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NON-CONFIDENTIAL CONSOLIDATED CONSULTATION RESPONSES

R0173 – IMPROVEMENTS TO THE THEFT DETECTION INCENTIVE SCHEME (TDIS)

On 13 September 2024, the Code Manager issued an Impact Assessment to industry to seek feedback on the Change Report for I0173.

The purpose of this document is to consolidate the responses and for the Code Manager to answer any questions raised within those responses.

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RESPONSIBLE COMMITTEE	Change Panel
LEAD ANALYST	Elise Handy

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Question 1:	Did you attend any Theft Issues Group (TIG) meetings between April to August 2024?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Engie (Energy Supplier)	Yes, we were in attendance at the July and August TIGs.	Noted, thank you.
ScottishPower Energy Retail Limited (Energy Supplier)	We attended meetings of the Theft Issues Group over the period in question.	Noted, thank you.
E.ON (including EON Next and Npower business Solutions (Energy Supplier)	E.ON has had representation at all of the TIG meetings.	Noted, thank you.
SSE Energy Supply Ltd (SSE Business Energy) (Energy Supplier)	Yes.	Noted, thank you.

Question 2:	Please provide comments on the proposed solution.	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Engie (Energy Supplier)	We are supportive of this solution overall but do not agree that the new incentive for desktop investigations should be limited to theft investigations received through the ETTOS route.	The ETTOS lead requirement Energy Theft Desktop Investigation payments to be available was added to negate the identified risk of gaming. Once the revised scheme is in

		operation, the Code Manager will monitor the impact of this and consider whether changes to this requirement are made.
ScottishPower Energy Retail Limited (Energy Supplier)	We are committed to detecting and addressing energy theft, and that commitment holds regardless of initiatives such as the Theft Detection Incentive Scheme (TDIS). At the same time, we support the right measures to deal with energy theft at the industry level. In that context, we are supportive of the principle of amending the TDIS to reflect energy theft detection work by suppliers beyond Confirmed Energy Theft. However, we believe that any such amendments should be targeted on investigations of a substantial level of development, which by extension represent a larger share of the costs borne by suppliers (not nominally covered by the TDIS at present) actively engaged in energy theft detection work. As a result, we do not agree that the Code should be modified to introduce the "Energy Theft Desktop Investigation" and the "Energy Theft Site Visit Investigation". Instead, we propose that a single definition be introduced into the Code – the "Completed Energy Theft Investigation" (replacing "Completed but Unconfirmed Theft Investigation") – which is based on developed investigations that include site visits but do not result in theft confirmation. We believe that this alternative approach would incorporate costs incurred by suppliers that are actively engaged in energy theft detection work for "investigated but unconfirmed theft", while streamlining the current proposal.	Thank you for your drafting suggestions. The Code Manager notes that your alternative suggestions remain in line and do not conflict with the principles of the proposed solution and has not altered the solution.
E.ON (including EON Next and Npower business Solutions (Energy Supplier)	The proposed solution is on the whole welcomed and definitely constitutes a step in the right direction for suppliers being able to recover their costs for conducting energy theft investigations.	Thank you for your response. The ETTOS lead requirement for Energy Theft Desktop Investigation payments to be available was added to negate the identified risk of gaming.

	We understood from the TIG meetings that a supplier would get credit for all desktop investigations which we absolutely support but the solution allows only for desktop investigations arising from an ETTOS lead to be included. ETTOS leads are completely outside of the control of the supplier and more often than not, do not lead to a confirmed theft (our figures from analysis of a sample was 3.6%). As they are anonymous there is no way to track that the service is not being misused. We support the original TIG position of all desktop leads being included. We believe the multiplier values are too low. Desktop investigations involve a lot of work to assess if an investigation needs to progress to a site visit so we would like to understand how the 20% value was arrived at. There is the possibility that suppliers do not conduct desktop searches but instead progress straight to site visits. Our other concern is around the site visit multiplier of 50% verses 100% for a confirmed theft. In these two scenarios the supplier incurs the same cost regardless of the outcome.	Once the revised scheme is in operation, the Code Manager will monitor the impact of this and consider whether changes to this requirement are made. The proposed multipliers were discussed at the Theft Issues Group on 31 July 2024 and were based on the perceived effort of each investigation type. A poll was conducted at the meeting and most attendees supported these multipliers. These multipliers would be set on an annual basis with opportunities for Parties to review and comment on the multipliers through consultation.
SSE Energy Supply Ltd (SSE Business Energy) (Energy Supplier)	SSE welcome the idea of recompensing the work carried out in investigating potential theft. However, we are concerned around possible misreporting of theft investigation and lack of process around the auditing of recorded theft investigations. We believe REC PAB should develop additional reporting metrics in relation to confirmed theft, such as those used under the EBRS/EBDS. For example, sample sizes are requested from suppliers to allow auditors to assess whether the correct discounts have been applied to consumers bills. By adopting a similar approach under the REC for confirmed thefts will ensure that	Thanks for your response and raising concerns around auditing requirements. REC Performance Assurance has conducted an Impact Assessment of R0173 and highlighted additional verification. A summary

	accurate information is reported, and parties know that accurate credits are being provided. We flagged our concerns previously to REC PAB in relation to another party's confirmed theft and whilst we appreciate that REC currently do assess that reported thefts are accurate, we believe additional measures should be put in place.	of the Impact Assessment and additional measures is included in the Change Report.

Question 3:	Please provide the benefits you believe the proposed solution provides the industry and/or your organisation**.**	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Engie (Energy Supplier)	The solution has the potential to significantly improve engagement with the TDIS as it will enable more suppliers to recover costs from the TDIS incentive pot than just those who successfully confirm thefts. This will improve engagement from suppliers who have historically had low levels of confirmed theft and incentivise a greater number of theft investigations which may also contribute to an overall increase in the number of confirmed thefts.	Noted, thank you.
ScottishPower Energy Retail Limited (Energy Supplier)	As stated in our response to Question 2, we are supportive of amending the TDIS to reflect energy theft detection work by suppliers beyond confirmed theft. However, we disagree with the assertion in the Problem Statement for the current proposal that suppliers "are not currently meeting their TDIS Theft targets within each TDIS Reporting Year because there may be financial disincentives to undertake investigations where there is no assurance that such investigations would convert into a Confirmed Energy Theft." Our commitment to detecting, investigating and addressing energy theft stands irrespective	Noted, thank you.

	of the TDIS or its targets. In the context of scheme performance, greater reflection should be given to the purpose and structure of the TDIS and to whether they are adequate for the retail energy market of today. Factors which should be part of such reflection include: the low quality of a significant proportion of energy theft tips, the challenges that suppliers actively engaged in energy theft detection work face in confirming theft and, at an industry level, the ongoing settlement errors which likely impact on the accuracy of estimations of energy theft volumes in Great Britain. In that light, while we support the incorporation of the costs to suppliers of substantial investigations of unconfirmed theft into the TDIS, we see the rationale for that course as ensuring that the TDIS accurately reflects more of the work already undertaken by suppliers (actively engaged on energy theft detection), not prompting suppliers (or those actively engaged, at least) to undertake work that they otherwise might, but which they have purposefully elected not to undertake, because it is not currently reflected in the TDIS. We find the latter argument to be unpersuasive – and certainly not reflective of our approach. In turn, we are not convinced that the current proposal would inherently increase the number of confirmed energy theft cases or the volume of confirmed energy theft to a noticeable degree. We would caution against any unrealistic expectations of the impact of the current proposal on the amount of confirmed energy theft or supplier performance against the TDIS targets.	
E.ON (including EON Next and Npower business Solutions (Energy Supplier)	The proposed solution would go some way to encouraging more suppliers to engage with the Energy theft process because more of the costs of doing so would be met. This would increase the numbers of	Noted, thank you.

	confirmed energy thefts which would benefit industry and customers alike as the cost of undetected theft is borne by all.	
SSE Energy Supply Ltd (SSE Business Energy) (Energy Supplier)	SSE are of the view that rewarding unconfirmed theft investigations will encourage more theft investigations and put more emphasis on theft investigations from suppliers.	Noted, thank you.

Question 4:	Please identify any elements of the proposed solution that you believe are an improvement on the current TDIS.	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Engie (Energy Supplier)	The proposals to offer incentive payments for desktop investigations and site investigations is an improvement on the existing TDIS.	Noted, thank you.
ScottishPower Energy Retail Limited (Energy Supplier)	As stated in our responses to Questions 2 and 3, we believe that the principle in the current proposal of incorporating energy theft detection work by suppliers beyond confirmed theft into the TDIS would improve the scheme. At the same time, we believe that our alternative proposal of Completed Energy Theft Investigations (as detailed in our response to Question 5), would deliver clear benefits while also streamlining the current proposal, limiting the administrative burden on suppliers and maintaining the necessary standards for high-quality energy theft detection work. In our view, defining completed investigations as those involving a site visit but no theft confirmation would retain the focus on high-quality and targeted investigations, and avoid unintentionally incentivising low-quality and voluminous investigations. We also believe that this scheme amendment should be decoupled from ETTOS tips.	Please see response to question 2. The ETTOS lead requirement for Energy Theft Desktop Investigation payments to be available was added to negate the identified risk of gaming. Once the revised scheme is in operation, the Code Manager will monitor the impact of this and consider whether changes to this requirement are made.

E.ON (including EON Next and Npower business Solutions (Energy Supplier)	Suppliers being given some credit for desktop investigations and site visits that do not end up with a confirmed theft is an improvement.	Noted, thank you.
SSE Energy Supply Ltd (SSE Business Energy) (Energy Supplier)	Please see above.	-

Question 5:	Please provide any comments on the proposed legal text, calculations or multipliers.	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Engie (Energy Supplier)	We believe the multipliers proposed are a good starting point.	Noted, thank you.
ScottishPower Energy Retail Limited (Energy Supplier)	While we support this proposal in principle, we believe that alternative amendments to the draft legal text, set out in the table below, should be made to the TDIS to ensure that it is as effective as possible, in line with the rationale that we have set out. Our proposal covers the following themes: 1. In keeping with our proposal, we believe that Completed but Unconfirmed Theft Investigation in the draft legal text should be renamed as "Completed Energy Theft Investigation" and its definition should be refined to include four components (mirroring, to the extent possible, the definition of Confirmed Energy Theft): a desktop review, a site visit, a report of the site visit and photographic evidence of the site visit. In turn, we propose that Energy Theft Desktop Investigation and Energy Theft Site Visit Investigation be removed from the draft legal text. 2. With a single definition of a completed investigation with unconfirmed theft, we believe that Paragraph 4.2 should be revised to reference only one matching percentage/multiplier. Beyond the legal text, greater consideration should be given to the most appropriate multiplier for completed investigations. We note that the Solution Development Report suggests an initial multiplier of 50% for	Please see response to question 2.

	Energy Theft Site Visit Investigation, which is the most relevant comparator for Completed Energy Theft Investigation. In the absence of a more detailed case for this selection, we are not convinced that a completed investigation is only worth "half" of a confirmed theft. It may be that a completed investigation could be worth more – perhaps 60% or 65%. In any case, we believe that this point should be explored further before adoption. 3. In our view, a completed investigation (in our proposal, Completed Energy Theft Investigation) should not be predicated on an ETTOS tip. We believe that such a limitation is unnecessary and would not aid the effective operation of the TDIS. In line with our responses throughout this impact assessment, we contend that the emphasis should be on high-quality and targeted investigations. Such an approach requires decoupling ETTOS tips from the definition of a completed investigation. As a result, we propose that Paragraph 4.3 be removed in full. 4. In line with our alternative proposal of Completed Energy Theft Investigation, we propose that the formula in Paragraph 8.3 be revised accordingly. We suggest that variable IS, representing Completed Energy Theft Investigations, and variable MI, the applicable percentage for them, replace variables VS and DS and variables MS and MD, respectively.	

		Schedule 1 (Interpretations and Definitions)	**Energy Theft Desktop Investigation – means that the holder of an Energy Licence (or person acting on their behalf) conducts a desktop investigation to determine the potential likelihood of Energy Theft and requirements of further investigation. As a minimum the desktop investigation must include and evidence:** **(a) the source, date and details of the initial report of suspicion of Energy Theft;** **(b) the date of the desktop investigation and the name/ID of the person who conducted it. If the desktop investigation was fully or partly automated this should be recorded with the automation process made available on request;** **(c) if the potential Energy Theft is being investigated by or on behalf of an Energy Supplier, that the Energy Supplier is the current Registered Supplier at the time of the investigation (in**	~~**Energy Theft Desktop Investigation – means that the holder of an Energy Licence (or person acting on their behalf) conducts a desktop investigation to determine the potential likelihood of Energy Theft and requirements of further investigation. As a minimum the desktop investigation must include and evidence:**~~ ~~**(a) the source, date and details of the initial report of suspicion of Energy Theft;**~~ ~~**(b) the date of the desktop investigation and the name/ID of the person who conducted it. If the desktop investigation was fully or partly automated this should be recorded with the automation process made available on request;**~~ ~~**(c) if the potential Energy Theft is being investigated by or on behalf of an Energy Supplier, that the Energy Supplier is the current Registered Supplier at the time of the investigation (in**~~		

				which case the Supply Effective From Date and any known Supply Effective Through Date shall be recorded); (d) the relevant Consumer's name, address and MPAN/MPRN, and the dates of the last Change of Occupier and any known future Change of Occupier;	~~which case the Supply Effective From Date and any known Supply Effective Through Date shall be recorded);~~ ~~(d) the relevant Consumer's name, address and MPAN/MPRN, and the dates of the last Change of Occupier and any known future Change of Occupier;~~		

			(e) any correspondence or contact with the Consumer or a third party concerning the potential Energy Theft; (f) review of meter details, any metering work, meter readings, consumption, alerts and payment activity relevant to the investigation; (g) any previous known theft investigations at the premises or linked to the Consumer; and (h) a determination that the suspicion of Energy Theft is invalid and the investigation may be closed; or that the suspicion of Energy Theft is valid and should progress to an Energy Theft Site Visit Investigation.	~~(e) any correspondence or contact with the Consumer or a third party concerning the potential Energy Theft;~~ ~~(f) review of meter details, any metering work, meter readings, consumption, alerts and payment activity relevant to the investigation;~~ ~~(g) any previous known theft investigations at the premises or linked to the Consumer; and~~ ~~(h) a determination that the suspicion of Energy Theft is invalid and the investigation may be closed; or that the suspicion of Energy Theft is valid and should progress to an Energy Theft Site Visit Investigation.~~	

		Schedule 1 (Interpretations and Definitions)	**Energy Theft Site Visit Investigation – means that the holder of an Energy Licence (or person acting on their behalf) visits the premises where Energy Theft is suspected to determine if a Confirmed Energy Theft has occurred following the completion of an Energy Theft Desktop Investigation. Multiple visits to a premises in respect of the same suspected Energy Theft shall only count as one Energy Theft Site Visit Investigation. As a minimum the site visit investigation must include and evidence:** **(a) that the suspected Energy Theft has been assigned a priority status as per Paragraph 7 of the Unbilled Energy Code of Practice;** **(b) any known or suspected Vulnerability of the Consumer and/or any known or suspected potential hazards at the premises;** **(c) that access to the metering point and installation has been gained, or for Theft in Conveyance the point of the**	~~**Energy Theft Site Visit Investigation – means that the holder of an Energy Licence (or person acting on their behalf) visits the premises where Energy Theft is suspected to determine if a Confirmed Energy Theft has occurred following the completion of an Energy Theft Desktop Investigation. Multiple visits to a premises in respect of the same suspected Energy Theft shall only count as one Energy Theft Site Visit Investigation. As a minimum the site visit investigation must include and evidence:**~~ ~~**(a) that the suspected Energy Theft has been assigned a priority status as per Paragraph 7 of the Unbilled Energy Code of Practice;**~~ ~~**(b) any known or suspected Vulnerability of the Consumer and/or any known or suspected potential hazards at the premises;**~~ ~~**(c) that access to the metering point and installation has been gained, or for Theft in Conveyance the point of the**~~		

			illegal connection, and an inspection made that satisfies the nature of the	~~illegal connection, and an inspection made that satisfies the nature of the~~	

				initial report of the suspicion of Energy Theft; (d) a photograph of the premises and a photo (or sketch) of the metering point or suspected point of illegal connection; (e) a report of all visits made to premises including, dates, times, persons spoken to, and outcome of metering point inspection, including if theft or another issue was identified and any metering work or other remedial action undertaken; and (f) if Energy Theft is identified, that information has been obtained to enable an assessment of the amount of Energy that has been the subject of Energy Theft.	~~initial report of the suspicion of Energy Theft;~~ ~~(d) a photograph of the premises and a photo (or sketch) of the metering point or suspected point of illegal connection;~~ ~~(e) a report of all visits made to premises including, dates, times, persons spoken to, and outcome of metering point inspection, including if theft or another issue was identified and any metering work or other remedial action undertaken; and~~ ~~(f) if Energy Theft is identified, that information has been obtained to enable an assessment of the amount of Energy that has been the subject of Energy Theft.~~		

		Schedule 7 (Energy Theft Reduction)	4.2 Each Completed but Unconfirmed Theft Investigation will qualify for an incentive payment, the value of which will be calculated as a percentage of the Theft Detection Value. Different percentages will apply to Energy Theft Desktop Investigations as compared to Energy Theft Site Visit Investigations. These percentages will be set such that the value of the payment is no more than the estimated likely net cost to an Energy Supplier of having undertaken the investigation, as compared with having taken no action.	4.2 Each Completed ~~but~~ ~~Unconfirmed~~ Energy Theft Investigation will qualify for an incentive payment, the value of which will be calculated as a percentage of the Theft Detection Value. ~~Different percentages will apply to Energy Theft Desktop Investigations as compared to Energy Theft Site Visit Investigations. These~~ This percentage~~s~~ will be set such that the value of the payment is no more than the ~~estimated~~ likely net cost to an Energy Supplier of having undertaken the investigation, as compared with having taken no action.			
		Schedule 7 (Energy Theft Reduction)	4.3 Note that the definition of Completed but Unconfirmed Theft Investigations only includes those Energy Theft Desktop Investigations made in response to an ETTOS tip-off.	~~4.3 Note that the definition of Completed but Unconfirmed Theft Investigations only includes those Energy Theft Desktop Investigations made in response to an ETTOS tip-off.~~			

	Schedule 7 (Energy Theft Reduction)	**4.4 The Code Manager shall, at the same time as it determines and publishes the Theft Targets for a TDIS Reporting Year, establish and publish a Theft Detection Value for each consumer segment to be used**	**4.4 The Code Manager shall, at the same time as it determines and publishes the Theft Targets for a TDIS Reporting Year, establish and publish a Theft Detection Value for each consumer segment to be used**
		in that TDIS Reporting Year and the associated percentage multipliers for calculation of payments for Completed but Unconfirmed Theft Investigations (as outlined in Paragraph 4.2).	**in that TDIS Reporting Year and the associated percentage multipliers for calculation of payments for Completed ~~but Unconfirmed~~ Energy Theft Investigations (as outlined in Paragraph 4.2).**
	Schedule 7 (Energy Theft Reduction)	6 REPORTING CONFIRMED THEFTS **AND THEFT INVESTIGATIONS**	6 REPORTING CONFIRMED THEFTS **AND COMPLETED THEFT INVESTIGATIONS**

		Schedule 7 (Energy Theft Reduction)	6.2 Each Energy Supplier shall record all Energy Theft **Desktop Investigations and Energy Theft Site Visit Ii**~~i~~nvestigations at the point the theft investigation commences and shall submit such records to the Code Manager via the REC Portal. Once the investigation is concluded, details of the Energy Theft investigation must be re-submitted together with the outcome **(including specifying whether a Confirmed Energy Theft was identified and whether the investigation concluded as an Energy Theft Desktop Investigation or Energy Theft Site Visit Investigation)**. Submissions must be compliant with the data specification set out in the Performance Assurance Reporting Catalogue.	6.2 Each Energy Supplier shall record all Energy Theft ~~**Desktop Investigations and Energy Theft Site Visit Ii**~~nvestigations at the point the theft investigation commences and shall submit such records to the Code Manager via the REC Portal. Once the investigation is concluded, details of the Energy Theft investigation must be re-submitted together with the outcome **(including specifying whether a Confirmed Energy Theft was identified and whether** ~~**the investigation a**~~ **Completed Energy Theft Investigation was concluded** ~~**as an Energy Theft Desktop Investigation or Energy Theft Site Visit Investigation)**~~. Submissions must be compliant with the data specification set out in the Performance Assurance Report~~**ing**~~ Catalogue.			

Schedule 7 (Energy Theft Reduction)	6.3 Any Confirmed Energy Theft **or Completed but Unconfirmed Theft Investigation** not reported within the relevant timeframe as may be prescribed by the Code Manager will be excluded from the TDIS unless otherwise agreed with the REC Performance Assurance Board. Only Confirmed Energy Thefts **and Completed but Unconfirmed Theft Investigations** identified within the specified start and end dates of the TDIS Reporting Year will be eligible for that TDIS Reporting Year.	6.3 Any Confirmed Energy Theft **or Completed ~~but Unconfirmed~~ Energy Theft Investigation** not reported within the relevant timeframe as may be prescribed by the Code Manager will be excluded from the TDIS unless otherwise agreed with the REC Performance Assurance Board. Only Confirmed Energy Thefts **and Completed ~~but Unconfirmed~~ Energy Theft Investigations** identified within the specified start and end dates of the TDIS Reporting Year will be eligible for that TDIS Reporting Year.
Schedule 7 (Energy Theft Reduction)	7.1 (a) submission of Confirmed Energy Theft **and Completed but Unconfirmed Theft Investigation** reports;	7.1 (a) submission of Confirmed Energy Theft **and Completed ~~but Unconfirmed~~ Energy Theft Investigation** reports;
Schedule 7 (Energy Theft Reduction)	7.1 (c) final submission of Confirmed Energy Theft **and Completed but Unconfirmed Theft Investigation** reports, including resolution of any data validation errors for reports previously submitted, for inclusion with the TDIS Reporting Year.	7.1 (c) final submission of Confirmed Energy Theft **and Completed ~~but Unconfirmed~~ Energy Theft Investigation** reports, including resolution of any data validation errors for reports previously submitted, for inclusion with the TDIS Reporting Year.

		Schedule 7 (Energy Theft Reduction)	7.3 The Code Manager shall produce and provide to each Energy Supplier and the REC PAB, an overall Indicative TDIS Summary Report. The Code Manager shall provide each Energy Supplier with a copy of the Indicative TDIS Summary Report with the Confirmed Energy Thefts **and Completed but Unconfirmed Theft Investigations** for all other Energy Suppliers anonymised. The Code Manager shall provide the REC PAB with a non-anonymised copy of the Indicative TDIS Summary Report.	7.3 The Code Manager shall produce and provide to each Energy Supplier and the REC PAB, an overall Indicative TDIS Summary Report. The Code Manager shall provide each Energy Supplier with a copy of the Indicative TDIS Summary Report with the Confirmed Energy Thefts **and Completed ~~but Unconfirmed~~ Energy Theft Investigations** for all other Energy Suppliers anonymised. The Code Manager shall provide the REC PAB with a non-anonymised copy of the Indicative TDIS Summary Report.			
		Schedule 7 (Energy Theft Reduction)	7.4 The content of the Indicative TDIS Summary Report will detail the aggregate number of Confirmed Energy Thefts **and Completed but Unconfirmed Theft Investigations** recorded for the relevant scheme month for each Energy Supplier against each of their relevant Theft Targets. The specific format of the Indicative TDIS Summary Report may be revised from time to time subject to the approval of the REC Performance Assurance Board.	7.4 The content of the Indicative TDIS Summary Report will detail the aggregate number of Confirmed Energy Thefts **and Completed ~~but~~ ~~Unconfirmed~~ Energy Theft Investigations** recorded for the relevant scheme month for each Energy Supplier against each of their relevant Theft Targets. The specific format of the Indicative TDIS Summary Report may be revised from time to time subject to the approval of the REC Performance Assurance Board.			

Schedule 7 (Energy Theft Reduction)	7.6 The Code Manager shall issue to the TDIS Qualifying Suppliers and the REC Performance Assurance Board an updated version of the Indicative TDIS Summary Report (the TDIS Reporting Year Summary Report), in accordance with the REC Performance Assurance Board calendar. The Code Manager shall provide each Energy Supplier with a copy in which the Confirmed Energy Thefts **and Completed but Unconfirmed Theft Investigations** for all other Energy Suppliers are anonymised. The Code Manager shall	7.6 The Code Manager shall issue to the TDIS Qualifying Suppliers and the REC Performance Assurance Board an updated version of the Indicative TDIS Summary Report (the TDIS Reporting Year Summary Report), in accordance with the REC Performance Assurance Board calendar. The Code Manager shall provide each Energy Supplier with a copy in which the Confirmed Energy Thefts **and Completed ~~but~~ ~~Unconfirmed~~ Energy Theft Investigations** for all other Energy Suppliers are anonymised. The Code
	provide the REC PAB with a copy that has not been anonymised.	Manager shall provide the REC PAB with a copy that has not been anonymised.

			Schedule 7 (Energy Theft Reduction)	8.2 All debits and credits associated with the TDIS Reporting Year will be calculated by the Code Manager based on the total number of Confirmed Energy Thefts **and Completed but Unconfirmed Theft Investigations** shown within the final TDIS Reporting Year Summary Report, covering the full TDIS Reporting Year and utilising Energy Supplier market share figures based on the figures utilised at the commencement of that TDIS Reporting Year.	8.2 All debits and credits associated with the TDIS Reporting Year will be calculated by the Code Manager based on the total number of Confirmed Energy Thefts **and Completed ~~but Unconfirmed~~ Energy Theft Investigations** shown within the final TDIS Reporting Year Summary Report, covering the full TDIS Reporting Year and utilising Energy Supplier market share figures based on the figures utilised at the commencement of that TDIS Reporting Year.		

		Schedule 7 (Energy Theft Reduction)	8.3 Debits and credits resulting from the TDIS will be calculated for each consumer segment within the scheme using the following formula: ~~**(X*(STD / TTD)) – (X*FMPS)**~~ $$X * \left(\frac{STD}{TTD}\right) - (X * FMPS) + V_S * MS * TDV + D_S * MD * TDV - \left(\sum_s (V_S * MS * TDV + D_S * MD * TDV)\right) * FMPS$$ *except where FMPS equals zero when expressed to five decimal places, in which case no credit or debit will be applied, or in the case of a TDIS Qualifying Supplier whose Theft Target for such segment was zero, in which case no debit may be applied but a credit may be.* *Where:*	8.3 Debits and credits resulting from the TDIS will be calculated for each consumer segment within the scheme using the following formula: ~~**(X*(STD / TTD)) – (X*FMPS)**~~ $$X * \left(\frac{STD}{TTD}\right) - (X * FMPS) + I_S * MI * TDV - \left(\sum_s (I_S * MI * TDV)\right) * FMPS$$ *except where FMPS equals zero when expressed to five decimal places, in which case no credit or debit will be applied, or in the case of a TDIS Qualifying Supplier whose Theft Target for such segment was zero, in which case no debit may be applied but a credit may be.* *Where:* *X is the total incentive pot value of the relevant consumer segment of the TDIS, amended in line with the*		

			X is the total incentive pot value of the relevant consumer segment of the TDIS, amended in line with the percentage change in the 'Consumer Price Index' between the index published for the start and the end of the TDIS Regulatory Year.	*percentage change in the 'Consumer Price Index' between the index published for the start and the end of the TDIS Regulatory Year.* *STD is the number of Confirmed Energy Thefts recorded by the Energy*			

			STD is the number of Confirmed Energy Thefts recorded by the Energy Supplier in the relevant consumer segment. *TTD is the total number of Confirmed Energy Thefts recorded in the TDIS Reporting Year for the relevant consumer segment.* *FMPS is the final Metering/Supply Meter Point market share of the TDIS Qualifying Supplier in the TDIS Reporting Year for the relevant consumer segment (being the TDIS Qualifying Supplier's market share as a percentage of the Metering/Supply Meter Points of all the TDIS Qualifying Suppliers based on the figures used at the start of the TDIS Reporting Year).* ***V_S is the number of Completed but Unconfirmed Theft Investigations that were concluded as an Energy Theft Site Visit Investigation for Energy Supplier S.*** ***D_S is the number of Completed but Unconfirmed Theft Investigations***	*Supplier in the relevant consumer segment.* *TTD is the total number of Confirmed Energy Thefts recorded in the TDIS Reporting Year for the relevant consumer segment.* *FMPS is the final Metering/Supply Meter Point market share of the TDIS Qualifying Supplier in the TDIS Reporting Year for the relevant consumer segment (being the TDIS Qualifying Supplier's market share as a percentage of the Metering/Supply Meter Points of all the TDIS Qualifying Suppliers based on the figures used at the start of the TDIS Reporting Year).* ***VI_S is the number of Completed ~~but~~ ~~Unconfirmed~~ Energy Theft Investigations that were concluded ~~as an Energy Theft Site Visit Investigation~~ for Energy Supplier S.*** ***~~D_S is the number of Completed but Unconfirmed Theft Investigations that were concluded as an Energy~~***		

			that were concluded as an Energy Theft Desktop Investigation for Energy Supplier S. ***MS is the applicable percentage referred to in Paragraph 4.2 for Completed but Unconfirmed Theft Investigations that were concluded as an Energy Theft Site Visit Investigation.*** ***MD is the applicable percentage referred to in Paragraph 4.2 for Completed but Unconfirmed Theft Investigations that were concluded as an Energy Theft Desktop Investigation.*** ***$\sum_S$ is the sum over all Energy Suppliers.***	***~~Theft Desktop Investigation for Energy Supplier S.~~*** ***~~MS~~I is the applicable percentage referred to in Paragraph 4.2 for Completed ~~but Unconfirmed~~ Energy Theft Investigations that were concluded ~~as an Energy Theft~~ ~~Site Visit Investigation.~~*** ***~~MD is the applicable percentage referred to in Paragraph 4.2 for Completed but Unconfirmed Theft Investigations that were concluded as an Energy Theft Desktop Investigation.~~*** ***$\sum_S$ is the sum over all Energy Suppliers.***	

	Schedule 7 (Energy Theft Reduction)	9.2 TDIS Qualifying Suppliers may be required to self-certify (in a format determined by the REC PAB) that all **reported** Confirmed Energy Thefts **and Completed but Unconfirmed Theft Investigations meet the applicable definitions** ~~are in accordance with the definition of Confirmed Energy Theft~~ under this Code.	9.2 TDIS Qualifying Suppliers may be required to self-certify (in a format determined by the REC PAB) that all **reported** Confirmed Energy Thefts **and Completed** ~~but Unconfirmed~~ **Energy Theft Investigations meet the applicable definitions** ~~are in accordance with the definition of Confirmed Energy Theft~~ under this Code.
	Schedule 7 (Energy Theft Reduction)	9.3 The REC PAB reserves the right to conduct an audit of each TDIS Qualifying Supplier's evidence for Confirmed Energy Thefts **and Completed but Unconfirmed Energy Theft Investigations**.	9.3 The REC PAB reserves the right to conduct an audit of each TDIS Qualifying Supplier's evidence for Confirmed Energy Thefts **and Completed** ~~but Unconfirmed~~ **Energy Theft Investigations**.
	RESPONSE CONFIDENTIALITY	Non-Confidential	
E.ON (including EON Next and Npower business Solutions (Energy Supplier)	We have no comments on the legal text and our comments in regard to the multipliers are in Q2. It would be good if REC could share the rationale about how these were arrived at.		Thanks for your comments. Please see response to question 2.
SSE Energy Supply Ltd (SSE Business Energy) (Energy Supplier)	As we have suggested within Q2, SSE would like to see a commitment to audit confirmed and investigated thefts where a supplier will be credited for theft detection performance, in line with the definition of a confirmed theft and unconfirmed theft investigation.		Thanks for your comments. Please see response to question 2.

Question 6:	Please provide any comments on the proposed changes to the PARC. Note these changes would need to be effective from the first submission of data that relates to periods to which the change apply. Given the proposed submission date this would therefore apply for data from 1 June 2025.	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Engie (Energy Supplier)	We believe the proposed changes to the PARC reports are consistent with the changes proposed to the TDIS and are workable.	Noted, thank you.
ScottishPower Energy Retail Limited (Energy Supplier)	We support the removal of customer data fields from Reports 1341 Commercial and 1341 Residential where they are duplicative and/or not needed for the operation of the TDIS (noting that "personal data" is only applicable to natural persons). We do not object to the inclusion of the "Fuel Type" field. Given our proposal for a single definition of a completed investigation with no theft confirmation, we believe that the proposed values for the "Theft Investigation Type" be revised accordingly. We also suggest that the reference to the "REC definition schedule" in the description of this field be clarified. In view of our proposal to decouple this amendment from ETTOS tips, we do not believe that the "Information Source Reference - ETTOS Lead" field should be added at this time. In any event, we believe that such a field should refer to the ETTOS Service Provider instead of Crimestoppers.	Noted, thank you.
E.ON (including EON Next and Npower business Solutions (Energy Supplier)	No comments.	-
SSE Energy Supply Ltd (SSE Business Energy) (Energy Supplier)	SSE have no issues with the proposed changes to the monthly theft report.	Noted, thank you.

Question 7:	Do you agree with the Code Manager's determination that the other solution option should not be progressed?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Engie (Energy Supplier)	It is not clear from the documentation what the other solution option was so we have no comment on this question.	Thanks for your comments. The alternative calculation was queried at the August 2024 Theft Issues Group and explored prior to publishing the Impact Assessment. This alternative calculation and reasons for not progressing it were detailed within the Solution Development Report and outlined at the September 2024 Theft Issues Group.
ScottishPower Energy Retail Limited (Energy Supplier)	We agree that the alternative solution for the TDIS calculations set out in the Solution Development Report should not be advanced at this stage.	Noted, thank you.
E.ON (including EON Next and Npower business Solutions (Energy Supplier)	We are not aware of any other solution option. There is no information on an alternative solution that we can see.	Thanks for your comments. The alternative calculation was queried at the August 2024 Theft Issues Group and explored prior to publishing the Impact Assessment. This alternative calculation and reasons for not progressing it were detailed within the Solution Development Report and outlined at the September 2024 Theft Issues Group.
SSE Energy Supply Ltd (SSE Business Energy) (Energy Supplier)	SSE agree that the alternate solution should not be progressed, but due to the difference in credit/debit values between the two solutions, we would expect to see suppliers that receive a credit for their performance	Noted, thank you.

	audited on their confirmed thefts as per the definition of a confirmed theft.	

Question 8:	Taking into consideration both the costs and benefits seen by your organisation, do you believe this change should be made?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Engie (Energy Supplier)	Yes. This proposal offers the potential to recover more of the costs of theft investigations even when there is not a confirmed theft and will enhance our capability to detect theft.	Noted, thank you.
ScottishPower Energy Retail Limited (Energy Supplier)	In line with our responses throughout this impact assessment, we believe that this change should be made on the basis of our alternative proposal of Completed Energy Theft Investigations.	Noted, thank you.
E.ON (including EON Next and Npower business Solutions (Energy Supplier)	Yes we believe this change should be made and consideration given to the points raised.	Noted, thank you.
SSE Energy Supply Ltd (SSE Business Energy) (Energy Supplier)	SSE support this change proposal.	Noted, thank you.

Question 9:	The proposed implementation date is 01 April 2025, please indicate any reasons as to why this implementation date would not be appropriate.	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**

Engie (Energy Supplier)	We are in agreement with this implementation date.	Noted, thank you.
ScottishPower Energy Retail Limited (Energy Supplier)	We have no objections in principle to the proposed implementation date of 1 April 2025, to align with the 2025/2026 TDIS Reporting Year. However, we believe that suppliers should be provided with sufficient time to prepare for operating under this change (with a minimum of 3 months from the date of a positive decision to implement the solution), to ensure that the change is as effective as possible.	Noted, thank you.
E.ON (including EON Next and Npower business Solutions (Energy Supplier)	No comments.	Noted, thank you.
SSE Energy Supply Ltd (SSE Business Energy) (Energy Supplier)	SSE fully expect to make the changes to our system in time for 01.04.2025.	Noted, thank you.

Question 10:	Please provide any other matters you believe should be considered as part of this Change Issue.	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Engie (Energy Supplier)	Our preference would have been for all desktop theft investigations that could be evidenced to be eligible for an incentive payment, and not just ETTOS ones. This is because our theft leads often come from DNOs and agents who have visited premises as well as from ETTOS. These theft leads could also be easily evidenced through data flows received by suppliers (eg D0136).	Noted, thank you.

	If this expansion of the eligibility for desktop investigations cannot be included in the initial release it should be considered for future releases.	
ScottishPower Energy Retail Limited (Energy Supplier)	We would like clarification from the Code Manager on whether this Change Issue will give rise to a Change Proposal or whether the suggestion is for this change to be made directly as a Change Issue.	At the time of publishing the Consultation, this Change Issue has moved to a Change Proposal R0173.
E.ON (including EON Next and Npower business Solutions (Energy Supplier)	-	-
SSE Energy Supply Ltd (SSE Business Energy) (Energy Supplier)	As mentioned in other answers, SSE are of the view that this change proposal should be strengthened by outlining clearly the evidence required to be kept by a supplier of a confirmed theft, a qualifying site visit and a qualifying desk top investigation. Before any credit is issued, suppliers must be required to provide such recorded evidence for a random percentage of qualifying sites.	Noted, thank you.