RETAIL ENERGY CODE

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01	Proposal Plan
02	Impact Assessment
03	**Consultation**
04	Final Recommendation

CHANGE REPORT

R0263 – SHARING CONFIRMED ENERGY THEFT DATA WITH THE BSCCO

DOCUMENT VERSION	V1.0
PROPOSED IMPLEMENTATION DATE	07/11/2025
IMPLEMENTATION APPROACH	BIG BANG

RESPONSIBLE COMMITTEE	CHANGE PANEL	**CHANGE PATH**	SELF-GOVERNANCE
PRIORITY STATUS	MEDIUM	**URGENCY**	STANDARD
IMPACTED STAKEHOLDERS	ENERGY SUPPLIERS, REC PERFORMANCE ASSURANCE		

LEAD ANALYST (SOLUTION LEAD)	SUBJECT MATTER EXPERT	ASSURANCE LEAD
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OVERVIEW

This Change Proposal provides a legal text amendment to Schedule 7 – Energy Theft Reduction, Annex 3 clause 6.4, to include the Balancing and Settlement Code Company (BSCCo) in the list of organisations and Parties who should be shared data relating to Confirmed Energy Thefts.

CODE MANAGER MINDED-TO-POSITION

The Code Manager's minded-to-position is that the REC Change Panel:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 07 November 2025.

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BACKGROUND

1 SUMMARY

Under the Distribution Connection and Use of System Agreement (DCUSA), provisions for the sharing of theft-related data between the Theft Risk Assessment Service (TRAS) and the BSCCo were established within DCUSA Schedule 25. However, with the ending of TRAS prior to the transition of Energy Theft-related responsibilities from DCUSA and the Supply Point Administration Agreement (SPAA) to the Retail Energy Code (REC), this data-sharing obligation was not transferred into the REC framework.

As a result, there is currently a gap in the REC framework that prevents the REC Code Manager from sharing Confirmed Energy Theft data with the BSCCo for use in Settlement processes. This limitation hinders the BSCCo's ability to verify that all relevant Energy Theft data has been accurately incorporated into Settlement, potentially impacting the integrity and accuracy of the electricity market.

This Change Proposal has been raised to amend Schedule 7 – Energy Theft Reduction, Annex 3 clause 6.4, to explicitly include the BSCCo among the authorised recipients of confirmed Energy Theft data. This amendment will ensure that the BSCCo can access the necessary data to support its Settlement responsibilities.

2 PROBLEM STATEMENT

There is a gap in the provision of the REC framework meaning that Energy Theft data is not able to be shared with the BSCCo for the purposes of use within Settlement. Without the ability to have this data shared with them, the BSCCo are unable to confirm that all Energy Theft data has been correctly entered into Settlement.

3 IMPACTS

CONSUMERS	REC PARTIES AND SERVICE USERS	RECCO / REC CODE MANAGER
Electricity Consumers	Energy Suppliers	REC Performance Assurance

4 CROSS-CODE IMPACTS

This Change Proposal has been submitted by the BSC Code Administrator; however, it does not contain any direct cross-code impacts, and therefore no corresponding cross-code change is required. However, the issue being resolved in this Change Proposal does impact the BSSCo's ability to confirm that all relevant Energy Theft Data has been correctly reflected in Settlement processes.

The Code Manager will continue to engage with the Cross-Code Steering Group on the Change Proposal (CCSG).

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**03 Jul-25**	**31 Aug-25**
	Service Provider Impact Assessment	July	August
Change Proposal		**01 Sept-25**	**06 Oct-25**
	Business Case Assessment	September	September
	Consultation	September	September
	Final Determination	September	October
Voting		**07 Oct-25**	**07 Oct-25**
	Appeal Window	08 October	22 October

6 STAKEHOLDER ENGAGEMENT

A Party impact assessment is not required for this Change Proposal. Stakeholder engagement will be undertaken through a standard 15 Working Day industry consultation, during which stakeholders will have the opportunity to provide feedback on the Change Proposal, including the accompanying draft legal text.

7 PRIORITY STATUS AND URGENCY

PRIORITISATION MATRIX

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Indirect	1	27	27
	Retail Markets Impact	Innovation and Market Arrangements	1	17	17
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	2	7	13
		Legal and Regulatory Compliance	0	14	0
Resource	Complexity / Effort / Duration		3	9	28
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		1	17	8
	Contribution to/ Alignment with RECCo's Forward Work Plan		2		17
Urgency *(The need to progress a change to meet a targeted date)*		Cross Code Activity	3	10	30
				Overall Priority Score (rounded)	139

Priority Status	MEDIUM
Change Proposal Type	STANDARD

This Change Proposal has been given a priority status of medium based upon a weighted prioritisation score of 139.

8 PROPOSED SOLUTION

Annex 3, clause 6.4 of Schedule 7 – Energy Theft Reduction shall be amended to include a provision that the existing process by which the Code Manager shares data relating to confirmed Energy Thefts with relevant industry Parties shall be extended to explicitly permit the sharing of such data with the BSCCo. This includes, but is not limited to, the provision of relevant theft-related data to the Balancing and Settlement Code (BSC) Panel, BSC Parties, and any appointed BSC Agents, where such sharing is necessary to support Settlement

accuracy, market integrity, and the identification or mitigation of systemic issues arising from Energy Theft. The data sharing shall be conducted in accordance with applicable data protection laws and any relevant confidentiality obligations.

The proposed legal drafting is as follows:

> 6.4 The Code Manager shall ensure that there is a process in place to share data relating to Confirmed Energy Thefts with the CDSP, ~~and~~ DNOs and the BSCCo for the purpose of the volume of Energy associated with each such case being recognised within Settlement, consistent with the intent of paragraph 15 of the Unbilled Energy Code of Practice.

REC Performance Assurance, as the relevant Service Provider for this data sharing process, has proposed a secure sharing method with BSSCo that would include monthly CSV file uploads via the REC Portal to a designated BSCCo folder, with access to this folder being controlled by existing REC Portal security. Further details on this proposed process can be found in section 10.1 of this Change Report.

9 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0263 can be found here.

PRELIMINARY ASSESSMENT

10 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

10.1 SERVICE PROVIDER IMPACT ASSESSMENTS

A Service Provider impact assessment was undertaken by REC Performance Assurance for this Change Proposal between July and August 2025. A summary of the response can be found below, with further details on the costs found in section 11 of this Change Report.

REC PERFORMANCE ASSURANCE	• **Support for the Change Proposal**: The Service Provider highlighted their support for the Change Proposal and the legal drafting; however, they noted that clarification is required on who the recipient of the data is. A suggestion was made to amend "the BSC" to "BSCCo" to broadly include BSC Parties and Agents. The Code Manager will check this is the intention with Elexon, as the Code Administrator for the BSC as part of the consultation process. • **Data Sharing Process:** The Service Provider proposed a data sharing method with BSCCo that would include monthly CSV file uploads via the REC Portal to a designated BSCCo folder. Access to this folder would be controlled via existing REC Portal security. • **System and Process Changes:** The Service Provider acknowledged a number of system and process changes including new analytics development, the agreement and creation

	of output file format, monthly data processing, and REC Portal set up for BSCCo access. These system and process changes have been recognised in the design and development costs provided.
	• **Dependencies:** One potential dependency was highlighted relating to the digital services and the REC Portal team for setup and access for BSCCo.
	• **Assumptions:** The following three assumptions were made; that only aggregated data will be shared, no personal data or individual case details will be shared, and that the data structure will be stable post-development. This will mean there is minimal ongoing effort expected due to automation and scripting.
	• **Implementation Lead Time:** The Service Provider estimated a lead time of one to two months post approval of the Change Proposal.
	• **Costs and Effort:**
	  ○ Reporting design will require a total cost of £2,657 and 1.5 FTE days.
	  ○ Report development will require a total cost of £2,248 and 2.5 FTE days.
	  ○ Report testing will require a cost of £2,658 and 1.75 FTE days.
	  ○ The total cost for this Change Proposal will be £7,563 with 5.75 FTE days required.

11 BUSINESS CASE ASSESSMENT

11.1 COSTS

COSTS	DESIGN/ DEVELOPMENT COSTS	TESTING COSTS	IMPLEMENTATION COSTS	ONGOING OPERATIONAL COSTS
REC PERFORMANCE ASSURANCE	£4,905	£2,658	£0	£0 Per Annum

The total cost for this Change Proposal is £7,563, with no implementation or ongoing operational costs.

11.2 BENEFITS

TANGIBLE BENEFITS	BENEFITS DESCRIPTION
ENHANCED REPORTING AND ANALYTICS	If the REC Code Manager can share confirmed Energy Theft data with BSCCo, the BSCCo can produce more robust audit trails and reports on Energy Theft related impacts on Settlement, supporting regulatory compliance and transparency. Sharing the data will also facilitate enhanced data analytics and reporting between RECCo and the BSCCo to assist in identify Energy Theft trends and developing future regulatory code, or operational, changes
IMPROVED SETTLEMENT ACCURACY	If the REC Code Manager can share confirmed Energy Theft data with BSCCo, the BSCCo will be able to adjust Settlement calculations to reflect actual consumption that will reduce the number or errors and financial imbalances, leading to improved Settlement accuracy. Similarly, this will lead to a more accurate allocation of associated Energy Theft costs across Market Participants to ensure fairness. Financial efficiency will also be increased as the sharing of data can assist in a reduction of unrecovered costs, reducing the financial burden on Energy Suppliers and Consumers.
REDUCTION IN RISK	If the REC Code Manager can share confirmed Energy Theft data with BSCCo, there should be a reduction in the risk of systemic errors being made within Settlements that could lead to financial exposure or reputational damage for Market Participants. The sharing of the data will also support early detection of anomalies in consumptions patterns, that may be linked to Energy Theft, allowing industry Code Manager's and Administrator's to intervene more quickly and appropriately.

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
ENHANCED MARKET INTEGRITY AND TRUST	By sharing confirmed Energy Theft data with BSCCo, the REC Code Manager will ensure that the industry has accurate electricity Settlement, lowering the chances of disputes between Market Participants, and supports a fair and transparent Energy market. This is turn will enhance market integrity and trust amongst Market Participants and Consumers.
RESOLUTION OF AN IDENTIFIED GOVERNANCE DEFICIENCY	The proposed solution will provide a resolution for the known governance gap in the REC with regards to sharing data with BSCCo that was not previously transferred over to the REC Framework. This will ensure the Code has increased clarity and provides accurate processes and purposes.
STRENGTHENED REGULATORY COMPLIANCE AND GOVERNANCE	This change supports the principle of data transparency and cooperation between Code Bodies, aligning with Ofgem's expectation for cross-code coordination, and facilitates stronger, and more effective, collaboration between the REC Code Manager and BSCCo, strengthening trust and productivity between the two code bodies.

OPERATIONAL EFFICIENCY	This Change Proposal will ensure a standard, and on-going, process is in place to share confirmed Energy Theft data with BSCCo. This will improve operational efficiency for the REC Code Manager as the new process will avoid the need for any manual, or ad hoc, data sharing agreements that may be resource intensive and prone to error.

11.3 COST BENEFIT ANALYSIS

The Code Manager believes the cost and effort of the implementation of this Change Proposal is proportionate to the benefits being brought by the proposed solution. The proposed solution delivers a strong cost-benefit case, with minimal development costs and effort, and no ongoing operational costs.

12 CASE FOR CHANGE

The Code Manager considers the case for change to be justified on the basis that:

- The proposed solution directly resolves the problem statement;
- The cost-benefit analysis demonstrates a strong business case, with minimal development and implementation costs (£7,563) and no ongoing operational costs, whilst delivering operational, reporting, compliance and stakeholder relationship benefits for the REC Code Manager, BSCCo, and wider Market Participants;
- The effort required to develop and implement the solution is 5,75 FTE days, with a one to two-month lead time for REC Performance Assurance as the Service Provider, and this proportionate to the benefits realised from the proposed solution;
- If implemented, the proposed solution will enhance collaboration and efficiency between the REC Code Manager and BSCCo. It will also deliver tangible benefits to Consumers by enabling more accurate Settlements through shared data, thereby enhancing greater trust and confidence in the Energy market;
- The proposed solution delivers positive market outcomes and operational efficiencies by strengthening the REC framework and reducing reliance on manual data sharing agreements, which can be resource intensive. The proposed solution also mitigates the risk of systemic errors in Settlements that could result in financial exposure or reputational harm for Market Participants. Additionally, the solution enhances market-wide reporting and analytical capabilities, particularly in relation to confirmed instances of Energy Theft;
- This change supports the principle of data transparency and cooperation between Code Bodies, aligning with Ofgem's expectation for cross-code coordination; and
- The change has a strong business case as detailed in sections 11 and 12 of this Change Report.

13 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	R0263 - Legal Drafting - Schedule 7 Energy Theft Reduction (14.08.2025) R0263 - Legal Drafting - Schedule 7 Energy Theft Reduction (Extract) (14.08.2025)
ANY OTHER DOCUMENTS / LINKS	Balancing and Settlement Code DCUSA – Schedule 25 DCP–357: Sharing Theft Data Between the TRAS And Elexon

14 GLOSSARY

TERM	DEFINITION
Balancing and Settlement Code (BSC)	means the Balancing and Settlement Code, as defined in the Electricity Supply Licences.
Balancing and Settlement Code Company (BSCCo)	means the company defined as such in the Balancing and Settlement Code.
Confirmed Energy Theft	means that the holder of an Energy Licence (or person acting on their behalf) reasonably determines that, on the balance of probabilities, and taking into account all of the evidence then available, one of more instances of Energy Theft has occurred. Such a determination may not be made unless sufficient evidence is held to substantiate the occurrence of Energy Theft, including (as a minimum): (a) an indication of theft via a desktop review of consumption levels; and (b) a report of a site visit where access was successful; and (c) photographic(or sketch) evidence of the theft, including illegal connection/bypass or meter tampering.
Distribution Connection and Use of System Agreement (DCUSA)	means the agreement of that name maintained pursuant to the Electricity Distribution Licences.
Energy Theft	Includes: (a) circumstances described in Paragraphs 5(1) (Restoration of connection without consent) and 6(1)(a) (Damage to electrical plant etc) of schedule 6 to the Electricity Act (in so far as they relate to an electricity supplier; (b) circumstances described in Paragraph 6(1)(b) (Damage to electrical plant etc) of schedule 6 to the Electricity Act; (c) circumstances described in Paragraph 11(1) (Interference with meters) of schedule 7 to

TERM	DEFINITION
	the Electricity Act; (d) circumstances described in Paragraphs 10(1)(a) and 11(2) of schedule 2B to the Gas Act (in so far as they relate to a gas supplier); and (e) circumstances described in Paragraphs 10(1)(b) and 10(1)(c) of schedule 2B to the Gas Act.
Settlement	means Settlement under the relevant industry codes (the BSC for electricity and the UNC for gas).
Supply Point Administration Agreement (SPAA)	means the Supply Point Administration Agreement as defined in the Gas Supply Licence prior to its replacement by this Code as part of Retail Code Consolidation.
Theft Risk Assessment Service	as described in Annex 2 of the Energy Theft Reduction Schedule.