RETAIL ENERGY CODE

This document is classified as **WHITE**.
Information is for public, unrestricted dissemination and publication.

REFERENCE	I0265_WG_0119_02
STATUS	FOR DISCUSSION

I0265 – THEFT CALCULATOR USAGE AND SUITABILITY ASSESSMENT

BY FRANCINE PEYROUX-SISSOKO
FOR DISCUSSION

1 PURPOSE

The purpose of this paper is to provide industry Parties with a background on REC Issue I0265 – Theft Calculator Usage and Suitability Assessment. This includes why this Issue was raised and activities that have been conducted to help understand the scale of the problem, before looking at main barriers with the REC Theft Calculators and feedback shared by Parties as a basis for discussion to help frame the solution development of this Issue.

2 I0265 – SUMMARY

2.1 ISSUE OVERVIEW

REC Issue I0265 – Theft Calculator Usage and Suitability Assessment has been raised to investigate how widely the existing Theft Assessment Calculators are being used by Parties to assess energy losses due to theft, despite REC Schedules 7 & 8 mandating the usage. There is evidence to suggest inconsistent application across Parties, and whilst there has only been one Derogation Request, anecdotal feedback indicates that other Parties are also struggling to use the calculator. It is also unclear whether it is consistently applied for Theft Detection Incentive Scheme (TDIS) submissions, or if the current platform is fit for purpose across all operational environments. Gaining a comprehensive understanding of its current usage and effectiveness is crucial to determine if the calculator is delivering its intended purpose efficiently and consistently across the industry.

2.2 ACTIVITIES TO DATE

To build a better picture of the situation, the Code Manager engaged with the Theft Issues Group in July 2025 where anonymous feedback was sought on the use of the REC calculator, barriers to its access and usability, suggestions for improvement and usage of alternative calculators. Responses to the survey indicated that issues span both the functionality of the tool and the data it uses and highlighted a need to engage with as many industry Parties as possible to thoroughly gather information about the usage, effectiveness, and suitability of the Energy Theft Assessment Calculator across the industry.

The Code Manager therefore conducted an information request that was open for six weeks between September and November 2025 to gather more input on problems REC Parties

encounter when using the Theft Assessment Calculator. Responses to the information request should help develop a solution that helps to enhance and upgrade the Theft Calculator ensuring it is a consistent, robust and reliable tool that can be accessed and used effectively across multiple operational scenarios and devices and that can support court-ready evidence ahead of the Energy Theft Unit (ETU) and Referral Assessment Service (RAS) launch.

Due to the sensitivity of this topic, all responses to the information request are being kept confidential and will not be published. The Code Manager provided an update at the TIG on 26 November 2025. It was agreed to establish Working Groups to help determine the solution development of this Issue and the future of the Theft Calculator.

2.3 MAIN THEMES SHARED BY PARTIES

In total, eight responses were received. Respondents unanimously acknowledged that the REC Theft Calculators require improvement, even if they are currently facing no access issues. Two respondents use the REC Theft Calculators despite experiencing difficulties with the tool, two use an alternative calculator only due to system restraints or for better accuracy and four use a mix of REC Theft Calculators and alternative calculators or their own estimated calculations due to barriers with the REC Theft Calculators.

The main barriers that were mentioned in the information request and echoed in both the July and November 2025 TIG meetings are:

- System restraints

Only Windows based laptops/desktops support macros and all Excel functions required to use the REC Theft Calculators. This makes it difficult, time consuming or impossible to use the Calculators when using MacBooks, tablets, or Google applications.

We could assume from this that all field agents would experience issues as they are less likely to use a laptop on site.

- Not adapted to certain types of theft

The REC Theft Calculators are not adapted to certain types of theft. This leads industry Parties to have to estimate a minimal theft amount. Cannabis farms, rogue meter installs and situations where a Third Party – such as a network or the police – does not give enough information to the Energy Supplier, were mentioned.

- Outdated for Industrial & Commercial (I&C)

The REC Theft Calculators do not cover I&C appliances and property lists such as desktops, monitors, printers, but also betting offices, recycling centres, data warehouses to only name a few. Not having the right categories for I&C appliances and properties makes it difficult to have the right calculations, leading industry Parties to make estimations of the tampered values.

- Unequipped tool for today's and tomorrow's world

The REC Theft Calculators currently do not cover certain types of tampers (partial bypass and electromagnetic interference for instance), new or emerging technologies (such as EV chargers, heat pumps and solar panels), and some equipment (sunbeds, air fryers, exotic pet tanks, etc.).

With the rise of new technologies, new equipment, and renewable energy, the Calculators are far from being future proofed.

It was also suggested to consider incorporating a few tools which would help with the accuracy of calculations, such as:

- Estimated Annual Consumption (EAC);
- Annual Quantity (AQ);
- Typical Domestic Consumption Values (TDCV) averages; and
- Energy Performance Certificate (EPC).

Other points that were raised included:

- The REC Theft Calculators are not easy to find on the REC Portal;
- The guidance of the REC Theft Calculators should be improved as it is not user-friendly;
- Clamp meter readings/tong test results option are not used by most respondents;
- Understanding the logic behind the calculator could help using it better;
- With the growth of renewables and emerging technologies in both I&C and domestic properties, the calculators should be regularly updated; and
- The new tool should ensure that most business cases are considered by building a baseline calculation for instance. This would avoid having to do manual or estimated calculations which will in turn avoid discrepancies across Parties when reporting.

2.4 SUMMARY

The information request showed that Parties are experiencing significant challenges with the REC Theft Calculators. The calculators are:

- outdated;
- not accessible to every system and device used within the industry;
- not adapted to calculate innovative ways of stealing energy;
- do not allow for accurate theft calculations;
- not applied consistently across the industry due to these clear challenges; and
- not delivering their purpose effectively as a result, limiting their potential to support court-ready evidence.

There is therefore a clear need to update and improve the REC Theft Calculators.

Given the Derogation Request, the REC PAB was also informed of the results of the information request and is supportive of a redesign, incorporating new technologies, such as AI tools.

3 AIM OF THIS WORKING GROUP

The information request and TIG meetings helped identify some common barriers to the use of the REC Theft Calculators. However, only eight responses were received during the information request, and only some TIG attendees responded to the Slido questions regarding the REC Theft Calculator. At the November TIG meeting, attendees agreed that further input from the industry is needed before an impact assessment can be conducted.

The Code Manager therefore proposes the following approach for developing a solution for I0265:

- Provide feedback on the main barriers identified:
  - are there shared by most Parties;
  - are Parties already finding ways to overcome them;
- Identify other issues that have not yet been addressed;
- Discuss suggestions mentioned including the benefits and feasibility of incorporating other tools within the calculator but also the possible disadvantages; and
- Reflect on ways to improve the REC Theft Calculators.