RETAIL ENERGY CODE

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THEFT ISSUES GROUP

DRAFT MEETING MINUTES

MEETING	**1**
DATE	**24 April 2024, 10:00**
LOCATION	**Microsoft Teams**

Attendee	Representing	Initials
Anne Jackson	Chair (REC Code Manager)	AJ
Alan Cookson	British Gas	AC
Jane Edge	British Gas	JE
Jenna Smith	Cadent Gas	JS
Jen Stevenson	E.ON	JSt
Rachel Thorpe	E.ON	RT
Shamil Udayar	E.ON	SU
Gareth Evans	ICoSS	GE
Megan Cetera	Octopus Energy	MC
Sara Chipperton	Octopus Energy	SC
Glenn Sheern	REC Code Manager	GS
Rosalind Timperley	REC Code Manager	RTi
Andrew Waghorn	REC Code Manager	AW
Aiyesha Andrade	RECCo	AA
Jon Dixon	RECCo	JD
Maria Pearson	RECCo	MP

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Paul Sutherland	RECCo	PS
Rebecca Lowe	RECCo	RL
Scott Manson	Seeka	SM
Lisa Warnock	SGN	LW
Danielle Gibson	SSE	DG
Jordan Hills	SSE	JH
Lemka Blanka	UK Power Networks	LB
Ben Clark	Utilita	BC
Elise Handy	Secretary (REC Code Manager)	EH

1 WELCOME, INTRODUCTION AND CONFIRMATION OF AGENDA

The Chair (AJ) welcomed attendees to the first Theft Issues Group (TIG) meeting which will set out the work planned to develop future REC Change Proposals. Apologies were received from Steve Mitchell (SGN).

2 TERMS OF REFERENCE

AJ presented the draft Terms of Reference (ToRs). The group made the following comments and considerations for revision.

- Alternative representatives may be informed of confidential information and that they must be also subject to the ToRs.
- Clarify that consensus shall be identified at the Chair's discretion. Where there is any strong dissensus, these will be recorded, and the Change Process allows for Alternative Proposals to be raised.
- Indicate that TIG meetings will be recorded for the purposes of writing the minutes and will be deleted afterwards.

AJ advised that these additions will be made to the ToRs in preparation to be agreed at the following meeting.

3 VISION

JD noted that the origins of the TIG were borne out of the Energy Theft Reduction Expert Group (ETREG), and incentives have been a key part of those discussions.

The ETREG has looked at incentives across the whole system including who does what and why, who they report to and whether the correct commercial incentives are in place to mitigate the risks associated with theft. Within this is the narrower scope of the Theft Detection Incentive Scheme (TDIS), as it currently exists or whether it should be replaced in its entirety.

It was highlighted that some Parties' views were that the current TDIS and the way it is funded is not conducive to collaboration as it puts Suppliers in competition with each other in how they detect theft. The ETREG is of the view that every theft that is detected and investigated is a good thing for industry and energy Consumers. Not only because the cost of theft is socialised, but each one is a dangerous situation. The TDIS should not be a compliance issue but something that will help tackle energy theft in general and there must be an alternative way of offsetting the costs of carrying out investigations. The group is open to alternatives to the TDIS model however, it is recognised that it might take a bit of time to put any new model in place. There is potential for the TIG to look at improvements that can be made in the short term.

JD advised that there is an in-flight Change Proposal R0163 – Theft Detection Incentive Scheme (TDIS) Reporting Periods which alters the reconciliation process from an annual to a quarterly cycle. This makes improvements in itself but it also helps move away from the current rigid structure whereby changes to the scheme can only be made on the 01 April in any given year. Any changes to the scheme should be evidence based, therefore there must be information on the results of the proceeding year prior to taking forward any changes. This means that Year One would need to be assessed within Year Two and then progress proposals on how Year Three would look. With a quarterly cycle, we would no longer be bound to an April delivery date.

Whilst the TDIS exists, the TIG should be conscious that a solution would need to be developed by the Autumn to enable it to go through the change process by April 2025. Then more fundamental change on how we tackle and incentivise theft could be pursued in the longer-term.

It was noted that there are a range of Issues to be discussed including one raised by the I&C Shippers and Suppliers (ICoSS) group. All Issues should be considered in the round to decide which to take forward, but they are not mutually exclusive.

JD noted theft needs to be tackled more collaboratively, and if the TIG can ensure there is an equitable way of recovering the costs of doing the right thing, then it would have served the industry well.

It was highlighted that there will be some overlap between the TIG and the ETREG, however, the group must be conscious that ETREG will investigate wider issues and items not dependent on the progression of a Change Proposal. There is a common membership to negate the risk of duplications of effort, potential gaps and inconsistently completing work.

4 RAID LOG

EH presented the RAID Log on screen and this was populated with the group. This can be found here.

AJ noted that these would be tidied and published prior to the next meeting for review.

5 PLAN

AJ requested the group prioritise the current list of Issues to feed into the forward agenda and plan discussions based on short- and medium-term Proposals.

RL suggested that the TDIS be split into short-term changes to the 25/26 Scheme Year, medium-term changes and longer-term changes as there could be some tweaks to the existing scheme to improve it whilst a replacement scheme is considered.

AW noted that there are things that can be done to alter the mechanics of the current scheme and recognised that there may be some wasted effort in doing so if the scheme is to be removed or replaced.

RT suggested that it would make sense to start developing the Reasonable Endeavours scheme (currently a gas scheme operating under the UNC) to understand where that would lead. This could then determine whether it could be a replacement for TDIS or something that runs alongside a future TDIS scheme. Part of the work would have to develop how it works alongside the UNC scheme, whether it would supersede that or potentially be cross-code.

It was highlighted that issues should not be only considered in isolation but also how they may impact each other.

AW advised that it may be difficult to prioritise changes to the TDIS without some starting short-term ideas and offered to bring some to the next meeting for discussion.

JE noted that there are some national revenue protection services already in the market and that there may be some duplication of effort including a minimum standard of investigation. It was advised that minimum standards are outlined in the Unbilled Energy Code of Practice however, it was uncertain whether these were still fit for purpose. It was suggested that any document reviews on minimum standards would be discussed at ETREG, and outputs of what changes are needed could then feed into the TIG. SM noted that Job Card templates could feed into this review.

AW raised considerations whether wider representation on the TIG is required especially when discussing any changes to the TDIS. It was suggested that this could feed into the Energy Theft forums which has approximately 70 attendees. The next Forum is planned for June 2024.

6 FORWARD AGENDA

It was suggested that the next meeting is focussed on identifying items to take forward in the immediate term on the TDIS and these could be fed into the Energy Theft Forum in June prior to taking them forward through the Change Process.

It was also highlighted that that there are engagement points for wider stakeholder review through the Change Process including Impact Assessments and Consultations. Longer term solutions for TDIS could then be progressed.

AW would provide an initial strawman for discussion for some quick wins and participants were invited to also provide options for quick wins.

Reasonable Endeavours would also be on the agenda for the May meeting.

7 ANY OTHER BUSINESS

There was no further business and AJ closed the meeting.

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