would be particularly useful for smaller Suppliers.

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