RECCo Energy Theft Forum
Meeting Minutes

Forum No.	01
Date	28 June 2023
Location	Teams

Presenters	Organisation
Aiyesha Andrade (Chair)	RECCo Ltd
Annette Booysen	Crimestoppers
Shamil Udayar	npower
Jon Dixon	RECCo Ltd
Lynne Fallon	RECCo Ltd: Theft Subject Matter Expert
Rebecca Lowe	RECCo Ltd: Theft Subject Matter Expert
Tracy Hardy	RECCo Ltd
Rosalind Timperley	REC Code Manager

1. Welcome and Introductions

1.1. The Chair welcomed attendees to the first RECCo Energy Theft Forum. It was explained that the forum builds on actions identified during the Energy Theft Accelerated Solutions Environment (ASE) event held in November 2022 and gives opportunity to comment on initiatives being taken under the RECCo Energy Theft Reduction Strategy.

2. RECCo Theft Reduction Strategy Update

2.1. An update was provided on RECCo's Theft Reduction Strategy, noting that the strategy seeks to take a rounded approach to theft reduction, covering:

- Better understanding the problem, such as the scale and techniques being employed to tackle it;
- Using this understanding to inform preventative measures, including a focus on keeping consumers safe;
- Providing the industry with tools to aid them in detecting theft; and
- Providing the industry with tools to effectively address theft where it is detected.

2.2. It was explained that energy theft is estimated to be between £737m to £1,233m for electricity and £93m to £155m for gas. This was calculated through the Theft Estimation Methodology (TEM) published in December 2022 and is based on energy prices at the time of publication. RECCo will be using the volume of energy calculated in the TEM going forward as a robust benchmark to measure the impact that theft reduction initiatives are having and whether they are delivering a reasonable return on investment.

2.3. It was noted that at the energy theft industry workshop held in November 2022, five priorities were identified for RECCo's theft reduction strategy, namely:

- Re-establish theft expert group and stakeholder forum
- Raise awareness of scale and impacts of energy theft
- Develop theft data hub and analytics
- Improve whole-of-system incentives to prevent, detect and investigate theft

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- Explore feasibility of improving police focus on energy theft

2.4. There were 44 actions identified at the workshop, aligned to these priorities. These are being taken forward as a series of "Epics" by RECCo. An overview was given of the Epics, noting that they have been prioritised for delivery, with those that didn't require a project (such as the formation of the Energy Theft Reduction Expert Group) already delivered. If an Epic requires a project to start, then the internal RECCo project governance framework is used, with project briefs drafted and approval sought from RECCo's Change Approval Board.

2.5. It was explained that, in line with the prioritisation approach, there are a number of Epics currently in progress and others in the backlog which have been prioritised to start at a future point.

2.6. An overview was given of the Energy Theft Reduction Program plan on a page, which showed the seven projects currently in progress. With regards to the Energy Theft End to End Process Mapping Project, a request was made for attendees to share any documentation they may have that would help RECCo understand their energy theft end to end processes (material should be emailed to technicalenquiries@recmanager.co.uk). It was noted that the more information that can be obtained, the more effective the end-to-end mapping project will be. It was explained that the outputs from the mapping project would then feed into other Epics, such as the Energy Theft Awareness Strategy Project.

ACTION 01/01: Forum attendees are asked to share with RECCo any documentation they may have that would help RECCo understand their energy theft end to end processes (material should be emailed to technicalenquiries@recmanager.co.uk). The documentation received will be utilised in the Energy Theft End to End Process Mapping Project.

3. The Energy Theft Tip-off Service (ETTOS) and Stay Energy Safe

3.1. A representative from Crimestoppers provided an overview of the service it provides, explaining that Stay Energy Safe is the public facing brand of the ETTOS. The Crimestoppers tip-off phone line and on-line form are available 24hrs a day. It was highlighted that in 35 years not once has Crimestoppers guarantee of anonymity been broken.

3.2. It was explained that tip-offs received are reviewed to remove any identifying information and assessed to determine if they have sufficient information to be actionable. The enquiry services and Find My Supplier are then used to match the tip-off to the relevant supplier.

3.3. It was noted that there is a keep in touch option, if the report has been generated by a Crimestoppers online form, that gives the ability to raise questions with the submitting individual. To use this an email should be sent to the relevant Crimestoppers email address using the unique ISR number for the tip-off in the subject line, with the question in the body of the email. This will be loaded on to a portal where those who agreed to be kept in touch with can log in. It was flagged that there is a reliance on those providing the tip-off to log into the portal, therefore, questions should be raised as soon as possible as the likelihood of them logging in and seeing the question decreases over time.

3.4. An overview was provided of the Stay Energy Safe marketing activities, noting that there is a focus on safety. Marketing occurs throughout the year, across social media and radio campaigns, to raise awareness and educate people on the dangers of energy theft. The aim is to deter people from committing energy theft in the first place and also drive tip-offs from people where they suspect energy theft is occurring.

3.5. It was highlighted that the partner section of the Stay Energy Safe website, which contains material for use by industry participants, is soon to be updated to improve navigation. In addition, new assets will be uploaded including all of the TickTock assets, the unknown

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danger assets and social media schedules. This will enable market participants to go onto the partner section of the Stay Energy Safe website and download material for use with their customers. Notification will be given when the refresh is launched, along with details of how to obtain log in details.

3.6. An outline was provided of the success of ETTOS to date, noting that the number of reports received has been steadily increasing, with over 10,000 in 2022.

3.7. It was observed that as the marketing has evolved the conversion rates of the number of people making contact with ETTOS to having an actionable report has gone up and up. Forum attendees were encouraged to share tip-off success stories with Crimestoppers to help in promoting the service.

4. Using Smart Meter Data in Theft Detection

4.1. A presentation was provided on work that is underway to explore the feasibility of using smart meter data to improve Theft Detection. It was explained that RECCo has initiated a project to explore the feasibility of using smart meter data to improve the assumptions and data behind the Theft Estimation Model (TEM). The intention is to obtain smart alerts and back test these against confirmed thefts, i.e. look for patterns in smart alerts that precede confirmed thefts.

4.2. It was explained that the alerts which are available from smart meters have been analysed and alerts which have potential relevance to energy theft have been identified. Discussions have been held with DCC and three other market participants to understand what data is available and how it might be obtained.

4.3. A consultation was also issued to market participants seeking to understand the smart data they are using and any potential issues they experience with it. The consultation responses highlighted a number of points including:

- Suppliers and DNOs/Transporters do not have access to all of the same alert types leading to approaches to theft management which can differ;
- Using smart alerts is a manual, time consuming process due to the "false positives" needing to be filtered out;
- Additional clarity is needed across the industry regarding the trigger for many alert types which is hampering theft management activities; and
- Due to the large volume of spurious alerts received, using smart alerts on their own does not provide a reliable indicator of energy thefts. As such, it is suggested that additional dataflow and other property and consumption information is required to complement the smart data.

4.4. In terms of next steps, RECCo will be seeking to obtain smart data to conduct a back test. It will also be exploring the potential to gaining access to other data flows to complement the smart meter alert data in the back test.

4.5. REC Parties who could potentially share their smart meter data with RECCo (subject to the appropriate GDPR controls) for the purpose of the back test were invited to contact TechnicalEnquiries@recmanager.co.uk.

ACTION 01/02: REC Parties to contact RECCo if they may be able to share their smart meter data for the purpose of the back testing of confirmed thefts against smart alerts (subject to appropriate GDPR controls being put in place).

5. Q&A Session 1

5.1. Attendees were invited to raise their questions for the presenters. A number of points were raised during the session, including:

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- It was queried how RECCo envisages engaging publicly, for example, via the media? In response, it was explained that potentially media packs will be prepared. Furthermore, it was noted that UKRPA, RECCo and Crimestoppers have previously worked together to ensure alignment in messaging to media and are keen to continue working together.
- A representative from UKRPA highlighted that UKRPA has its own tip-off service and queried whether RECCo would be interested in joining data sets to reduce the risk of duplicates. In response, it was noted that in order for this theft strategy to work it has to be seen as an industry wide strategy, with the sharing of data being a good example.
- It was queried whether any media statements will be run via the Energy Theft Reduction Expert Group (ETREG) to ensure they are subject to peer review, recognising the sensitivity of the topic. In response, it was noted that this is a good point, although RECCo would not expect to comment on any occurring instance of energy theft in the news.
- An attendee asked whether it is possible to access details of the theft strategy epics via the RECCo website. In response, it was noted that the intent is for the epics to be transparent, along with the progress that has been made against them. Following the forum, the RECCo will ensure this information is up to date on the RECCo website.

ACTION 01/03: RECCo to ensure that up to date information is available on the energy theft epics on the RECCo website.

- An attendee asked whether RECCo is liaising with the MHHS programme as to how it impacts on industry data, as under the programme there are going to be data changes and they would be cautious about building something based on current data that will potentially need to change in the near future? In response, it was explained that RECCo is working closely with the MHHS programme and has already started looked at the implications of the reduction in the settlement window on energy theft settlement. RECCo hasn't yet looked at the implications from a data perspective, noting that this is a good point.

ACTION 01/04: RECCo to consider the impacts of MHHS on potential future data sources.

- It was queried whether, in addition to considering smart alert data, the activation of tamper alerts for AMR meters had also been considered. In response, it was confirmed that this had not been and noted that this is a good point.

ACTION 01/05: RECCo to consider whether AMR meter alerts should also be brought into the scope of the smart alert back testing.

6. Police Engagement

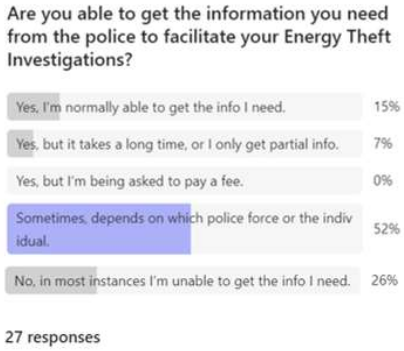
6.1. It was noted that in previous discussion forums, such as at the November 2022 Energy Theft ASE workshop and UKRPA sessions, the issue of police engagement and support has often been raised. RECCo would like to work collaboratively to empower parties to take action and understand gaps and obstacles in processes, with an aim to improve areas which may not currently be working as well as they could, for REC Parties and Police Forces.

6.2. With a representative from City of London Police who is also leader of the National Business Crime Centre (NBCC) present, forum attendees were invited to share their thoughts on areas of engagement with police forces that may not be working as well as they could. These discussions were focused on four areas as set out below.

Information and Exchange

6.3. The first discussion area was the exchange of information between REC Parties and Police Forces. Attendees were invited to complete a poll on their experience in this area, the results of which were:

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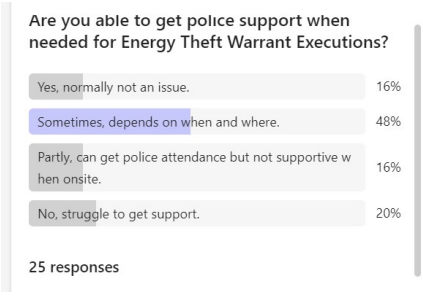


6.4. One attendee explained that they had experienced an instance where they were asked to pay to receive information from the police, and noted that they would appreciate support on how to approach this. In response, the police representative explained that there is a police document that is clear on what police can charge for in terms of the provision of data. This document states that police cannot charge victims for the provision of information. Therefore, whether or not a charge can be made depends on who the victim is identified as.

6.5. Another attendee noted that they don't have any information on how to get in contact with police when they have attended an instance of energy theft. For example, if a customer who is a landlord says that the police have been at their property and there has been energy theft, how does the Supplier get information from the police about that instance of theft. In response, it was explained that the data can be shared with the victim but due to GDPR, it may not be the case that information can be shared with the Supplier.

Warrant execution support

6.6. The topic of support for warrant execution was then discussed, with poll results indicating that this is an area where forum attendees struggle to obtain police support:



6.7. An attendee explained that his organisation can struggle to get support from police for obstruction of a warrant, particularly with regards to freeman on the land type situations. It was observed that in the time that the Supplier is waiting to get authorisation or support to deal with those jobs anything could happen, including fire or an explosion. The attendee explained that sometimes his organisation is able to get support and other times it might be unclear to the officers that attend site what laws have been broken and thus they are unable to assist. It was suggested that it would be useful to have guidance for police officers to help them know what laws have been broken, so that they are able to assist.

6.8. The police representative responded, noting that in terms of the role of police in relation to execution of warrants, if a Supplier feels that police are needed then this needs to be included when the application for the warrant is made, so that the police are recorded on the warrant. This is because the power to execute a warrant is not automatically given to

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police, the warrant grants power of entry to those specified on it. An attendee cautioned that it is not always possible to know if a police presence is needed until on site.

6.9. It was noted that the Gas Act makes it illegal to obstruct an energy company exercising its powers. However, this is a summary offence rather than indictable office, and police cannot force entry for a summary offence. Section 17 of the Police Criminal Evidence Act does give the police the right to enter for the purpose of saving life or limb, however, the burden of proof on using section 17 is quite high, for example, a gas explosion is likely to follow if entry is not forced. This high threshold puts the officer in a difficult position as it is not possible to know the conditions inside the property.

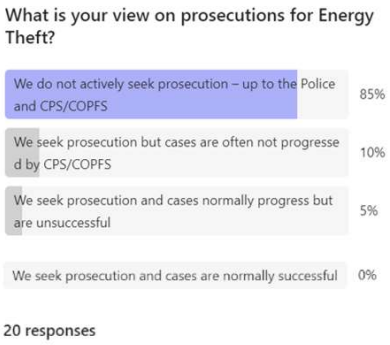
6.10. An attendee noted that this leaves them in the position where the only option they are left with is digging up the supply in the street and disconnecting the property, which is not ideal. It was observed that the discussions had exposed some potential gaps in the legislation. It was noted that understanding these gaps will help identify how to move forward.

6.11. The police representative offered to share some questions he had sought advice on around gaps in legislation.

ACTION 01/06: PH to share the questions he has sought advice on around gaps in legislation.

Prosecutions

6.12. The next topic discussed was prosecutions. Poll results indicated that a majority of attendees organisations do not actively seek prosecutions, leaving it up to the Police and Crown Prosecution Service/Crown Office and Procurator Fiscal Service:

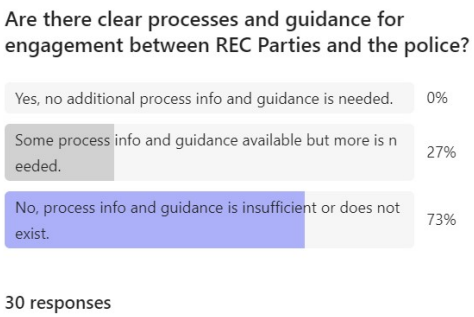


6.13. An attendee highlighted that their organisation has experienced cases of energy theft not being taken forward by the CPS as it other charges associated with the site were believed by the CPS to be more likely to be successful, with the CPS preferring this to pursuing multiple charges.

Processes and Guidance

6.14. Attendees next considered the processes and guidance available with regards to the different touchpoints with the police during the life of an Energy Theft investigation. A poll indicated that processes and guidance are not at the level that provide the information needed:

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Ideas and Solutions

6.15. Consideration was then given to how the issues identified might be addressed. It was suggested that there should be clear guidance on the National Business Crime Centre website for use by Police forces, for example, with regards to warrant execution, what are the responsibilities of the police officers called there to assist and what is within their remit.

7. Improving Data Collection and Reporting

7.1. It was explained that currently the only consolidated theft data available under REC is that submitted via the Theft Detection Investigation Scheme (TDIS). It was highlighted that all investigations should be included in in this data, not just those where instances of theft is found.

7.2. It was noted that some of the data items collected via the TDIS lack clarity. For instance, the account holder may or may not be the perpetrator; and the meter serial number field could be used to for an illegally installed meter or the meter that should have been there.

7.3. It was explained that there are a number of reasons why the data collected would benefit from being updated, including:

- to support the proposal for a funded prosecutions (e.g. to collect details of the perpetrator)
- Lead generation – (e.g. requests for service upgrades from builders that have not progressed)
- Health and Safety – (e.g. threats and assaults to operatives)

7.4. Another issue related to energy theft data, which was highlighted by freedom of information requests RECCo issued in 2022 to various organisations, is that there are not standardised rules for the collection of data on energy theft. This means that it is more anecdotal than factual when trying to gather data on instances of fires, explosions, personal injury etc. caused by tampering

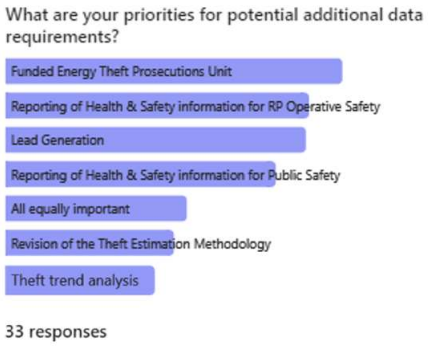
7.5. An attendee noted that they shared information with the police on somebody promoting “freeman on the land” meter swaps to the public. The police said that to build a case the victims would need to provide evidence, and in this case the victims are the ones that have being impacted by the fraud and have had their meter swapped. It was stated that the industry and police will be in a stronger place to address issues such as these with more robust data.

7.6. Another attendee highlighted that if someone is stealing energy then everyone else is paying for it, making us all victims as the entire country is subsidising that person. In response, the police representative noted that potentially the state could be aggrieved but there may be a gap in legislation here. An action was taken for RECCo to explore this.

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ACTION 01/07: RECCo to explore whether there is a gap in legislation around who the victims of energy theft are, given that energy theft is paid for by all GB energy consumers through higher bills.

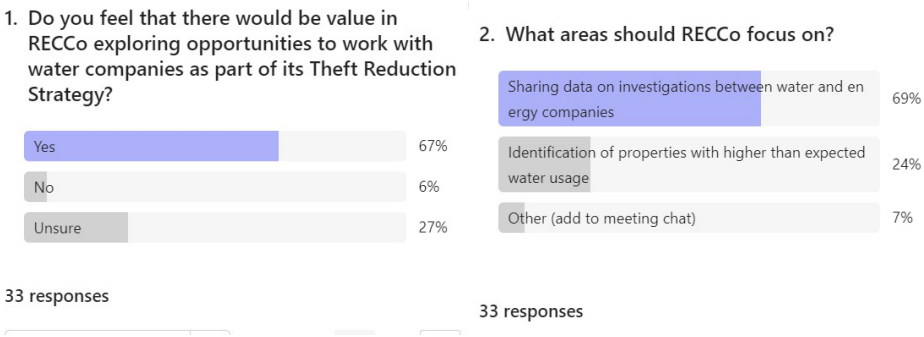
7.7. Attendees were asked to rate their priorities for potential additional data requirements to be explored by RECCo. The poll results were as follows:



8. Engagement with Water Companies

8.1. It was highlighted that it can be particularly challenging to find theft leads within the commercial sector. In terms of how detection rates in this sector can be improved, it was suggested to attendees that potentially there may be merit in engaging with water companies. It was noted that there are number of reasons for this, for example, there are known instances where there has been energy theft and the water was also on bypass; and energy intensive crypto currency mining is starting to make use of water cooling. As an industry we have no data on water meter tampering, if we can engage with water meter companies there is the potential to aid in energy theft detection.

8.2. Attendees were asked two poll questions with regards to engaging with water companies, as follow:



8.3. An attendee suggested there would be merit in inviting water companies to join the UKPRA. It was also cautioned that whilst considering additional sources of information is useful, the cost and benefits need to be understood.

9. Third Party Theft

9.1. It was noted that there are no requirements on REC Parties with regards to third party theft (i.e. theft of energy after it has been metered), such as theft by a neighbour or other third-party downstream of the meter. Whilst the scale of this issue is not currently known, it was noted that there could be reason to bring theft of this type into the scope of the Theft Reduction Strategy, namely:

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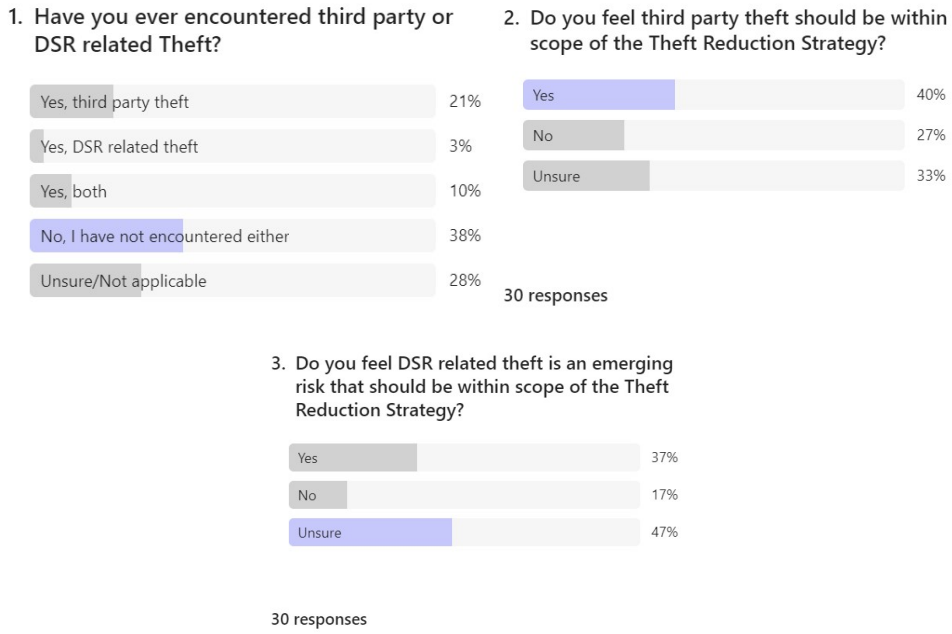
- Crimestoppers receive reports of third-party theft and these should be dealt with and forwarded appropriately;
- Cases are occasionally referred to the energy ombudsman, whose decisions can impact upon suppliers despite there being a lack of clear responsibilities;
- Greater clarity will be of benefit to industry parties and the consumers who are impacted; and
- Market developments may provide greater opportunities for theft and fraud that could be mitigated early.

9.2. A specific scenario around Demand Side Response (DSR) and third party theft was then considered, namely energy theft occurring after the meter with the stolen energy used for DSR purposes. It was questioned whether this could potentially be a future theft risk.

9.3. It was explained that there are a number of options that could be explored around addressing third party theft and Demand Side Response related theft, including:

- Implementing new guidance and/or obligations for REC Parties and/or non-REC Parties to mitigate the risks
- Exploring what future data sets would be required to monitor these type of energy theft?
- Looking at what regulation and/or system changes would reduce the risk of these types of theft occurring?

9.4. Attendees were invited to complete a poll on their views with regards to third party theft and DSR. The results were as follows:



10. Q&A Session 2

10.1. Attendees were invited to raise their questions for the presenters. The following points were made during the Q&A session:

- It was queried whether there is a list of contacts that Suppliers can use should they find theft in a property that is registered to another Supplier. In response, it was noted that theft contacts are available within the REC Portal operational contacts list.

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- It was suggested that from a theft lead perspective, where a business owner with a tampered meter either owns or is involved in other businesses across multiple energy Suppliers, there should be a mechanism for informing those other Suppliers that the owner is known to engage in illegal energy theft.
- An attendee suggested that the centralisation of end-to-end theft management under the REC should be explored, explaining that by bringing end to end theft under one single entity that could address issues arising from fragmentation in the market.
- It was suggested that for people who are offering a tampering service, if resolution cannot be obtained via police route, going through Trading Standards could be an alternative approach.
- Attendees were asked to share their views on what additional data items would be useful for theft detection (suggestions should be emailed to technicalenquiries@recmanager.co.uk). It was requested that when providing this information, a view be included on how easily the data can be obtained, for example:
    - Data Items that could easily be provided if required, ie. Defined fields in current systems (Billing systems, RP Field systems)
    - Detail recorded in free format or notes fields so could not be easily extracted
    - Data items or details that are not currently captured

ACTION 01/08: Forums attendees to share views on what additional data items would be useful for theft detection with RECCo via technicalenquiries@recmanager.co.uk.

- It was queried how Sky and similar companies deal with people providing boxes that enable their services to be stolen, and whether a similar approach could be used for energy theft. In response, it was noted that this type of situation is covered by intellectual property laws and thus is different in nature from energy theft.
- It was flagged that the government is in the process of running through new legislation related to the UK version of GDPR, namely the Data Protection and Digital Information (No. 2) Bill. This bill is currently at its third reading at the House of Commons and it includes provision for legitimate interest sharing of data between businesses for the purposes of the prevention and detection of crime. This bill will make it easier to share information business to business, such as on common offenders.
- For third-party theft, it was queried who the victim would be in such circumstances. In response, was confirmed that the victim would be the person who has paid for that energy.
- For cryptocurrency related theft, it was observed that as an industry there is limited amount known about the scale of theft associated with this. It was queried whether there is opportunity to work with police to understand the usage from these machines and what their set up looks like, noting that an attempt to engage with police on this had not progressed previously. In response, it was explained that there is no national funding for police forces so responses may be different by police force. Many forces are very stretched for resources and, as such, they will have to prioritise that resource looking at threat, harm and risk. In trying to work with police in this area, the challenge will be to get resource against other competing priorities.
- It was questioned whether consideration should be given to updating the energy theft calculator for new types of theft, for example, cryptocurrency farms. In response, it was noted that the last theft calculator workshop was last year where potential additions to the calculator were sought. It was flagged that further thoughts are welcome, with attendees asked to share these with RECCo to pass to the Energy Savings Trust (the company that maintains the calculator). It was highlighted that for cryptocurrency mining, a clip on amp meter can be used to determine the power but this would only work while the site is still live.

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11. Close

11.1. The Chair thanked attendees for joining the event. A request was made for discussion topics for the next energy theft forum to be sent to technicalenquiries@recmanager.co.uk.

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