



Making a positive difference
for energy consumers

All gas and electricity suppliers,
Distribution Network Operators
and Gas Transporters, the Retail
Energy Code Company and all
parties interested in energy theft
detection matters

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Dear Colleague,

Designation for Energy Theft Consolidation: 1 April 2021

In accordance with paragraph 10.1¹ of the Transition Schedule to the Retail Energy Code, Ofgem² has designated "Energy Theft Consolidation", as referred to in the Transition Schedule to the Retail Energy Code, as taking effect from 00:01 hours on 1 April 2021.

Background

The Retail Energy Code (REC) will bring together the code requirements relating to retail energy activities and govern the operation of faster and more reliable arrangements for consumers to switch their energy supplies.

Version 1.0 of the REC was designated by Ofgem in February 2019³ and was then revised, following consultation and conclusion of the Switching Programme Change Process, with version 1.1 taking effect 15 January 2021⁴. This updated the Main Body, Interpretation Schedule, and Transition Schedule. Version 1.1 also introduced the Change Management, Performance Assurance and Energy Theft Reduction Schedules⁵.

¹ <https://www.retailenergycode.co.uk/sunrise/wp-content/uploads/2021/02/REC-Schedule-2-Transition.pdf>

² The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority (GEMA). This designation is made by or on behalf of GEMA.

³ <https://www.ofgem.gov.uk/publications-and-updates/retail-energy-code-designation>

⁴ <https://www.ofgem.gov.uk/publications-and-updates/decision-proposals-retail-energy-code-v11>

⁵ <https://www.retailenergycode.co.uk/the-rec/>

Version 2.0 will give effect to Retail Code Consolidation, which will replace the Supply Point Administration Agreement (SPAA), the Master Registration Agreement (MRA) and the Smart Meter Installation Code of Practice (SMICoP), incorporating them into the dual-fuel REC. Version 2.0 is planned to come into full effect on 1 September 2021; however, for operational reasons, various functions relating to energy theft will transition to the REC before this date.

Energy Theft Consolidation

Theft arrangements currently operate across both the Distribution Connection and Use of System Agreement (DCUSA) and the Supply Point Administration Agreement (SPAA). These arrangements will transfer to the dual fuel REC, as confirmed in the Retail Code Consolidation (RCC) Significant Code Review (SCR) launch statement published on 29 November 2019⁶.

These arrangements were amended by Code Modifications DCP374⁷ and SCP 506⁸, as approved by the Authority, which recognised that for ensuring operational continuity, some of the original theft arrangements would better be transferred to the REC on 1 April 2021, ahead of Retail Code Consolidation (which is due to take place on 1 September 2021).

The REC Interpretation Schedule⁹ states that Energy Theft Consolidation “means the consolidation of certain energy-theft-related provisions from the DCUSA and the SPAA into this Code, at the time designated by the Authority as referred to in the Transition Schedule.” Paragraph 10.1 of the REC Transition Schedule states that “Energy Theft Consolidation shall occur with effect from the time and date designated by the Authority.” As part of this process, and in order to comply with these requirements, Ofgem is therefore required to designate the time and date on which Energy Theft Consolidation takes place.

Our Decision

Ofgem hereby designates Energy Theft Consolidation, as referred to in the REC Interpretation Schedule and in accordance with paragraph 10.1 of the REC Transition Schedule, as taking effect from 00:01 hours on 1 April 2021.

⁶ <https://www.ofgem.gov.uk/publications-and-updates/retail-code-consolidation-scr-launch-statement>

⁷ https://www.ofgem.gov.uk/system/files/docs/2020/12/dcp_374_authority_decision_letter_003.pdf

⁸ <https://www.spaa.co.uk/change/spaa-closure/>

⁹ <https://www.retailenergycode.co.uk/sunrise/wp-content/uploads/2021/02/REC-Schedule-1-Interpretation.pdf>

Yours faithfully,

Rachel Clark

Deputy Director, Switching Programme