ENERGY THEFT REDUCTION USER GUIDE

September 2024

recco

Welcome

This guide will help you understand the Energy Theft Reduction process under the REC, your responsibilities, including how to upload theft files to the DSP to enable the REC Code Manager to calculate whether you've met your theft target.

Required DSP Link

Requires approved RECCo Photo

Contents

The REC Code Manager administers the Theft Detection Incentive Scheme (TDIS) on behalf of RECCo, and this includes working with RECCo to determine theft targets, administering monthly and annual reporting, and escalating issues where Energy Theft Tip Off Service (ETTOS) reports are not accessed in line with the Unbilled Energy Code of Practice. This guide covers the following areas:

Determination of Theft Targets

Annual Reporting

Using the REC Portal

Monthly Target Reporting

ETTOS

Reviewing Your Results

Determination Of Theft Target 1/2

RECCo will procure a Theft Estimation Methodology indicating the likely scale of energy theft in Great Britain. This methodology will be periodically reviewed in consultation with interested persons. Once established, the methodology shall be used to inform determinations made pursuant to the Code, such as the proportionality and potentially the efficacy of measures to mitigate energy theft, including the scale and scope of any future theft detection incentive schemes. RECCo will also continue to procure a Theft Assessment Calculator, produced by the Energy Savings Trust, to determine the likely amount of gas or electricity involved in each individual instance of theft. The Theft Target Methodology will be established and maintained by the REC Code Manager from 1 April 2023 onwards and used to determine your targets for identifying instances of theft in relation to the TDIS. The objective of this methodology is to set targets that result in a net benefit to consumers as compared to taking no action, taking into account the likely cost of identifying a Confirmed Energy Theft. Once determined, your theft targets will be made available through the REC Performance Assurance dashboards.

Link to Theft target

Required DSP Link

Determination Of Theft Target 2/2



*Please notify your OAM as soon as possible if your theft target needs to be adjusted to take into account a change in your customer book

How Are Incentive Payments Calculated?

(Total Incentive Pot Value X (Your Confirmed Thefts / Total Industry Confirmed Thefts))
– (Total Incentive Pot Value X Your Market Share)
=
Incentive Payment (£)

If you have a smaller customer base and no assigned theft targets, but would still like to participate in the incentive scheme, you are still able to report confirmed thefts to the REC Code Manager and receive payment.

Once you have acceded to the REC and have built up your customer base, the Code Manager will notify you of your theft target and potential incentive payments.

Monthly Target Reporting 1/2

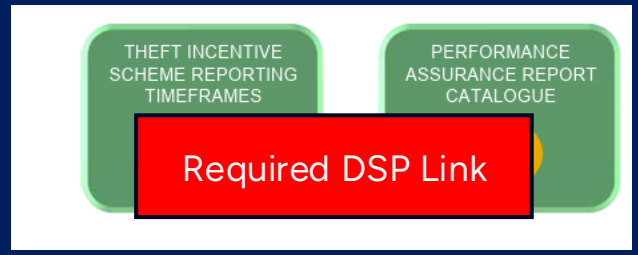
Each month you are required to submit theft files to the REC Code Manager so that the REC Code Manager can administer the incentive scheme. The files submitted to the Code Manager are the monthly outcome files that were historically prepared by Suppliers in relation to the historic TRAS arrangements and the data within these files will be used to determine the size of your incentive payments. The file format can be found below in the Performance Assurance Report Catalogue within the list of 'Operational Documents'. Further detail on the Scheme timeframes can also be found below.

You submit report on the REC Portal by the 1st WD of the following month (data for 1-30 Sept submitted by 1 Nov).

Code Manager publishes results monthly via the Performance Assurance Dashboard.

You may raise a query or challenge the results within 10 WDs of publication.

Challenge investigated and report re-published where applicable.



Monthly Target Reporting 2/2



Annual Reporting

The REC Code Manager will aim to publish the final confirmed theft results for the Reporting Year by the end of July, after the closing of the final query window. Based on Confirmed Energy Thefts reported by you and the overall market compared to your market share you will be determined to be in a net debit or credit position for the Reporting Year. Note that this calculation is performed separately for each incentive pot. You will be notified of your debit/credit value within 144 days after the end of the TDIS Reporting Year.

You will be informed of your debit/credit amount within 144 days after the end of the TDIS Reporting Year.

ETTOS

The Energy Theft Tip Off Service (ETTOS) continues to operate as part of the REC. As required by the Unbilled Energy Code of Practice, Energy Suppliers are required to read any tip-offs received within 10 Working Days. Where a GT or a DNO receives a tip off from ETTOS, it must notify ETTOS of the relevant supplier in relation to the tip off within 10 Working Days, as required by the Unbilled Energy Code of Practice. If you do not respond to ETTOS tip offs, the following escalation process will be followed:

Code Manager sends communication to you seeking a response in respect of tip offs that haven't been actioned

Second attempt at communication and call with Theft Contact.

Code Manager notifies PAB, formal letter sent to your Theft Contact.

>10 working days without response between steps

PAB determines next steps, which may include escalation to Ofgem.

UNBILLED ENERGY CODE OF PRACTICE

Required DSP Link