Energy Theft Reduction Expert Group
Meeting Minutes

Meeting	13
Date	29 May 2024
Location	Remote

Attendees	Organisation	Role
Jon Dixon	RECCo Ltd	RECCo Ltd
Alan Cookson	British Gas	Committee Member Alternate
Ben Clark	Utilita	Committee Member
Gareth Evans	ICOSS	Committee Member
Jane Edge	British Gas	Committee Member
Jessica Jarvis	Cadent	Committee Member
Jenna Smith	Cadent	Committee Member Alternate
Jennifer Pickering	e.on	Committee Member Alternate
Jordan Hills	SSE	Committee Member Alternate
Lisa Warnock	SGN	Committee Member
Paul Hart	UKPN	Committee Member
Shamil Udayar	npower	Committee Member
Andrew Waghorn	REC Code Manager	Presenter
Paul Sutherland	RECCo Ltd	RECCo Ltd
Lynne Fallon	RECCo Ltd	RECCo Ltd
Rosalind Timperley	REC Code Manager	Technical Secretary
Apologies		
Scott Manson	SEEKA	Committee Member
Aiyesha Andrade	RECCo Ltd	Chair
Rebecca Lowe	RECCo Ltd	RECCo Ltd

1. Welcome and Introductions

1.1. Attendees were welcomed to the thirteenth 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 11_03 (Share feedback on the theft amnesty proposal), an ETREG member noted that they had shared the proposal internally within their organisation. The feedback received expressed concerns about the implications and scale of the proposal and the exposure of parties to the costs. It was also queried whether an amnesty was within the remit of RECCo.

2.3. In response, it was noted that the concept of an amnesty had been floated previously by Ofgem. RECCo is looking at the feasibility and capturing arguments for and against. As this

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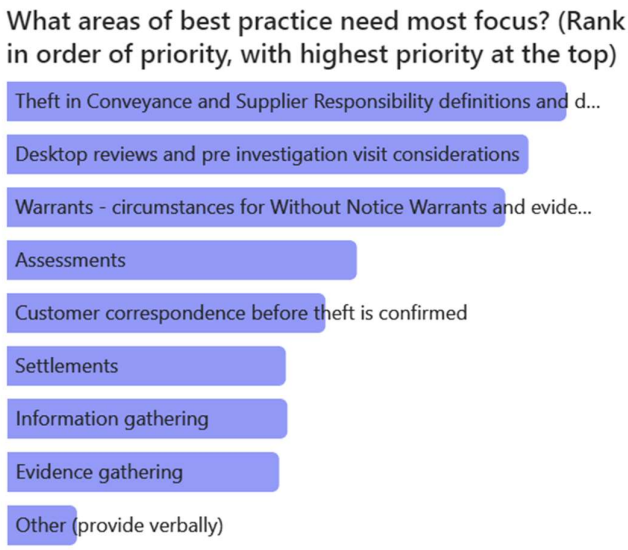
would be an amnesty against a crime, it is out of scope of just the energy industry. The next steps are to capture the arguments and prepare a report which can be used to seek views. An organisation with discretion as to whether to bring prosecutions could then take the lead using that report.

3. Approach to TIG Referred Items

3.1. It was explained that the Theft Issues Group (TIG), at its 24 April meeting, had discussed whether the REC Unbilled Energy Code of Practice, which has not been reviewed since pre-REC, is in need of review. This was referred to the ETREG for its consideration.

3.2. The ETREG members were invited to complete a series of poll questions on the approach to reviewing the code of practice. The poll responses are shared in Appendix A below.

3.3. The group then ranked, in order of priority, the areas of best practice that require the most focus. The results were as follows:



3.4. An attendee flagged that it needs to be consideration as to how theft remedies align/do not align to the Involuntary Prepayment Meter obligations for Suppliers when reviewing best practice.

3.5. The group also reviewed the ETREG Miro board, where a "REC Schedule 8 Best Practice Requirements Review" board had been created. During the discussion of the Miro Board, it was suggested that best practice should be provided for unregistered and shipperless sites. An action was taken for ETREG members to review the Miro Board and add their thoughts.

Action 13/01: ETREG Members to review and add to the "REC Schedule 8 Best Practice Requirements Review" section of the ETREG Miro board.

3.6. It was cautioned that when reviewing the code of practice there is a need to be mindful that what is considered to be theft in conveyance is not consistent across gas and electricity. As an example, it was highlighted that a second supply of electricity taken from a lamppost to feed a hot tub would not be theft in conveyance as the theft can be linked directly to an address, however, a second gas supply down the side of a house to heat a swimming pool would be considered theft in conveyance.

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4. Police Strategic Outline Case Update

4.1. An update was shared on the Police Strategic Outline Case developed by RECCo, explaining that the proposal seeks to fill a gap in the energy industry's current tool kit in terms of engagement with the police. The proposal builds upon the learnings from banking and insurance, particularly the insurance fraud police unit. The idea is to refer the "right" cases to the police with the higher profile, criminal cases referred.

4.2. It was highlighted that the City of London Police, referred to within the strategic outline case, has national coverage and is not limited to London.

4.3. It was noted that the proposal is currently high level, with the intent being to check if industry is supportive of the proposal initially. Subject to there being support, the next stage would be to develop an outline business case which goes into more detail. If there is support for that outline business case, then a final business case would be developed.

4.4. ETREG members were encouraged to review the proposal and use the online form linked to within the document to share their feedback.

5. Energy Theft Forum Agenda

5.1. The proposed agenda for the June Energy Theft Forum was shared on screen. ETREG members were asked if they had any successes or challenges that they would like to share with the forum attendees. No items were put forward, but a question was raised as to whether there is a feeling on the industry's current capacity of trained personnel, i.e. is there sufficient capacity to deliver improved theft detection rates?

5.2. In response, an attendee noted that when their organisation recently put revenue protection service requirements out to tender, there were three service providers that had the particular skills that they needed, however, only two had the resources to respond to the tender. Both respondents noted the challenge in recruiting skilled personnel as they are in demand for the smart meter rollout.

5.3. It was suggested that the National Skills Academy for Power may have a view on resource capacity.

5.4. It was noted that when the smart meter rollout comes to the end, that will free up resource. Potentially, the next big focus for this resource after the rollout, which uses the same skills and competencies, could be signalled as part of cohesive industry planning. However, it was noted that this would not be within the remit of RECCo.

5.5. An attendee noted that without a doubt energy theft detection needs trained staff, which has an associated lead time. Revenue protection service providers are resourced to deliver the demand that they have. The reality is that if they know that there is extra demand coming then they will resource up to meet that demand. The existing numbers may not be the issue, but rather the recruitment and training programme to ensure future theft detection targets are realistic.

5.6. It was highlighted that there used to be a National Vocational Qualification (NVQ) in revenue protection, noting that confronting somebody and dealing with a theft is a different skill set to meter exchanges. It was queried whether this is still offered and, if not, whether it could be recreated.

5.7. It was agreed that, from a Theft Forum perspective, attendees should be asked to comment on the skills and availability of staff.

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6. Energy Theft Profile Hypothesis Generation

6.1. It was explained that as part of gathering data to test whether Benford's Law can indicate energy theft, there is intent to test a set of hypotheses on how energy theft might be seen within smart meter data (subject to receipt of data).

6.2. A series of example hypotheses on how theft might be observed within smart meter data were shared with attendees. ETREG members were then invited to share types of theft they had experienced and discuss how these might impact on data associated with the meter. In response, the following points were raised:

- With smart meters in pre-payment mode, there tends to be an all in or all out approach to theft.
- When running low on funds, there is a tendency for customers to request a switch from prepayment mode to credit mode.
- Where there is a switch that enables a meter to be bypassed, businesses are most likely to use this at their busiest periods, e.g. at weekends.
- Where a property is stealing gas, the consumption pattern is likely to be less weather sensitive, with the heating on constantly and windows being opened rather than heating turned down.

7. Future ETREG Meeting Cadence

7.1. The proposed meeting cadence for ETREG and Energy Theft Forum meetings for 2024 and 2025 was shared with attendees. Under this proposed cadence, the frequency of ETREG meetings will be reduced to quarterly, commencing with the next meeting.

7.2. ETREG members noted the proposed cadence and agreed that the next ETREG meeting should be moved from August to early September to avoid the summer holiday period.

8. Forward Agenda

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

9. AOB

9.1. The following AOB item were raised:

- The chair noted that the responses to the Police Strategic Outline Case survey will be shared with ETREG members via email.
- It was explained that RECCo is exploring how to replace the Theft Risk Assessment Service (TRAS) with something that is set up for success. The intention is to take data such as smart meter alerts and take steps towards creation of an analytical service, if there is support for this.
- A representative from the REC Code Manager Performance Assurance Team flagged that for the annual party performance rating, one of the factors that feeds into the rating is the performance on theft for those parties with a TDIS target. The broad principle is that if the party is hitting 60% or above of their target then theft does not impact on their annual rating. Below 60% there is an increasing scale of

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impact, with the lower the performance the greater the impact on the score. Scores will be made available to contract managers in July. It was flagged that there is performance assurance webinar on the 5 June[1] where parties can learn more about REC performance assurance.

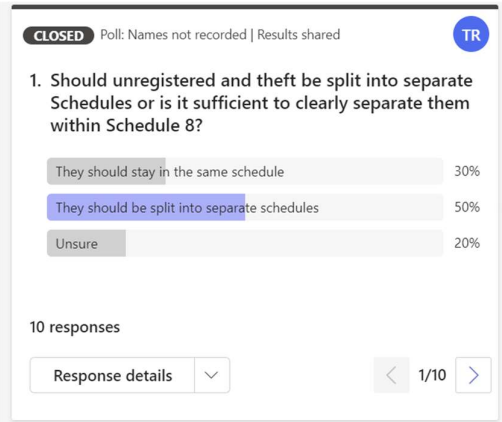
- It was explained that within the Police Strategic Outline Case there is an expectation that there will be a team formed of industry expertise to pull together information and data to share intelligence. The intent is for the industry to help itself as far as possible to resolve the cases that are not expected to go to the police and triaging what goes to the police. RECCo would like to engage with interested parties on how this "Referral Assessment Service" should be structured (e.g. how it is staffed, how it functions, etc…). ETREG members were asked to contact RECCo if they, or a colleague, would be interested in joining a series of workshops to refine the approach.

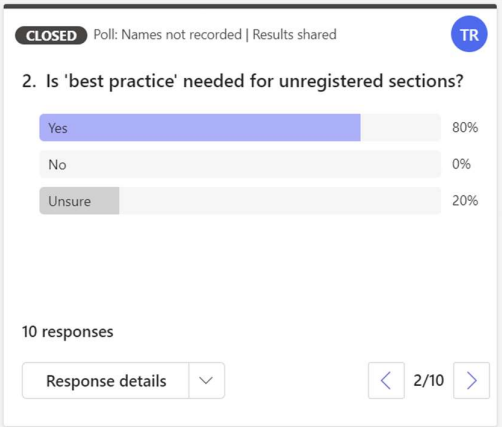
Action 13/02: ETREG Members to email RECCo via Theft@retailenergycode.co.uk if they would be interested in joining a series of workshops to refine the approach to delivering the police unit Referral Assessment Service.

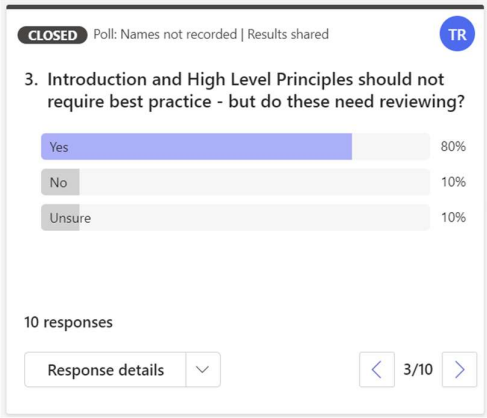
[1] To register for the webinar, visit: https://recportal.co.uk/rec-wiki-rec-events/-/knowledge_base/2024-06-june-/performance-assurance-webinar-05-june-2024-

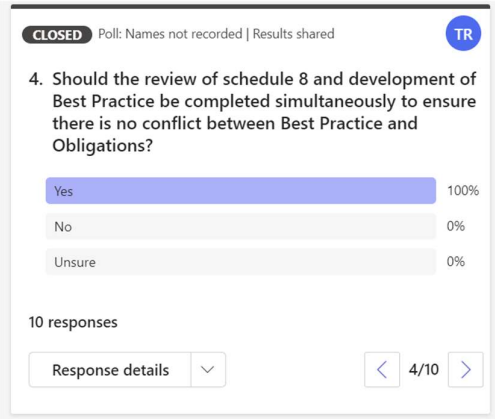
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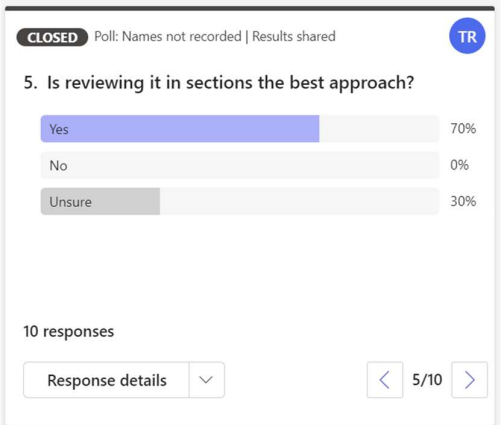
Appendix A – Poll Responses

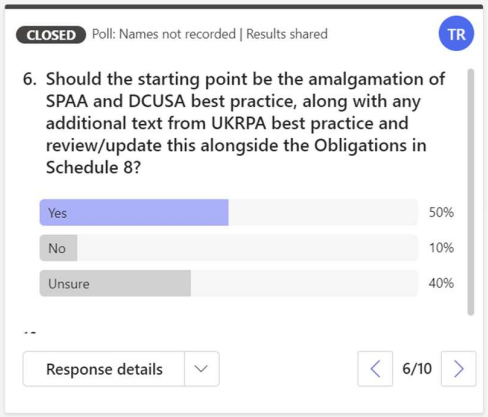




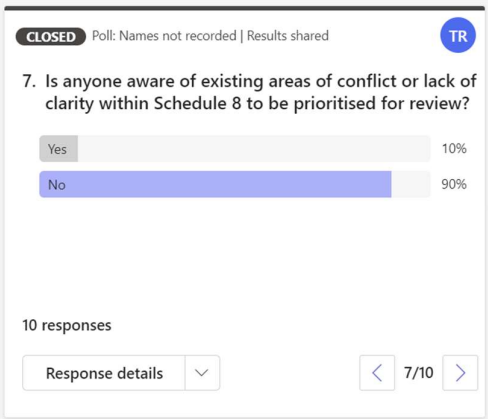


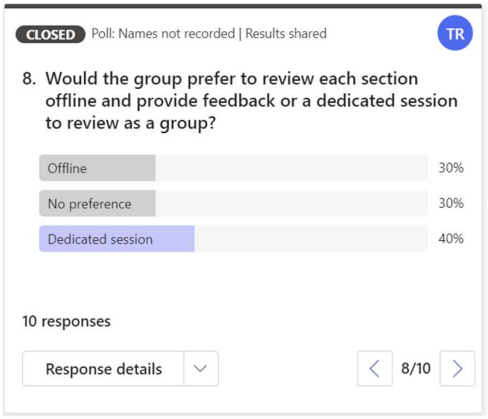


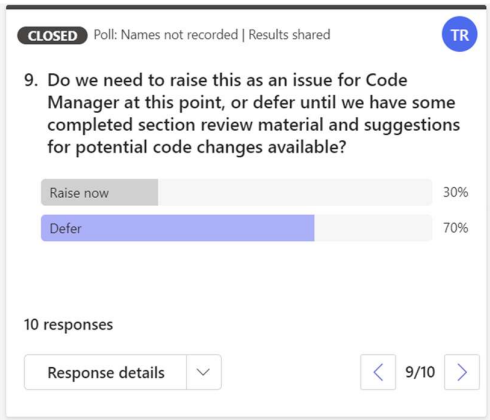


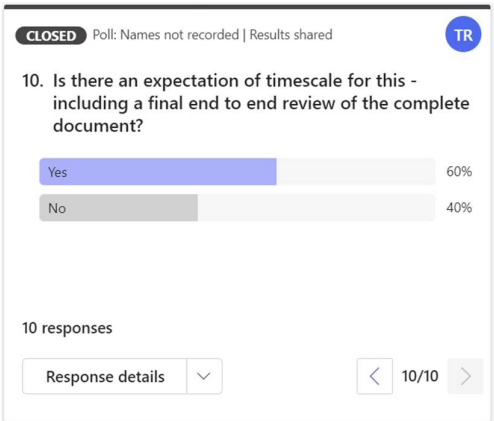


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