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NON-CONFIDENTIAL CONSOLIDATED CONSULTATION RESPONSES

R0234 INTRODUCTION OF AN ENERGY THEFT REFERRAL ASSESSMENT SERVICE UNDER THE REC

On 15/04/2025 the Code Manager issued a consultation to industry to seek feedback on the Change Report for R0234.

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	REC Change Panel
LEAD ANALYST	Flo Monea

DATE CONSULTATION ISSUED	15/04/2025
RESPONSE DEADLINE	09/05/2025

Question 1:	Do you agree with the proposed solution? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
SSE Energy Supply (Energy Supplier)	Whilst SSE welcome the steps being taken to create a national response to energy theft, we feel the solution is geared towards Domestic Suppliers and the type of Theft carried out in the domestic arena. The types of customers likely to be deterred from carrying out energy theft by any prosecutions are not our customers. We would prefer the solution outlined is for domestic only suppliers and a separate scheme was created geared towards nondomestic supplier customers.	Noted. Thank you for your response.
EDF (Energy Supplier)	We firmly support the implementation of the ETU and agree that the RAS is an essential part of ensuring that the ETU is effective when implemented.	Noted. Thank you for your response.
Brook Green Supply (Energy Supplier)	We believe that establishing the Referral Assessment Service (RAS) as a new REC service will be beneficial in tackling energy theft.	Noted. Thank you for your response.
OVO Energy (Energy Supplier)	Yes, OVO agrees with the proposed solution.	Noted. Thank you for your response.
ScottishPower Energy (Energy Supplier)	As outlined in our response to the Impact Assessment, we believe that our comments should be considered in conjunction with those made for R0233 regarding the introduction of the ETU under the REC. While we welcome the principle behind the proposed change and acknowledge the desire to improve the management of theft cases, we reiterate that	Development will need to be on an incremental basis and there will continue to be further industry engagement once the

	we do not support the proposal in its current form. Given the fact that the RAS is intended to support the ETU in reviewing and filtering cases submitted by industry, we are not convinced that the RAS and ETU should proceed until the issues we raised in our responses to R0233 consultation and R0234 IA have been sufficiently addressed. We would reiterate our suggestion for discussions and engagement on the points below: - **Referral Mechanism** – how the urgent referral process will work in practice. - **Referral processing and Assessment** – proposed scoring matrix and key acceptance criteria. - **Referral Management system** – decision to be made on whether a standalone system or part of a wider Energy Theft data portal and how this will be managed and maintained. - **Performance management and reporting** – importance of reporting in this process, to understand the effectiveness of ETU and RAS service. More information is needed on the design, management and frequency of reporting. We remain committed to supporting industry dialogue on addressing energy theft.	Ofgem confirmation for R0233 & R0234 has been confirmed.
Wales & West Utilities (Gas Transporter)	As a Gas Transporter we refer the case to the Gas Supplier if the theft is associated with the metering installation. We are responsible for two types of gas theft: 1. Tampering with our network (up to the Emergency Control Valve) to take gas illegally such as an unauthorised gas service	The proposal to create the Referral Assessment Service (RAS) aims to complete the process to identify and investigate Energy Theft cases. The new process introduced by this Change Proposal R0234 and R0233 Introduction of an Energy Theft Unit (ETU)

	2. Gas being taken through a meter but no registered Shipper / Supplier We already take referrals through the Crimestoppers platform and provide high level responses on action taken. We seek clarity on how the new system will assess gas theft that the GDNs are responsible for and are unclear at this stage on amount of data required for us to input which is all duplication to what we already capture and report to Ofgem.	under the REC aims to aid REC parties with those cases of organised crime or specialised tampering services. REC parties will be able to provide referrals through RAS (who will triage and assess these) which in turn will be sent to ETU for legal investigation and prosecution, where deemed necessary. The data required for a referral to RAS can be found in the 'Referral information and evidentiary requirements' document. This information is required to allow the Police unit (ETU) to conduct a thorough investigation. There is no obligation to provide referrals to the RAS for forward transmission to the police unit. If Parties do, there is no duplication involved as this is an entirely new service. The referral will be made via the Referral Information and Evidentiary Requirements document mentioned above. This form will be submitted to the RAS via the REC Portal.
Anonymous (Energy Supplier)	Yes, however as mentioned by another party in the Impact Assessment, more detail in the form of workshops is needed to explain the workings of the solution before go-live. As it currently stands it is not overtly clear why parties could not submit these cases directly to the ETU with enough guidance provided, with the RAS having a smaller role of	RECCo will look to facilitate workshops to ensure Party understanding following the approval of R0234. These would include further discussion on the E2E service that the RAS will provide, with that further level of confidence and assurance from the Regulator

	reviewing trends overall to create analytical insights into the use of the service.	having been achieved. The processes and Cat 3 documentation for referral submission will continually be improved as lessons are learned from a 'live' service. Party submissions directly to the ETU would increase administrative burden on the police, particularly when there is a requirement to send back requesting further info. The ETU do not have access to ongoing and historical TDIS data that may assist in assessing the referral from parties, nor access to the latest ETTOS leads from Crimestoppers, that again may corroborate and assist in the identification of individuals involved in the organised criminality. The RAS will assess all available information held by RECCo to ensure a referral to the ETU is concise, robust and suitably prioritised. All administrative burden on allocated police resources will limit the time spent on actively investigating referrals.
National Grid Electricity Distribution (Distribution Network Operator)	Yes. We are supportive of the proposed solution as it seeks to provide what promises to be an effective level of assistance to the ETU, maximising its operational value.	Noted. Thank you for your response.

Question 2:	Do you agree with the proposed implementation technique? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
SSE Energy Supply (Energy Supplier)	N/A	
EDF (Energy Supplier)	Yes	Noted. Thank you for your response.
Brook Green Supply (Energy Supplier)	A big bang implementation technique is appropriate for this change proposal. However, we would like some clarity on whether everything is in place to establish the RAS mechanism by the proposed go-live date. For instance, is the dedicated team of staff set up to facilitate this service?	Dependent on the acceptance and implementation of this Change Proposal and R0233, procurement activity will begin post implementation date to facilitate this service. Subject to the acceptance of R0234, we expect that the RAS will be fully operational on the same date as the ETU go live.
OVO Energy (Energy Supplier)	Yes, we agree that a Big Bang approach is appropriate for this change.	Noted. Thank you for your response.
ScottishPower Energy (Energy Supplier)	We have no comments to make on the implementation approach for this proposal.	Noted. Thank you for your response.
Wales & West Utilities (Gas Transporter)	The big bang approach does concern us given our lack of clarity on the system requirements, training commitment etc. We would propose Suppliers first with the DNO and GDNs following on in a second phase.	For clarity R0234 does not impose any system changes or new system requirements. There may be a small amount of additional training for those staff members dealing with

		Energy Theft cases, but we expect this to be minimal, and based around the awareness of the ETU & RAS. The initial trial agreed with the City of London Police (CoLP) for 3 years covers referrals made by Energy Suppliers. Feedback and lessons learned will be assessed following these 3 years to understand appetite for an extended partnership with CoLP.
Anonymous (Energy Supplier)	We agree with the proposed implementation technique. However, we are supportive of workshops to explain the techniques in more detail before proceeding.	See response to Q1.
National Grid Electricity Distribution (Distribution Network Operator)	Yes, although we believe that further information regarding the referral process itself should be provided as soon as possible in order to allow for a smooth implementation on the proposed date. Please see our answer to questions 5 and 6.	Development will need to be on an incremental basis and there will continue to be further industry engagement once the Ofgem confirmation for R0233 & R0234 has been confirmed. REC parties will be able to provide referrals through the RAS (who will triage and assess these) which in turn will be sent to ETU for legal investigation and prosecution, where deemed necessary. The data required for a referral to RAS can be found in the 'Referral information and evidentiary requirements' document. This

		information is required to allow the Police unit (ETU) to conduct a thorough investigation. There is no obligation to provide referrals to the RAS for forward transmission to the police unit. The referral will be made via the Referral Information and Evidentiary Requirements document mentioned above. This form will be submitted to the RAS via the REC Portal and suitably assessed before forward submission to the police.

Question 3:	Do you agree with the Code Manager's assessment of the costs and benefits for this change?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
SSE Energy Supply (Energy Supplier)	The theft figures provided in the benefits are estimated figures and so we are unable to determine whether the level of benefit will be achieved.	Noted. Thank you for your response.
EDF (Energy Supplier)	It is hard to stand behind any set of numbers as the impact is theoretical, however, given the relatively low cost and high potential benefit, the cost benefit analysis isn't of great concern.	Noted. Thank you for your response.
Brook Green Supply (Energy Supplier)	Although the estimated cost of the RAS is clear, the cost for suppliers to access this service remains unclear. Additionally, as recommended by one of the respondents, if there is a cost to use the service then an opt-	The proposal does not include a provision for Suppliers to opt-out as this is an industry

	out option from the scheme could be beneficial for parties with minimal theft in their portfolio. We would appreciate more clarity on this option within the RAS mechanism and the potential impacts on the supplier from a financial perspective.	wide issue, the costs of which are currently felt by every consumer.
OVO Energy (Energy Supplier)	Yes, we believe that a closer and better defined working relationship between the energy industry and the police in relation to energy theft is important and will drive positive change in this space.	Noted. Thank you for your response.
ScottishPower Energy (Energy Supplier)	For reasons set out in Q1 above and our response to the R0233 consultation, we disagree with the Code Manager's assessments of the costs and benefits of this change to industry.	Funding has been arrived at via communications with the City of London Police and as per operational costs for their other sponsored enforcement Units. Amendments may be required to reflect current costs prior to the Operational Go-live date. A detailed breakdown of the costs associated can also be found on RECCo's Outline Business Case: Proposal to create a new energy theft enforcement service in partnership with the City of London Police.
Wales & West Utilities (Gas Transporter)	Unable to comment.	Noted. Thank you for your response.
Anonymous (Energy Supplier)	No, the Code Manager bluntly stating all benefits as 'intangible' is a concern. The cost benefit ratio of this change proposal is based on assumptions which are unsubstantiated. We are unable to know with a degree of certainty as to if this would cause a 1% reduction in energy theft and therefore create the net benefit stated in the change report.	Funding has been arrived at via communications with the City of London Police and as per operational costs for their other sponsored enforcement Units. Amendments may be required to reflect current costs prior to the Operational Go-live

	Additionally, it is concerning that the estimated cost-benefit of theft and cases present in the UK is explained from a model (which is not linked/referenced) which predicts there are 801k theft cases. The total theft target for 2025-2026 across all suppliers is 41k and as an industry, we tend to find between 40% and 60% of the target per year, so this model is predicting at minimum 188% larger than the volumes of theft than is being found, which questions its reliability as a basis for the cost benefit analysis. There is a possibility that there is more theft happening in the UK than is found every year, but 188% more is not in the scale of probability we would consider to be reasonable. We ask REC clearly explains how it has calculated the 801k figure	date. A detailed breakdown of the costs associated can also be found on RECCo's Outline Business Case: Proposal to create a new energy theft enforcement service in partnership with the City of London Police. For further information on the Theft Estimation Methodology which has been utilised to assist in costs and benefits analysis, please see here: TEM Report v2.0.
National Grid Electricity Distribution (Distribution Network Operator)	Yes, we agree.	Noted. Thank you for your response.

Question 4:	Do you agree with the Code Manager's assessment of the Change Path, that this Change Proposal should be subject to determination by the Authority following approval by the REC Change Panel?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
SSE Energy Supply (Energy Supplier)	Yes	Noted. Thank you for your response.
EDF (Energy Supplier)	Yes	Noted. Thank you for your response.
Brook Green Supply (Energy Supplier)	We agree that this Change Proposal should be subject to determination by the Authority following approval by the REC Change Panel.	Noted. Thank you for your response.

OVO Energy (Energy Supplier)	Yes.	Noted. Thank you for your response.
ScottishPower Energy (Energy Supplier)	Yes, we agree that this change should be subject to Authority decision.	Noted. Thank you for your response.
Wales & West Utilities (Gas Transporter)	Agreed	Noted. Thank you for your response.
Anonymous (Energy Supplier)	Yes	Noted. Thank you for your response.
National Grid Electricity Distribution (Distribution Network Operator)	Yes, we agree that the Authority should have the overriding decision, however this is based on the assumption that this doesn't cause delays to the proposed implementation date.	Noted. Thank you for your response.

Question 5:	Do you agree with the Code Manager's recommendation that this Change Proposal should be approved for implementation on 27 June 2025? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
SSE Energy Supply (Energy Supplier)	From our previous responses we do not support this change, however as this will have minimum affect on our theft processes the date of implementation is not an issue.	Noted. Thank you for your response.
EDF (Energy Supplier)	Yes	Noted. Thank you for your response.

Brook Green Supply (Energy Supplier)	We support the implementation date of 27 June 2025, provided that everything is on track to establish the referral assessment service. However, if there are delays in any aspect of this service, we would advocate for postponing the implementation to a later date to ensure its effective setup.	Noted. Thank you for your response.
OVO Energy (Energy Supplier)	Yes.	Noted. Thank you for your response.
ScottishPower Energy (Energy Supplier)	We do not agree with a June 2025 implementation date. In our response to the IA we suggested further engagement between the Code Manager and industry on how the RAS will perform its roles particularly on data collection, verification of cases and performance management/reporting to understand the effectiveness of the ETU and RAS. We do not see how these important steps can be meaningfully accomplished before June. Therefore, if this change should go ahead, we suggest a later implementation date such as February 2026.	The Implementation date gives us the obligation required for the project to start but it will be an incremental delivery with Go Live targeted for Q1 2026.
Wales & West Utilities (Gas Transporter)	As a Gas Transporter, we do feel out of the loop on this change and do not fully understand the concept, if this fully replaces the existing portals, and the change to our processes that this system will introduce. However, we have reviewed the 2 DNO responses and broadly agree with the principal of a centralised service / system to help tackle energy theft by collating data and providing a consistent approach.	The proposal under R0234 is not aiming to replace any existing systems or portals. The process aims to create a path for REC parties to provide Energy Theft case referrals that will benefit from Police investigation, followed by prosecution of perpetrators if deemed necessary.
Anonymous (Energy Supplier)	No. There needs to be workshops/ spaces for more detail on how the RAS will work to be held first, as suggested by another party at the Impact	The Implementation date gives us the obligation required for the project to start but

	Assessment stage. There is a lack of tangible detail on how the RAS will work in practice for parties to be able to understand the operations, meaningfully scrutinise and approve them at this timescale. Additionally, that is a very short timeframe for the Authority to turn round a response, a secure platform for data to be created and the process established with the police. This process will run through multiple parties with significant governance controls, and we cannot expect it to be possible to be implemented that quickly. It is our view there should be a minimum 6 month implementation timeline. This will allow sufficient regulatory scrutiny and operational preparedness.	it will be an incremental delivery with Go Live targeted for Q1 2026. RECCo will look to facilitate workshops to ensure Party understanding following the approval of R0234. These would include further discussion on the E2E service that the RAS will provide, with that further level of confidence and assurance from the Regulator having been achieved. The processes and Cat 3 documentation for referral submission will continually be improved as lessons are learned from a 'live' service.
National Grid Electricity Distribution (Distribution Network Operator)	Yes, we agree that this change should be approved for implementation as soon as possible, however we are yet to see a detailed plan for the referral mechanism arrangements and we feel this will need to be provided for consultation prior to implementation. With only 7 weeks until the proposed implementation date, we would question whether delays might be encountered whilst putting the referral mechanism into place.	The Implementation date gives us the obligation required for the project to start but it will be an incremental delivery with Go Live targeted for Q1 2026.

Question 6:	Do you have any other comments relating to this Change Proposal?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
SSE Energy Supply (Energy Supplier)	We would have liked to see the costs and benefits for the changes R0233 and R0234 combined to have a better understanding on the impact to our business.	Noted. Thank you for your response.
EDF (Energy Supplier)	No	Noted. Thank you for your response.
Brook Green Supply (Energy Supplier)	As stated in our response to the previous impact assessment, there is minimal theft within our portfolio. Therefore, the benefits of implementing this change remain relatively neutral to us. Additionally, we do not anticipate any additional costs to our business by implementing this change. However, we support the implementation of this change to reduce energy theft in the wider industry. In the most recent change report, the average cost of accessing this service and the status of establishing the RAS mechanism by the proposed go-live date remain unclear. We would appreciate more clarity regarding these aspects.	The service will operate on a self-managed cost basis. No provision to opt out. The Implementation date gives us the obligation required for the project to start but it will be an incremental delivery with Go Live targeted for Q1 2026. RECCo will look to facilitate workshops to ensure Party understanding following the approval of R0234. These would include further discussion on the E2E service that the RAS will provide, with that further level of confidence and assurance from the Regulator having been achieved. The processes and Cat 3 documentation for referral submission will continually be improved as lessons are learned from a 'live' service.

OVO Energy (Energy Supplier)	No.	Noted. Thank you for your response.
ScottishPower Energy (Energy Supplier)	We have no additional comments at this time	Noted. Thank you for your response.
Wales & West Utilities (Gas Transporter)	Must avoid duplication of effort in inputting to multiple systems and reporting requirements to Ofgem not impacted. Will Ofgem have access to the platform / reports?	There will be no duplication as this is a new service entirely, with no reporting requirements on parties. Parties should provide referrals when they believe or suspect there is an ongoing aspect of organised criminality impacting on their portfolio. Ofgem will not have access to the referrals.
Anonymous (Energy Supplier)	It would be useful for more information on the model used to predict the amount of energy theft happening in the UK to be shared with parties so we can understand how the estimate of 801k cases of theft was reached. As mentioned in question 3, this is a significantly larger number than any targets or confirmed cases found across industry yearly, so it is important that parties can understand and, if need be, scrutinise this model. Additionally, as mentioned in our R0233 response, we believe the proposal that only suppliers should fund the service is inequitable, when it would be beneficial to and used by both suppliers and networks. More broadly, the regulatory development of this proposal has been suboptimal and we ask REC to reflect on this and implement lessons learned in future changes. For instance the timeframes have felt rushed, with the documents either being so lengthy that they are difficult	For further information on the Theft Estimation Methodology which has been utilised to assist in costs and benefits analysis, please see here: Microsoft Word - TEM Report v2.0. A detailed breakdown of the costs associated can also be found on RECCo's Outline Business Case: Proposal to create a new energy theft enforcement service in partnership with the City of London Police.

	to interpret (the initial business case) and answer questions on, or so concise that it creates a lack of clarity, leaving unanswered questions and concerns for parties. It is also unclear as to what has changed in terms of the ideas and operational process from the initial business case to the change proposal and if any concerns raised regarding the business case have been taken into account. Further, the speediness of developing this proposal can be seen in the suboptimal quality of proposals produced, such as the cost-benefit assessment being based on speculative and 'intangible' benefits, coupled with model data which seems disproportionate to the amount of theft being found by industry.	
National Grid Electricity Distribution (Distribution Network Operator)	We note that section 17.1 (Appendix 1) details the proposed Referral Assessment Service Operating Model, however there is still no confirmation of what the process involves in detail. Appendix 1 suggests that the referral process will take the form of either an upload of a form/file via an SFTP/dedicated secure messaging facility or a multipurpose portal, but at this stage of the Change Process, we would expect to see a defined operating plan in place so that we can establish whether any internal arrangements need to be made and the costs that may be involved in doing so. We would appreciate it if the exact referral process could be laid out as soon as possible so that we can consider any internal impacts it may have and make arrangements within the short timeframe available prior to proposed implementation. Thank you for your reply to our query relating to whether there is an obligation for the RAS to pass on information to the ETU within a specified period, as detailed on question 14 of our Impact Assessment response. We appreciate that referrals will be made as soon as	The Implementation date gives us the obligation required for the project to start but it will be an incremental delivery with Go Live targeted for Q1 2026. RECCo will look to facilitate workshops to ensure Party understanding following the approval of R0234. These would include further discussion on the E2E service that the RAS will provide, with that further level of confidence and assurance from the Regulator having been achieved. The processes and Cat 3 documentation for referral submission will continually be improved as lessons are learned from a 'live' service. REC parties will be able to provide referrals through the RAS (who will triage and assess

	possible, however we would expect to see this monitored by PAB and appropriate action taken should the referrals not be made within a reasonable amount of time.	these) which in turn will be sent to ETU for legal investigation and prosecution, where deemed necessary. The data required for a referral to RAS can be found in the 'Referral information and evidentiary requirements' document. This information is required to allow the Police unit (ETU) to conduct a thorough investigation. The referral will be made via the Referral Information and Evidentiary Requirements document mentioned above. This form will be submitted to the RAS via the REC Portal and suitably assessed before submission to the police.

RETAIL ENERGY CODE

CONSOLIDATED CONSULTATION RESPONSES – R0234