RETAIL ENERGY CODE

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THEFT ISSUES GROUP
DRAFT MEETING MINUTES

MEETING	**RECTIG_24_1030**
DATE	**30 0ctober 2024, 09:30**
LOCATION	**Microsoft Teams**

Attendee	Representing	Initials
Anne Jackson (Chair)	REC Code Manager	AJ
Ashi Ali		
Rebecca Lowe	Retail Energy Code Company	RL
Jon Dixon	Retail Energy Code Company	JD
Colin Paine	Engie	CP
Danielle Gibson		DG
Victoria Burkett		VB
Lynne Fallon	Retail Energy Code Company	LF
Glenn Sheern	REC Code Manager	GS
Rosalind Timperley	REC Code Manager	RT
Andrew Waghorn	REC Code Manager	AW
James Hardy	REC Code Manager	JH
Flo Monea	REC Code Manager	FM
Bradley Mercer (Secretary)	REC Code Manager	BM

1 WELCOME, INTRODUCTION AND CONFIRMATION OF AGENDA

The Chair welcomed attendees to the seventh meeting of the Theft Issues Group (TIG).

2 CONFIRMATION OF THE AGENDA

RECTIG Members noted the contents of the agenda, one additional item of business was raised.

3 APPROVAL OF THE PREVIOUS MINUTES

The Chair invited attendees to provide comments on the draft minutes of the meeting held on 30 October 2024. There were no comments, and the minutes were approved as an accurate reflection of the meeting.

4 REVIEW OF ACTIONS LOG

The Chair provided Members with an overview of the below actions on the Action Log:

RECTIG_24_0925_01: RECTIG Members to complete a review on the Group 1 Sections of Schedule 8 ahead of the October 2024 RECTIG meeting.

The Chair advised that an update would be provided under agenda item 8 – **Open.**

RECTIG_24_1030_01: RECTIG Members to complete a review on the Group 2 Sections of Schedule 8 ahead of the November 2024 RECTIG meeting.

The Chair advised that an update would be provided under agenda item 8 **– Open.**

5 PARTNERING WITH CITY OF LONDON POLICE

JD provided Members with an overview of the Partnering with City of London Police proposal (Slides 7-13) advising that Energy theft is a major challenge, costing consumers and threatening public safety. JD confirmed that 2022 research estimates theft-related losses of 636 - 1,059 GWh of gas and 1,703 - 2,837 GWh of electricity. JD highlighted that this was equivalent to £0.9 billion to £1.4 billion at December 2022 prices, adjusted for Q4 2024 estimated at £457 - £760 million, or £27 per bill-paying consumer.

JD advised that Industry efforts to prevent and investigate theft were hindered by a difficulty engaging police and securing support for prosecutions as well as limited police resources and competing priorities. JD advised that the lack of police engagement, combined with perception of energy theft being a ‘victimless crime’, leads to low deterrence and few prosecutions.

JD provided Members with an overview of the proposed solution (Slide 11) and invited Members to share their views. GS advised that he supported the initiative and highlighted that he believed that an 18 month notice period may be more appropriate. JD advised that he believed that the police would insist on a 12 month notice period although advised that there would be an opportunity to move the notice period.

CP asked if the Police would feedback information to Suppliers in instances where properties were found to be using pseudo metering services so that Suppliers could conduct their own investigations in parallel. JD advised that he assumed that this would be the case, however there may be limitations relating to ongoing investigations.

DG asked if there would be scope within the solution to partner with other police forces in the future. JD advised that there may be although it was believed that the City of London police force could liaise with all police forces within Great Britain. JD advised that RECCo had not had conversations with other police forces to date but there could be scope to investigate further partnerships in the future.

There were no further questions from Members. JD informed Members that the full business case was available on the RECCo website and encouraged them to take part in the survey.

6 STRATEGIC REVIEW AND PRIORITISATION

JH provided Members with an overview of the Strategic Review and Prioritisation (Slides 15-17). JD informed Members that the purpose of the activity was to consolidate and present all known challenges, including operational, regulatory, and technological gaps, affecting the industry's ability to prevent, detect, and address energy theft.

JD advised that by offering a holistic view, stakeholders including Suppliers, Network Operators, Regulators, and law enforcement could better understand the scope and interconnected nature of the problem. JD advised that the parties involved could then act as a catalyst for change, driving industry collaboration, informing policy, and encouraging innovation.

JD provided an overview of the proposed content of the review and invited Members to highlight if any key areas had not been identified. VB agreed that a review into theft was required, VB advised that there was a lot of activity within the industry at the moment which was taking up a lot of parties' time and effort and highlighted a potential risk of low industry engagement with the project. VB advised that a workshop may mitigate the lack of engagement risk. VB highlighted that there was also DCUSA work ongoing in the same area. JD agreed to investigate potential duplication with DCUSA.

JD supported the establishment of a workshop and asked if there was more benefit in hosting the workshop before or after the paper was released. VB advised that the paper would allow parties to select the correct experts to attend the workshop.

CP supported the establishment of a workshop suggesting that a group similar to the R0155 Change of Occupier groups would be useful. CP advised that it would be beneficial to have a wide range of stakeholders involved to get to the best possible outcome. Members supported the establishment of a workshop/series of workshops to discuss the project.

ACTION: RECTIG_24_1127_01: RECCo to investigate establishing a workshop to discuss the strategic review and prioritisation of theft project.

7 I0175 – INDTRODUCING A REASONABLE ENDEAVOURS SCHEME WITHIN THE REC

RL provided an overview of the Issue (Slides 18-24) advising that it was seeking to move the Reasonable Endeavours Scheme under REC governance and extend the Scheme to Electricity parties. RL advised that the Scheme is designed to complement the existing Theft Detection Incentive Scheme (TDIS) by targeting complex or high-cost energy theft investigations that are inadequately compensated under the TDIS framework.

RL provided Members with an overview of the draft business rules (Slides 21-23) and invited Members to provide feedback. CP advised that the business rules were reasonable but questioned if the Scheme was a recreation of TDIS. RL advised that TDIS would be used for every theft whereas the Scheme would be used for more complex investigations which the renumeration from TDIS would not cover. CP suggested that a simpler solution may be to make adjustments to the TDIS rather than set up a parallel complementary scheme. RL advised that it would be difficult make adjustments to TDIS as it would be unknown when the complex cases would occur or what the cost of investigating them would be.

RL provided a summary of the benefits of bringing the Scheme into the REC:

- Enhanced Cost Recovery: Provides fair compensation for complex theft investigations, ensuring suppliers are not disproportionately burdened.
- Targeted Incentives: Encourages proactive efforts to detect and resolve complex theft cases.
- Alignment with REC Objectives: Supports fairness, efficiency, and consumer protection goals.

Members asked how the Scheme would be funded RL advised that the thinking at this stage was that it would be invoiced along with TDIS debits and credits based on market share. CP asked where Members could provide feedback on the Issue, it was advised that feedback could be provided through the change page on the Portal and would be subject to formal engagement in due course. The Chair advised that the Issue would be presented at the next meeting for further discussion.

8 I0187 – SCHEDULE 8 REVIEW AND BEST PRACTICE DEVELOPMENT

JH provided Members with an overview of the Issue advising that Members had been asked to review groups 1 and 2 of Schedule 8. JH advised that the Code Manager had not received any responses to the open actions since the last meeting. JH confirmed that the Code Manager would now be seeking alternative routes to receive feedback on the Schedule and had been considering a working group.

9 FUTURE MEETINGS

The Chair advised that the next meeting of the TIG would be on 29 January 2024 from 09:30 to 12:00.

10 ANY OTHER BUSINESS

10.1 UPDATE ON R0163 – TDIS REPORTING PERIOD.

FM advised that the Code Manager had discussed the change with the proposer and an updated benefits case for the change had been submitted. FM advised that the consultation was now open on the change and the Code Manager would be accepting responses until 18 December 2024.