



1 September 2015

**Consultation on New Smart Energy Code Content and Related Licence Amendments**  
**July 2015**

Should you wish to discuss any aspect of this response please do not hesitate to contact me

Yours '

## **Annex**

### **DCC Enrolment Mandate – Chapter 3**

**Q1 Do you agree with the legal drafting of the proposed amendment to the electricity and gas supply licence conditions? Please provide a rationale for your views.**

Yes, these are broadly as expected.

**Q2 Do you agree that this legal duty should take effect when DCC's enrolment services are first available? Please provide rationale for your views.**

Yes, we agree that the duty needs to have effect from whenever the DCC is able to enrol such meters.

### **DCC Enrolment and Communication Services – Chapter 4**

**Q3 Do you have any comments on the proposed drafting in these new subsidiary documents?**

We currently have no comments on the drafting.

**Q4 Do you have any specific comments on the proposed revised approach to dealing with Post-Commissioning Obligations including the proposal to delete Sections M2.7 and M2.8?**

We do not currently have any specific comments on the proposed approach. However, we agree that it is helpful that the DCC records where suppliers have not fulfilled their post-commissioning obligations.

### **Consent for joining and un-joining Consumer Access Devices – Chapter 4**

**Q5 Do you have any comments on the proposed approach?**

We agree the SEC would be a more appropriate instrument than the licence for this purpose, as it already provides the governance for the joining of Devices. We also welcome the exception for circumstances where a Device is being joined in compliance with a licence obligation.

### **Consequential Changes to Sections F2, G, M2 and A – Chapter 4**

**Q6 Do you have any comments on the proposed drafting changes to Sections F2, G, M2 and A?**

We have no comments at this time.

**Q7 Do you agree with the proposal to move some of the technical details in F2 into a subsidiary document in line with the approach taken in relation to Sections H4,5 &6?**

Yes, the precedent having already been established with Section H, we agree that a similar approach may be followed here.

#### **SEC amendments to support Smart Metering Testing – Chapter 5**

**Q8 Do you support the proposed changes to Section T to ensure that the testing objectives reflect a more up to date version of the SEC?**

Yes, we think this offers a pragmatic solution that should obviate any further need to realign the SEC and the testing objectives.

**Q9 Do you agree with the proposal that the DCC should offer a testing service for prospective Non-Gateway Suppliers?**

Yes, we agree with this proposal.

**Q10 Do you intend to test only Devices (and not User Systems) against the DCC Systems? If so, how and when do you intend to do this? Is it your intention to: become a SEC Party and establish a DCC Gateway Connection; rely on other parties to interact with the DCC for the purposes of testing Devices; or another means (e.g. direct connection without being a SEC Party)?**

As a supplier, we are already a SEC Party, and are in the process of establishing a DCC Gateway Connection. Thereafter, we will expect to undertake all test phases required to become a DCC User in each relevant role. As such, we will follow the timetable set out by the DCC regarding SMKI and Repository Entry Process Tests, User Entry Process Tests and End-to-End Testing.

As part of End-to-End Testing we will use Devices in testing our Systems against DCC's Systems, but the focus of such tests will not be the Devices themselves; rather it will be on the end to end process and on the integration of the Devices with our systems. For the purposes of testing Device interoperability, however, we expect to rely on the services of the SMDA.

#### **Public Key Infrastructure – Chapter 6**

**Q11 Do you agree with the proposals, and associated legal drafting in relation to the SMKI Recovery Procedure Guidance document? Please provide a rationale for your view.**

We are responding separately to the DCC's consultation on its SMKI Recovery Procedure document. However, we agree with the Government that the SMKI PMA's approach to decisions on operating the SMKI Recovery Procedure must be as transparent as possible and that SEC Parties must be consulted on the criteria.

**Q12 Do you agree with the proposed drafting on how changes to the SMKI Recovery Key Guidance are managed, or do you think it should be a SEC Subsidiary Document and open to the SEC modification process? Please provide a rationale for your response.**

In the interests of inclusivity, transparency and good governance practise, we think it is essential that the SMKI Recovery Key Guidance document is subject to normal SEC Modification processes. This is because not all participants will be represented on the SMKI PMA and the decisions on any Modifications will be measurable against clear objectives.

**Q13 Do you agree with the proposals, and associated legal drafting in relation to the SMKI Recovery Procedure Liabilities? Please provide a rationale for your view.**

While we agree with the approach in principle, we are less comfortable that the current design of the operational framework for Smart Meters facilitates identification of the breaching Party in all circumstances: e.g. we do not believe it is clear which Party would be considered responsible if, during the CoS Objections process, a key was to be found to be compromised. Given the unlimited nature of the liabilities, we are naturally keen to see such matters clarified as soon as possible.

**Q14 Do you agree with the proposals, and associated legal drafting to use IKI for communications over the NGI and in relation to TAD? Please provide a rationale for your view.**

Yes, we agree with the approach and the legal drafting.

**Q15 Do you agree that it is necessary for the PMA to be able to require Parties to nominate Key Custodians? Please provide a rationale for your response.**

Yes, we agree with this.

**Q16 Do you agree with the proposals, and associated legal drafting to make clarificatory changes to the SMKI Certificate Policies? Please provide a rationale for your view.**

Yes, we agree with these proposals and legal drafting.

**Q17 Do you agree with the proposals, and associated legal drafting to allow the DCC to become an Eligible Subscriber for certain SMKI Organisation Certificates for the purpose of signing Registration Data? Please provide a rationale for your view.**

Yes, we consider the approach to be a practical one.

**Q18 Do you agree with the legal drafting to oblige Network Operators to establish their Organisation Certificates prior to DCC Live? Please provide a rationale for your view.**

Yes, it is important for Network Operators' Organisation Certificates to be available to suppliers so they can be placed on devices following installation/commissioning.

**Q19 Do you agree with the proposal and legal drafting in relation to the miscellaneous changes to the PKI content? Please provide a rationale for your view.**

Yes, these appear consistent with the requirements as they have been developed.

**Security Independence Requirements – Chapter 7**

**Q20 Do you have any comments on the proposed drafting regarding the CIO Independence requirements?**

Given the nature of the work to be undertaken by the CIO, the search for experienced candidates is unlikely to furnish any that do not also have commercial relationships with one or more SEC Parties; making it necessary to allow some latitude in the assessment of candidates' independence. In our view, requiring the SEC Panel to satisfy itself that there are no conflicts of interest might offer the only pragmatic and cost-effective solution.

**Re-use of previously installed Communications Hubs – Chapter 8**

**Q21 Do you agree with the proposals, and associated legal drafting (including the proposed changes to the CHIMSM at Annex D), which would permit Suppliers to re-use Communications Hubs that they have removed from consumer premises in certain circumstances?**

In our view, re-using non-defective Communications Hubs might help to reduce future costs. Nonetheless, we would be concerned that, without means to update the Gas Network Party's security credentials (held by the Gas Proxy Function), it will be necessary to restrict the redeployment of such Communications Hubs to premises on the same Gas Network Party's network. We also note that consumption data recorded by such Gas Proxy Function will need to be removed, before the Device may be redeployed, to prevent a breach of privacy.

**Obligation for Energy Suppliers to engage with DCC queries on compliance with the Communications Hub Support Materials – Chapter 8**

**Q22 Do you agree with the proposal, and associated legal drafting, for an obligation for Supplier Parties to respond to any reasonable request from the DCC for information pertaining to compliance with the CH Support Materials and for a reciprocal obligation to be placed on the DCC?**

Yes, we think this is reasonable.

**Q23 Do you agree with the proposals, and associated legal drafting (including the proposed changes to the CHIMSM at Annex D), relating to visits by the DCC to consumer premises?**

We agree with the procedure as proposed. We also agree with the associated legal drafting, although would highlight that there appears to be a typo at 7.2 (repeated words).

## **Failure of Parties to accept delivery of Communications Hubs – Chapter 8**

**Q24 Do you agree with the proposal, and associated legal drafting, for Parties to be liable for all reasonable costs and expenses incurred by the DCC as a result of a delivery of Communications Hubs being prevented from taking place in accordance with the SEC, due to a breach of the SEC by that Party?**

Yes, we agree with the principle and with the associated legal drafting. We would, however, like to see reciprocity in these arrangements, whereby a Party might similarly recover any costs it reasonably incurred as a result of a delayed delivery of Communications Hubs where the DCC was at fault (e.g. where a haulage contractor failed to meet the agreed schedule for delivery).

## **Consequential changes to the SEC for alignment with the Communications Hub Support Materials – Chapter 8**

**Q25 Do you agree with the proposals and associated legal drafting for the consequential changes to the SEC arising from the Communications Hub Support Materials?**

We support the government's proposal that the DCC should be required to resolve any SM WAN coverage incident within 90 days of being requested to do so and that this requirement should be met at least 99% of the time.

However we also note the exception where DCC considers access to consumer premises is necessary and the consent of the consumer cannot be obtained. While we very much welcome the Panel's role as arbiter where the DCC and Parties dispute whether such access is actually required, we are concerned to ensure this does not become a default approach, aimed at delaying the start of the 90 day period, and would therefore like to see some monitoring of the incidence of such events.

We agree that the 'Communications Hub Installation Support Materials' and the 'Communications Hub Maintenance Support Materials' should be consolidated in a single 'Communications Hub Installation and Maintenance Support Materials' (CHIMSM) document. We also agree the Communications Hub Fault Diagnosis should be included within the CHIMSM, rather than forming the basis of a separate subsidiary document.

## **Miscellaneous Communications Hub issues – Chapter 8**

**Q26 Do you agree with the proposals as described under the heading of "Miscellaneous Communications Hub issues" above and the associated legal drafting?**

The proposals seem broadly sensible: the provision of WAN Variant Communications Hubs on the SM WAN Coverage Database is likely to save both time and cost in the rollout, so is something we fully support, and there will clearly be circumstances where Parties need to be able to 'interfere' with Communications Hubs.

We also agree that Parties need to know what Region the DCC is allocating premises to. However, while it is also important that DCC cannot subsequently reallocate premises,



erroneous allocations do need to be catered for and we would like any disputed allocation to be subject to Panel determination.

The legal drafting appears satisfactory.

#### **Incident Management – Chapter 9**

**Q27 Do you agree with the proposed changes to Incident Management? Please provide a rationale for your views.**

Yes, we agree with the removal of a specific Registration Data Incident Management Policy and the general broadening of scope to cover 'Incident Parties', rather than Users, is more practical.

#### **Governance of Error Handling Strategy – Chapter 9**

**Q28 Do you agree with the proposed approach to provide a more flexible governance for the Error Handling Strategy, set out above?**

We support changing the status of the Error Handling Strategy document, such that it will no longer be a Code Subsidiary Document. However, we think the new text proposed for Section H (i.e. The DCC and each User shall each comply with the applicable sections of the Error Handling Strategy) might afford little room to benefit from the flexibility of learning lessons, envisaged in the consultation.

#### **Further Activation of the SEC Modification Process – Chapter 10**

**Q29 Do you agree with the proposals in relation to the timing of the further activation of the SEC Modification Process? Please provide a rationale for your response.**

Yes. With the Secretary of State still very much at the helm of the SMIP, we would not expect her to cede control of the Modifications process to the Authority before the DCC has demonstrated its operational stability.

**Q30 Do you agree with the proposals and legal text in relation to the manner in which the SEC Modification Process is further activated, including the temporary performance of certain enduring Authority functions by the Secretary of State? Please provide a rationale for your response.**

Yes, the gradual approach proposed in this consultation should deliver a smooth transition to the enduring arrangements, when the time is right, and we are generally satisfied that this will meet the requirements of all concerned.

#### **Scope of the Threshold Anomaly Detection Procedures document – Chapter 11**

**Q31 Do you have any comments on the proposed drafting regarding the scope of the Threshold Anomaly Detection Procedures?**

No, the drafting broadly aligns with our expectations.

### **Appeals of Panel Decisions relating to SMETS non-compliance – Chapter 11**

**Q32 Do you agree with the proposed additional text to F3 to provide affected Supplier Parties or the DCC with the ability to appeal (to Ofgem) SEC Panel decisions relating to device non-compliance with the Technical Specifications and any associated remedial plan?**

While we agree with this approach in principle, it is difficult to imagine the Authority overturning any such Panel decision on a technical basis. Moreover, given the obligation on the Panel to have regard to all the circumstances of the case and to any representations made by a Competent Authority or any Party, it is equally difficult to envisage a compelling, non-technical, rationale for any such reversal.

### **Section A Definitions – Chapter 11**

**Q33 Do you agree with the proposal, and associated legal drafting in relation to amending the definitions in preparation for the future introduction of technical specifications into the SEC? Please provide a rationale for your view.**

We agree with the proposed approach and are satisfied with the legal text as drafted.

ScottishPower  
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