Energy Theft Reduction Expert Group

Headline Report

Meeting 14 (5 September 2024)

This Headline Report provides an overview of the discussion points of the Energy Theft Reduction Expert Group (ETREG) at its meeting on 5 September 2024.

- **ElectraLink Non-Technical Losses Update:** an update was provided on two non-technical losses projects ElectraLink has been working towards. The first is on hold as the relevant DNO is currently focusing elsewhere. The second, a proposal put forward via the ENA Innovation Basecamp, has not progressed any further as the relevant DNO has decided not to take forward a project in this area at this time.
- **Theft Portal Demonstration:** DeterTech presented on a portal which they are developing that will provide insight based on theft data provided to it by RECCo. A demonstration was given of the types of information that can be viewed via the portal, which included count of leads and investigations by area. It was noted that regular tactical reports will also be produced as part of the service, tailored to recipients (e.g., trends by Supplier). It was explained that log in details will be shared so that ETREG members can view the site and provide suggestions for improvements.
- **Back Testing of Smart Alerts:** it was explained that RECCo, using data provided by two Suppliers, has carried out initial analysis on the back testing of smart alerts using confirmed theft data and machine learning. In response to a question, RECCo confirmed that it is open to all suppliers to provide the data. Further requests have been made but have faced obstacles with individual companies' requirements around Data Sharing Agreement and/or timing. Increasing the volume and sources of data sets is likely to improve the quality of results, so it is hoped that further suppliers will participate, and several are currently in active discussions with RECCo. It was explained that additional analysis is needed to improve confidence, including looking at different approaches, however, initial results indicate that there is value in further pursuing this area.
- **Police Partnership Proposal:** It was explained that RECCo recently published a Strategic Outline Case for a Police Partnership Proposal, along with a short survey to gather feedback. A summary of the responses received was provided, which were on the whole supportive of the proposal. In terms of next steps, an Outline Business Case is under production which will provide additional details on the proposal. This will be published for consultation. Members were asked to volunteer in reviewing the OBC draft prior to consultation.
- **Stay Energy Safe Website Upgrade:** it was explained that the Stay Energy Safe website has been upgraded to improve the functionality, speed and user friendliness. Enhancements have also been made to improve the search engine rankings for the site and a tool added to enable those that provide tip-offs to keep in contact anonymously. ETREG members were encouraged to visit the site and provide feedback.
- **Theft Monitoring Service (TMS):** It was explained that the TMS was delivered as a six-month trial to provide reports monitoring what energy theft information is available online, being promoted and trending. With the data received so far, it has been sought to establish value in continued delivery of the service. It was explained that a survey seeking ETREG views was issued but only one response was received. A poll was issued on whether re-issuing the survey would illicit further responses, with over half of respondents confirming they could commit to responding.
- **Non-REC Theft Detection Incentives:** attendees' views were sought on whether there are non-REC incentives that ETREG feel should be reviewed to complement the work under REC to improve theft detection incentives. An example was given of incentives under electricity settlement and how these might potentially be strengthened. ETREG members identified a significant number of consideration points associated with the example given. It was noted that if there is support for taking forward initiatives outside of REC ETREG volunteers would be required to support moving them forward.
- **AOB:** the following items of AOB were raised:
    - An ETREG Member flagged that his organisation has initiated a project to look at its gas portfolio billed and settled. It was noted that if meter faults are found, the site will be put on bypass and then

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once the fault has been fixed it is for the Supplier to dictate what was the volume consumed when the site was on bypass. There is a question around level of validation and if there is an incentive to correct settlement where sites are under-settled and potential contribution to Unidentified Gas (UIG).

- An update on the issues being progressed under the Theft Issues Group (TIG) was provided, noting that for the forthcoming Theft Detection Incentive Scheme (TDIS) year the group is looking to change the incentive scheme to include the activity carried out (desk assessments and site visits) rather not just the outcome (i.e. whether a theft is found), which is intended to provide greater certainty of cost-recovery for participating suppliers. It was highlighted that discussion are also underway with Xoserve on potential to bring its reasonable endeavours scheme under RECCo and how this could also be applied for electricity. It was also noted that the Code Manager would shortly start the annual review of the Theft Target Methodology and would again seek evidence on the costs of investigations, allowing it to determine an effective Theft Detection Value. In was also noted that in the absence of costs information being provided, the 'escalator mechanism' could again be looked at as a means of sharpening the incentives. RECCo invited member comments on the active TDIS Issues via the RECCo the mailbox: Theft@retailenergycode.co.uk

The next meeting of the group is scheduled to be an in-person meeting on 11 December 2024.

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