**REC Podcast Transcript – 28 February 2024**

**Energy Theft Detection Incentive Scheme**

***Paul Rocke***

*Hello and welcome to this latest podcast from the REC Code Manager. My name’s Paul Rocke and I’m the Head of Communications within the Code Manager team. Today I’m joined by Nirav Vyas from our Performance Assurance function, and we’re going to be talking all things TDIS – that’s the Energy Theft Detection Incentive Scheme, as we approach the latest key milestones in the TDIS calendar.*

*Hello, Nirav, and welcome. So, what’s TDIS all about? Why does it exist, what benefits does it provide to the market?*

**Nirav Vyas**

Hi Paul, thanks for having me on to your podcast! Energy theft harms us all. It’s really dangerous for consumers and those around them and it creates unnecessary costs and issues throughout the industry. The Theft Detection Incentive Scheme (or TDIS) is an incentive scheme to encourage the detection of theft by gas and electricity Suppliers.  It recognises there is a cost of investigating theft, and ensures payments are made to suppliers who find confirmed theft based on an estimate of that cost.

The rules of the scheme are in REC Schedule 7 with Annex 3, and they apply to Energy Suppliers.

***PR***

*Thanks Nirav. I’ve spoken to so many colleagues in the energy theft space with first-hand experience about how serious the associated health and safety risks are. Having an effective framework in place to encourage detection is surely a critical tool. Could you explain in more detail how the scheme works?*

**NV**

Absolutely. The scheme collects and makes payments from and to suppliers based on their performance in identifying confirmed thefts. At the start of the reporting year – which runs from April to March – an overall target for the market is determined and targets for thefts assigned to each party based on market share in a number of incentive pots. The pots are split by fuel type (Gas/Electricity), customer segment (Domestic/Non-Domestic) and meter type (Smart/non-Smart) for Domestic customer segment.

Throughout the year, suppliers investigate theft and report on this activity to the Code Manager, and then at the conclusion of the year suppliers who have performed better than the industry average receive a payment from the scheme, with those performing below average making payments into the scheme.

***PR***

*Where does the money come from that’s used to make payments to Suppliers performing above average?*

**NV**

It’s a net zero flow of monies scheme, as the Credit payments are being financed from the total Debit payments received. One point worth noting is that the targets set the overall size of the scheme – but performance is measured relative to peers.

***PR***

*OK great, that’s clear. What are the upcoming milestones in the TDIS timeline that our listeners should be aware of?*

**NV**

It’s worth taking a look at the timeline document on the REC Portal, we recently updated this to provide more detail on the scheme end timelines and dates so worth taking a look at that if you haven’t already. You can find this document on the Party Operations page of the Portal. But in summary, the key steps are:

* In March, the Code Manager will notify Suppliers of the agreed theft detection targets for the scheme year
* The scheme year starts in April and closes in late July of the following year, subject to any outstanding queries requiring resolution
* The Code Manager finalises and publishes the results in June via the Performance Assurance dashboards
* Suppliers are then required to review the final results from the previous scheme year and provide positive confirmation of the findings before 18th July 2024

This is followed by the payments and invoicing process which happens by 22nd August 2023.

***PR***

*Thanks Nirav – what are the key actions that Suppliers need to take throughout the Scheme year?*

**NV**

Submitting theft files every month is the key thing. Suppliers need to submit Theft Outcome files via the REC Portal on the first working day of each month to allow the Code Manager to process these files and publish results in the dashboards. The files are required to include all confirmed thefts closed in the applicable month, as well as any investigations opened or updated in that month.

It’s also really important to check what you are expecting has come through. If you have been given the relevant REC Portal role, you can review the data through your organisation’s Performance Assurance dashboards, where you will find details of both confirmed thefts and any investigations opened or updated in that month.

This is really important when the new targets are set at the beginning of the year and in the final months of the year. Suppliers need to provide us with a positive confirmation that their final results have been reviewed and agreed upon or raise query in a timely manner.

***PR***

*Great, and what actions do Suppliers need to take if they find something unexpected when reviewing the data?*

**NV**

It’s probably best to check the guidance on the REC Portal or ask your Operational Account Manager in the first instance.

There are four really useful bits of guidance published on the Portal:

Firstly, the specification of the Theft Outcome file can be found in the Performance Assurance Report Catalogue (PARC), which you can find by navigating to REC Documents. We’ve made changes to the PARC for the coming year to try and simplify the file, making it easier for parties to submit data. The change will go live on the 28th March.

Secondly, we have a file validation article can be found on the REC Wiki that offers guidance on how to submit a file, explanations behind notifications telling you a file failed validation and what to do if a file is rejected. Where Suppliers do have issues with files failing validation, we welcome engagement with you, as we want to support Suppliers identifying and interpreting issues to avoid repeating the same errors for future submissions.

Thirdly, the theft target methodology explains how the targets are set. This is a Category 3 document which can be found in the REC Documents area.

Finally, the reporting timeline explains when Suppliers need to submit data and can be found under Party Operations.

***PR***

*Thanks Nirav – who should our listeners speak with if they have any questions about TDIS Reporting?*

**NV**

If you are still unsure about any aspect of the process, the best thing to do is ask your Operational Account Manager the next time you see them, or contact us on the Service Desk, where we’re always happy to help.

***PR***

*Absolutely, and you can raise a Service Desk ticket either on the REC Portal, or by sending us an email on* [*enquiries@recmanager.co.uk*](mailto:enquiries@recmanager.co.uk)*.*

*Well, that’s all we have time for on today’s podcast. I’d like to extend my thanks to my colleague Nirav for joining us today for this explainer all about the Energy Theft Detection Incentive Scheme. I hope our listeners have found it useful. As always, we welcome your feedback – and I look forward to speaking to you on the next one. Thank you very much, and goodbye.*