Energy Theft Reduction Expert Group
Meeting Minutes

Meeting	14
Date	5 September 2024
Location	Remote

Attendees	Organisation	Role
Paul Sutherland	RECCo Ltd	RECCo Ltd (Chair)
Alan Cookson	British Gas	Committee Member Alternate
Andrew Green	ICOSS	Committee Member Alternate
Ben Clark	Utilita	Committee Member
Jenna Smith	Cadent	Committee Member Alternate
Jennifer Pickering	e.on	Committee Member Alternate
Jim Scaife	SEEKA	Committee Member
Lisa Warnock	SGN	Committee Member
Paul Hart	UKPN	Committee Member
Rachel Thorpe	e.on	Committee Member Alternate
Scott Manson	SEEKA	Committee Member
Shamil Udayar	npower	Committee Member
Tui Pirie	Octopus	Committee Member Alternate
Michelle Simpson	ElectraLink	Presenter
Claire Longmuir	DeterTech	Presenter
Kelly Barnes	DeterTech	Presenter
Aiyesha Andrade	RECCo Ltd	RECCo Ltd
Jon Dixon	RECCo Ltd	RECCo Ltd
Maria Pearson	RECCo Ltd	RECCo Ltd
Nathan Gould	RECCo Ltd	RECCo Ltd
Rebecca Lowe	RECCo Ltd	RECCo Ltd
Andrew Waghorn	REC Code Manager	Attendee
Rosalind Timperley	REC Code Manager	Technical Secretary
Apologies		
Grace Royall	Ofgem	Attendee
Lynne Fallon	RECCo Ltd	RECCo Ltd
Megan Cetera	Octopus	Committee Member
Gareth Evans	ICOSS	Committee Member

1. Welcome and Introductions

1.1. Attendees were welcomed to the fourteenth 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.

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3. ElectraLink ENA Base Camp Update (Non-Technical Losses)

3.1. A representative from ElectraLink provided an update on two non-technical loss projects it has been working towards, namely:

- A project with Northern Powergrid which was looking at conducting a proof of concept on non-technical losses, with ElectraLink delivering the project. This project is currently on hold, as the Distributor is focusing elsewhere at present.
- In response to a call for proposals from National Grid Electricity Distribution (NGED) via the Energy Networks Association (ENA) Basecamp, ElectraLink submitted a proposal and were one of the few organisations invited to present at the basecamp. However, NGED have decided not to take forward a project in this area at this time. Further information is being sought on the reasons for this.

3.2. It was explained that a further update will be shared with ETREG once more in known on why the NGED project was not taken forward.

4. Theft Portal Demo

4.1. Representatives from DeterTech attended to present on the Theft Portal project that they have been working to deliver with RECCo. It was explained that DeterTech provide intelligence-led security solutions to reduce crime associated risks, with its Crime Intelligence Unit creating data driven insight to aid organisations in tackling crime and putting in place security measures to reduce their risk of crime.

4.2. It was explained that DeterTech has been working with RECCo to create a central repository for the confirmed theft data, so that trends can be identified and the scale of the issue can be better understood. This will facilitate greater proactivity in putting in place theft reduction measures and tracking how those measures are doing in improving the situation.

4.3. As part of this project, tactical reports will be produced which will be tailored to recipients, (e.g. trends by Supplier) to share insights and view trends.

4.4. It was noted that a system called Tableau is used to create interactive crime mapping dashboards that allow filtering and comparisons. The dashboards will be sanitised but RECCo and DeterTech will have access to unsanitised dashboards.

4.5. A demonstration was given of the interactive maps, showing the information available within them, which included count of leads and investigations by area. It was explained that within the next couple of days ETREG members will receive an email with log in details to the dashboard which they can then use to try out the dashboards themselves.

4.6. An attendee suggested that there would be value in showing theft volumes taking into account population size, as the current approach shows theft is greatest in cities, i.e. where population is greatest. An action was taken to consider including this within the map.

Action 14/01: DeterTech to consider updating its interactive map to show theft volumes taking into account population size, as the current approach shows theft is greatest where population is greatest.

4.7. An attendee asked if their Party could do bulk uploads of the data required. In response, it was explained that there is no need for Parties to provide data, as the theft files they already provide to the REC Code Manager will be used. In response to a further query, it was confirmed that no police force data is included, just theft data submitted by REC Parties.

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4.8. It was queried how many people from each organisation will be able access the map. In response, it was noted that usernames have to be paid for, so at present one username per Energy Supplier is provided for. There is potential for additional usernames at a cost.

4.9. It was highlighted that the data at present is Supplier data and, as such, does not include theft in conveyance. Work is underway as to how theft in conveyance data can be obtained from a centralised source.

4.10. It was queried whether the map breaks down thefts by meter type. In response, it was explained that this data is not currently received but it could be easily added in if the data can be obtained.

4.11. It was noted that suggestions for improvements will be sought from ETREG members via the theft mailbox, once users have access to the Theft Portal.

5. Back Testing of Smart Alerts

5.1. It was explained that RECCo has been working towards back testing smart alerts for some time. It has now received data from two Suppliers and is in the process of seeking data from additional Suppliers.

5.2. With the data received so far, it has been sought to establish viability and the case for investing additional time on establishing if smart alerts can support energy theft detection. A machine learning framework has been built, with the data loaded into this. The data was split into a training set and a modelling set. The model has been trained on the training set and this has been used to predict the outcome for the model set. The accuracy of the prediction has then been assessed using the confirmed thefts in the TDIS files. A summary of the results was shared on screen, showing:

Scenario	Description	Accuracy
1	Supplier 1, Events only	47%
2	Supplier 1, Events and flows	53%
3	Supplier 2, Events only	86%

5.3. It was cautioned that analysis is limited and that further analysis is needed to improve confidence, including looking at different approaches. It was also flagged that there would be potential to look at whether confidence is increased by combining with consumption data.

5.4. In response to a question, RECCo confirmed that the request to provide data is open to all Suppliers. 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.

5.5. It was explained that the preliminary conclusion, based on the analysis undertaken so far, is that the use of smart alerts in theft detection is worth pursuing further.

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6. Police Strategic Case Update

6.1. It was noted that, taking lessons from other sectors (such as banking and insurance), RECCo has been engaging with the City of London police on proposals to establish and fund a dedicated unit to investigate and prosecute energy theft and associated crimes. It was explained that RECCo recently published a Strategic Outline Case for the Police Partnership Proposal, alongside a short survey to gather feedback. Ten responses were received and a summary of these was shared with attendees, noting that:

- 90% of respondents scored the concept at 4 and above with 50% giving a score of 5 Excellent
- 90% of respondents agreed that a Referral Assessment Service is needed to filter cases for the Police
- 60% of respondents consider the cost of the proposal was proportionate to the problem and 30% being unsure and 10% believing it to be too high
- 70% of respondents considered that the key criteria detailed for identifying and assessing energy theft incidents for referral were suitable

6.2. In terms of next steps, it was explained that the Outline Business Case is nearing completion, which will include more detailed information on the proposal. An action was taken for ETREG members to email the Theft mailbox if they would be willing to volunteer to review the outline business case prior to it being published wider for consultation.

Action 14/02: ETREG members to Email Theft@retailenergycode.co.uk if they would be willing to volunteer to review the Police Partnership Proposal Outline Business Case.

7. Stay Energy Safe Website Upgrade

7.1. It was explained that a project was initiated to upgrade the Stay Energy Safe Website to improve the functionality, making it faster and more user friendly. Enhancements have also been made to improve the search engine rankings for the site.

7.2. It was noted that a new function has been added to the website, namely “keep in contact” that enables an individual to submit information anonymously that will enable the Supplier to ask additional questions once a report has been received.

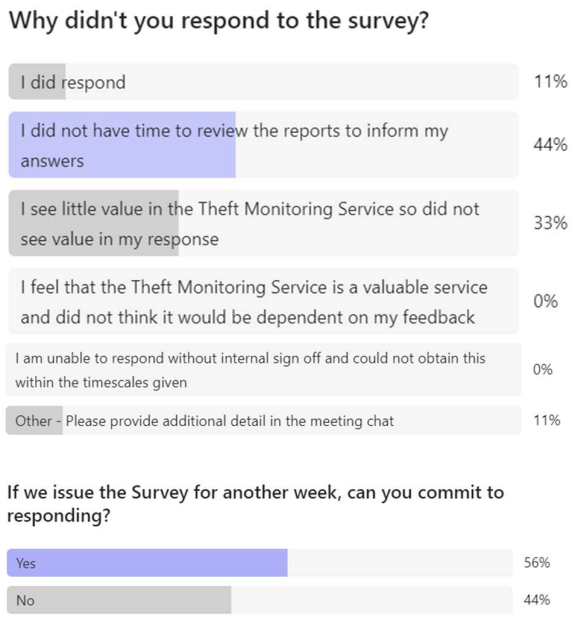
7.3. ETREG members were encouraged to visit the site and provide feedback should they have any.

8. Theft Monitoring Service

8.1. It was explained that the Theft Monitoring Service (TMS) had been run as a six month trial, with reports shared with ETREG members. The Service sought to provide information on energy theft information online, including the material available and what was being promoted and trending. The intent was to gain a wider view on organised groups and modes of operation on energy theft, such as meter swaps.

8.2. It was noted that ETREG’s feedback had been sought to establish next steps following close of the trial, however, only one response was received. Attendees were invited to complete the following polls on providing feedback on the TMS during the ETREG meeting:

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8.3. ETREG members were thanked for providing their views via the polls and it was noted that RECCo would take these results away and consider whether to re-issue the survey. Those who did not see value in the TMS were encouraged to elaborate on their reasoning, noting that all feedback is useful.

9. Non-REC Theft Detection Incentives

9.1. ETREG Members' 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 by reviewing the approach to entering identified theft into settlement and the approach to sharing out unallocated energy across Suppliers.

9.2. ETREG members were invited to share their views on the pros, cons and considerations associated with these settlement examples using a whiteboard. The comments added to the whiteboard are shared in Appendix A below.

9.3. ETREG members were then invited to share if they felt there were other non-REC incentives that would benefit from review. In response, no additional areas were suggested but it was suggested that if there are good ideas with support these could be incorporated into the TDIS change, rather than taken forward as non-REC items.

9.4. It was noted that if there were support for taking forward initiatives outside of REC, ETREG volunteers would be required to support moving them forward.

10. Future ETREG Meeting Cadence

10.1. The meeting cadence for ETREG and Energy Theft Forum meetings for 2024/2025 was shared with attendees.

11. Forward Agenda

11.1. Proposed topics for future meetings of the ETREG were displayed on screen and attendees were invited to suggest topics for future ETREG meetings. In response, it was noted that the

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REC Code Manager will shortly be issuing a call for evidence paper relating to the Theft Target Methodology and there may be merit in sharing an update on this at the December ETREG meeting.

12. **Action 14/03: Include an agenda item on the Theft Target Methodology review at the December ETREG meeting.**

13. AOB

13.1. The following AOB item were raised:

- An ETREG member shared that his organisation has a project in place to look at their gas portfolio billed and settled volumes. For Q1 for 2025 they intend to take on a project on the health of the class 1 and 2 metering systems. It was noted that if meter faults are found, the site will be put on bypass and then once the fault has been fixed then it is up to the Supplier to dictate what was the volume consumed when the site was on bypass. There is a question around what sort of validation is being done and is there an incentive to correct settlement where sites are under-settled, with potential contribution to Unidentified Gas (UIG). Project results will be shared with ETREG and REC, to see if there is an appetite to take to the wider industry.

- A representative from RECCo provided an update on the issues progressed under the Theft Issues Group (TIG), noting that for the forthcoming TDIS year we are looking to change the incentive scheme to all activities carried out (desk assessments and site visits) rather than just the outcome (i.e. if a theft is found). This should enable Suppliers to better plan activities by giving them a greater certainty of cost-recovery. Payments will be separated by desktop assessments, site visits and confirmed theft. Discussions are still underway as to how the payments will be set. ETREG were invited to share their thoughts on whether they feel that the proposed changes are substantive and beneficial.
  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. It was highlighted that even rough values would be useful, to help in making sure the incentives are based on reasonable cost values. It was noted that if not evidence is received to support the value setting, it might be the case that the value of the payments are increased using an escalator method as a means of sharpening the incentive.
  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 highlighted that any ETREG feedback would be valued in terms of how these steps tackle the problem, including do they represent a step change in approach, rather than tinkering around the edges? ETREG members were invited to comment via the RECCo theft mailbox.

Action 14/03: ETREG members to share their views on the changes being developed under the TIG, including the impact they foresee, via Theft@retailenergycode.co.uk.

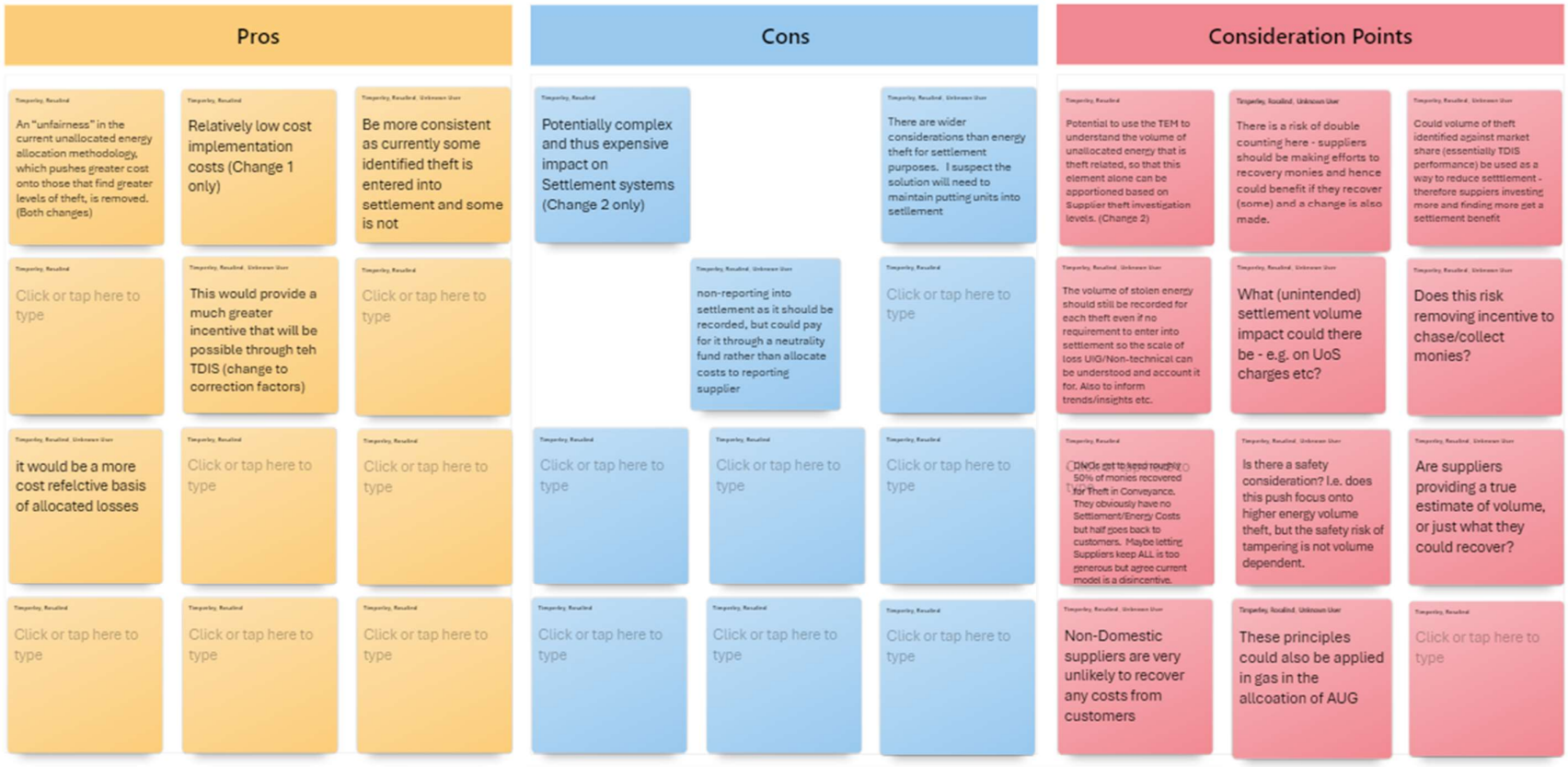
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Appendix A – White Board

White Board 1: Amending Settlement

Change 1 - Do Not Enter Theft Volumes Into Settlement

Change 2 - Amend Correction Factors based on Theft Detection Activities



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