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**DECC Consultation on New Smart Energy Code Content and Related Licence
Amendments - February 2016**

We welcome the opportunity to respond to this consultation on the proposals for new Smart Energy Code content and Licence Conditions relating to the Early Rollout Obligations.

Please see the attached Annex for our responses and if you have any questions or comments, please do not hesitate to contact me.

Yours sincerely,

Annex 1: SSE response to DECC Consultation on New Smart Energy Code Content and Related Licence Amendments - February 2016

Early Roll-Out Obligation

Q1 Do you agree that the proposed legal drafting implements the policy to introduce an Early Rollout Obligation on large suppliers by 17 February 2017? Please provide a rationale for your views.

SSE agrees that the proposed legal drafting implements the policy.

DCC User Mandate

Q2 Do you agree that the proposed legal drafting implements the policy to introduce an obligation for domestic energy suppliers to become DCC users by 17 August 2017 and for new entrants to become a DCC User before supplying gas or electricity? If you disagree please provide a rationale for your views.

SSE agrees that the proposed legal drafting implements the policy.

Q3 Do you agree that the proposed legal drafting implements the policy to introduce an obligation for DNOs to become DCC users by 28 April 2017? If you disagree please provide a rationale for your views.

SSE agrees that the proposed legal drafting implements the policy.

As a Network Operator, we are supportive of this date for the DNO user mandate providing that the full functionality for releases 1.2 and 1.3 has been completed by the central planning assumption date for DCC live R1.3 (JM_4069) on 28th October 2016. If there is a delay to the date for DCC live R1.3 or the functionality available via this release is changed from the current requirements, then we would expect the licence condition obligation to be suitably adjusted.

Special Installation Mesh Communications Hubs

Q4 Do you agree with the proposal and associated legal drafting to reflect matters related to the installation and maintenance of Special Installation Mesh Communications Hubs in the SEC? Please provide a rationale for your views.

SSE does not support this proposal and we believe that the associated legal drafting is not extensive enough to provide reasonable assurance of the processes.

It is evident that a Supplier may not gain permission from a Customer or Landlord for the installation of a Special Installation Mesh Communications Hub (SIMCH) for many reasons. We believe that a central repository of the reasons for non acceptance should be kept, to ensure that a customer is not continually contacted by Suppliers on a CoT or CoS.

The CSP must have insurance and processes to:

- rectify any damage caused by the installation of a SIMCH; or,
- to reimburse a Supplier if we consider that action should be taken to compensate the customer or rectify any damage if there is any delay in the CSP meeting its responsibilities.

This could include failure to attend an appointment, or where damage could be caused to decoration, external cladding, cause ingress of damp etc. External wiring could also be exposed to third party interference which we believe must be rectified at the CSPs own cost. This is due to the Service Provider determining that SIMCH is a requirement for it to meet its target coverage and not a Supplier requirement for such an installation.

This solution has had limited discussion within the overall Service Delivery Framework and we believe that it requires further significant work to develop a detailed set of processes. These processes will need to set out how this will be managed from inception, through maintenance and subsequent removal and making good if rejected by the customer at a later date.

Network Enhancement Plans

Q5 Do you agree with the proposal and associated legal drafting to reflect matters related to Network Enhancement Plans in the SEC? Please provide a rationale for your views.

SSE believes that Network Enforcement Plans should not be excluded from the relevant SLAs or that different SLAs should now be introduced. We have concerns that this is moving away from the SLAs that formed the basis of the relevant CSPs being awarded the contract for their service provision.

We seek further clarification on this proposal as we have taken this to be a situation whereby the CSP initially states good coverage across a particular area. It is subsequently found that the coverage is not adequate (which could mean that it failed against other measures such as the initial 80% coverage requirement). The CSP could then invoke a Network Enhancement Plan which takes the resolution outside the SLA. This creates issues for Suppliers with their customers and it adds to their costs, with no remuneration from the CSP who has failed in its delivery of a reasonable service. There are no limitations identified as to the number of such instances that can be raised or the number of premises that could be included.

The proposed legal drafting does not seem to cover these elements and we believe that there should be a defined set of criteria established before a Network Enhancement Plan can be raised, with specific SLAs and financial penalties invoked for such events.

User to non-User churn

Q6 Do you agree with our approach that no changes are required to the Supply Licence Conditions as a result of churn of SMETS2 SMSs from DCC Users to non-DCC Users? Please provide a rationale for your views.

SSE does not agree with your assertion that sufficient options are available to non-User suppliers that mean that they would not find themselves in breach of this licence requirement in respect of non-domestic premises. We must therefore have a similar provision for exception for the period of non-User status, as provided for domestic suppliers, to prevent a non-domestic supplier being placed in unintentional licence breach. These provisions are set out in Supply Licence Condition; Electricity 51.8 and Gas 45.7.

Enduring Change of Supplier

Q7 Do you agree with the 'minded to' position to align the start of the feasibility and design of the ECoS process with the Blueprint phase of CRS with the aim of linking the design and build of the ECoS system with CRS development? Please provide a rationale for your views.

SSE agrees with the proposal to align the start of the feasibility and design of the ECoS process with the Blueprint phase of CRS. We support the view that there will be efficiencies to be gained by running the design and build of ECoS in parallel and linking it directly to the work undertaken for CRS.

Q8 Do you agree with the 'minded to' proposal for suppliers to take reasonable steps' to start to use ECoS from the point at which it becomes available?

SSE supports the 'minded to' proposal for suppliers to take reasonable steps to start to use ECoS from the point at which it becomes available.

Q9 Do you agree with the principle of suppliers completing the move to ECoS within 6 months of the end of roll out i.e. 2020 or earlier? Please provide a rationale for your views.

In general, SSE supports the principle of suppliers completing the move to ECoS within a period of time from a defined point.

However, we believe that the exact length of time from the end of rollout to transition from TCoS to ECoS should be re-visited once the design and build elements have been finalised. Our rationale is that it is only at that point, that Suppliers will be able to identify and provide reasonable accuracy on the length of time they will require to implement the necessary internal system and process changes to support ECoS.

Q10 Do you agree with the proposal for DECC to establish an industry working group under the transitional arrangements that will subsequently transfer to industry at a point to be agreed as part of the wider transitional arrangements? Please provide a rationale for your views.

We are supportive of the process to move from transitional to enduring governance arrangements. We seek clarification on the use of the term "industry" in Condoc para 55. We support the move for a transitional ECoS Working Group to be established and for this to move from DECC oversight to be under the SEC Panel governance and oversight.

We would be interested to understand the interplay between the SEC Working Groups evaluating changes to support CRS and those that will be established for ECoS, recognising that more than one Working Group may be required to assess the breadth of changes.

DCC Additional Support

Q11 Do you agree with the proposal to extend the scope of H14.33 to allow the DCC to also provide Testing Participants with assistance with issues related to User Systems and Devices and allowing this assistance to be provided during or after testing?

SSE is broadly supportive of the proposal to extend the scope of SEC Section H14.33, subject to the costs being reasonable.

Q12 Do you have any views on how Additional Support services should be charged for?

SSE believes that no charges should be levied until such time as an Issue has been identified as being the responsibility of the Testing Participant. Until this point, any investigation on either side should be considered a normal part of the triage process and be non-chargeable. Post this time, it is reasonable for these services to be charged at an agreed, industry-wide day rate.

However, it is possible that an Issue identified as the responsibility of a Testing Participant in fact is an Issue with a DCC System. In this case, there should be no charge made for the investigation. Indeed, we note there is a case here for the Testing Participant to levy such a charge against the DCC, in a reciprocal manner to that proposed. We believe this would be fair and equitable.

Further Requirements on Testing

Q13 Do you agree with the proposal and associated legal drafting to set a mandatory requirement on the DCC to provide a Pre-UEPT service and a GFI service? Please provide a rationale for your views.

In general, SSE supports the proposal and associated legal drafting.

We note that DCC's current public position on the scope of the Pre-UEPT environment is much wider than that outlined herein.

Concerning the timing of Pre-UEPT, we note that DCC has already publicly stated that it cannot provide such an environment in the described form (supporting the testing of Service Requests) until 6 May 2016, with significantly reduced functionality available from the date of 18 April 2016. As Pre-UEPT is intended to mitigate the shortened length of Testing Participants' End-to-End testing prior to DCC Live, there is now a risk that this mitigation will not fulfil its purpose.

We note that that while there is limited utility to SSE for the DCC continuing to provide the Pre-UEPT environment post Release 1.3 Go-Live, this may not be the case for new entrants who are likely to benefit from access to such an environment. In addition, any future major changes to the format of DCC Gateway Service Requests may very well require the provision of an equivalent environment in the Enduring market.

We welcome the mandatory provision of a GFI service as, without this, we do not believe it would be possible for Suppliers to adequately test the interoperability of their Meters with the DCC Systems prior to the availability of the DCC's End-to-End Test Environment at Release 1.3 code level, and without such testing we do not believe Suppliers would be able to meet their obligations under SEC.

Q14 Please provide your views on the draft direction for the insertion of a new X9 and the proposal to:

- bring the new X9 into effect on 18 April 2016 (or as soon as possible thereafter),
- require the provision of the Pre-UEPT service from the date that X9 is effective,
- require the provision of the GFI service as soon as reasonably practicable, but in any event no later than the start of End-to-End testing,
- provide that the Pre-UEPT and GFI service will end when Section X ends, noting that the Secretary of State has the ability to direct an earlier end date?

Please provide a rationale for your views.

SSE agrees in general with the proposal as stated.

We are in agreement with the proposed timescales detailed in X9. Regarding X9.4(c) this condition seems open ended in that the DCC could impose "supplemental obligations" that are unrealistic. We believe that the legal drafting needs to be more specific regarding what supplemental obligations the DCC may apply.

In addition, we request that some thought be given to both future major changes to the interface to DCC Systems, and the fact that the GFI service will enable new entrant Meter Manufacturers to gain assurance that their Meters are properly interoperable with DCC Systems at an early stage of development, lowering their barrier to market entrance.

Q15 What are the benefits of providing Pre-UEPT services beyond the go live date for Release 1.3 functionality? Please provide a rationale for your views.

The provision of Pre-UEPT services beyond the Release 1.3 go live date will allow new market entrants the same opportunity to test their systems prior to the UEPT test phase.

More importantly, at times of major change to the interface to DCC Systems or to other industry specifications, such a service will be essential for Service Users' assurance prior to any new phase of UEPT required.

Q16 Do you agree with our proposed amendments for additional SIT, Interface Testing and SRT Testing? Please provide a rationale for your views.

In general, we agree with these proposed amendments.

However, we feel that the proposed notice period of one month (or less, at SoS discretion) specified in T3.36 (f) for any Additional Interface Testing is not necessarily sufficient if participation is mandatory and the change complex. We believe the notice period should therefore be based on the complexity and size of the change being implemented to enable Service Users to plan their User System changes in an efficient and realistic manner.

Q17 Do you agree with our proposed amendments for the length of the End to End Testing Period? Please provide a rationale for your views.

SSE supports the intent of this proposed amendment however we believe it would be more useful to include reference to End-to-End Testing for the Release 1.3 solution to remove any ambiguity.

Q18 Do you agree with our proposed amendments for additional phases of Service Request testing? Please provide a rationale for your views.

SSE agrees with the proposed amendments in their current state.

Q19 Do you agree with our proposed amendments to the relevant versions of the SEC for testing purposes? Please provide a rationale for your views.

SSE agrees with the proposed amendments.

SEC Panel and DCC Live Criteria Assessment

Q20 Do you agree with the proposal and associated legal drafting? Please provide a rationale for your views.

SSE agrees with the proposal to provide a role for the SEC Panel to consider whether the DCC has achieved the DCC Live Criteria. We support the approach as it provides further independent assurance and is reflective of the move from transitional to enduring governance arrangements. We agree that the associated legal drafting reflects the proposed intent.

Security

Q21 Do you agree with the proposed approach and legal drafting that seeks to ensure that only disputes associated directly with the issue of compliance with Section G are determined by us, with other disputes following the “normal” path for resolution?

SSE broadly agrees with the proposed approach and legal drafting for dispute resolution associated directly with the issue of compliance with Section G.

We seek clarification on how other paths for resolution will gain the necessary Section G 'Security' expertise to feed in to the assessment and responses to disputes, where there may be an indirect issue of compliance.

Q22 In relation to the need for DCC to test and monitor the security of Cryptographic Credential Tokens, do you agree with the proposed approach and legal drafting?

SSE agrees with the proposed approach and legal drafting for DCC to test and monitor the security of Cryptographic Credential Tokens.

Q23 In relation to the removal of Manufacturer Release Notes from the CPL and the associated requirements for secure storage, do you agree with the proposed approach and legal drafting?

SSE fully supports moving towards a Centralised Firmware Library as this would enable industry to maintain a good level of Security reducing risk of compromise.

We note that Section 3.2 of the CPL Subsidiary Document places specific responsibilities upon the Responsible Supplier. We have concerns that this may introduce challenges that could be difficult to overcome, given that it may not always be possible for suppliers to gain Manufacturer Release Notes for meters gained where there is not a direct commercial relationship with that manufacturer. We recognise that a Centralised Firmware Library has been proposed via the SEC Modification Process. However, until such time as this is introduced there may be significant manual processes to manage required interim processes.

Q24 In relation to the inclusion of systems used to generate a UTRN within the scope of the User System, do you agree with the proposed approach and legal drafting?

SSE agrees with the proposed approach and legal drafting to include the systems used to generate a UTRN within the scope of the User System.

Privacy and Explicit Consent

Q25 Do you agree with the proposal to include a definition of Explicit Consent and do you have any comments on the proposed drafting? Please provide a rationale for your views.

SSE is supportive of the SEC providing further clarity in relation to what constitutes “explicit consent” to join and un-join Consumer Access Devices (CADs) to Smart Metering Systems.

We are broadly in agreement with the proposal to include a definition of Explicit Consent within Section A of the SEC and the consequential revision for SEC Section I1.3 (b).

We have the following comments on the proposed drafting for the "Explicit Consent" definition and associated SEC Section I1.3 (b).

In the first line of the definition of Explicit Consent, it sets out "means the explicit and informed consent ...".

- We fully support the use of the term "explicit";
- We have concerns regarding the term "and informed" such that it introduces a higher threshold to demonstrate;
 - What constitutes a consumer demonstrating that they are "informed";
 - How Parties would assess that a consumer is indeed "informed";
 - The evidence recorded to satisfy that there was "informed consent".

We would welcome further engagement with DECC to discuss and determine potential reasonable tests for the points raised in our response. We seek clarification on how this would be assessed, given that the Privacy Assessment is specific to the "Other User" role, however Suppliers may undertake to join and un-join Consumer Access Devices.

Furthermore, with regard to the Privacy Assessment, we seek clarification on how consequential amendments to the Privacy Control Framework will be managed, and the potential implications for Parties who may be undertaking the Privacy Assessment as part of the User Entry Process Testing for the "Other User" role. We note that the "Explicit Consent" definition would apply to both an "Other User" having "Appropriate Permission" to access consumption data and the joining/un-joining of CADs.

Changes to Section H (DCC Services)

Q26 Do you agree with the proposal and associated legal drafting to consult with Parties and Registration Data Providers prior to changes to DCC Internal Systems or the Release Management Strategy? Please provide a rationale for your views.

SSE agrees with the proposal and associated legal drafting to consult with Parties and RDPs prior to changes to DCC Internal Systems or the Release Management Strategy. The reasons for this are clear, inasmuch as any change in a complex, interconnected set of systems could have an unforeseen change for users of those systems.

It is also recognised that DCC system changes may impact parties that are not Users and given that it is important to develop an understanding of overall cost associated with any proposed change, it will be necessary to consult all parties potentially affected by change including RDPs.

Q27 Do you agree with the proposed change to remove the requirement on RDPs to raise an Incident where the issue can be resolved by the transmission of an unsolicited registration data refresh file? Please provide a rationale for your views.

As a RDP, we are in agreement with the proposed change to remove the requirement on RDPs to raise an incident when an issue can be resolved by the transmission of an unsolicited registration data refresh file. This change will simplify our internal processes and remove the need to report some RDP related incidents for minor issues that could be resolved by other means.

Q28 Do you agree with the proposals and associated legal drafting to the recovery and data loss obligations in regard to a Disaster? Please provide a rationale for your views.

SSE supports the proposals and associated legal drafting. It seems reasonable that in the event of a Party having no backup connection, that DCC must still use All Reasonable Steps to restore the DCC Gateway Connection at the earliest opportunity.

Rectifying Errors in Relation to Device Credentials

Q29 Do you agree with the proposal to clarify that Users are permitted to send the relevant Service Requests? Please provide a rationale for your views.

SSE agrees with the proposal to clarify that Users are permitted to send the relevant Service Requests when rectifying errors in relation to Device Credentials. We believe that the draft legal text needs to make clear that these errors are in relation to Device Security Credentials.

Panel/IKI Subscribers

Q30 Do you agree with the proposal and associated legal drafting to permit SECCo to become a Subscriber for IKI File Signing Certificates for the purposes of Digitally Signing the CPL as set out above? Please provide a rationale for your views.

SSE agrees with the proposal and associated legal drafting to permit SECCo to become a Subscriber for IKI File Signing Certificates.

As SECCo is a Third Party, we believe it would be beneficial to ensure that quarterly reporting is submitted to the SMKI PMA to ensure the roles are being managed appropriately.

Status of Associated Devices

Q31 Do you agree with the proposals to remove the requirement for DCC to modify the SMI Status of a Device in circumstances where the status of a Device with which is associated changes, and to clarify by when suppliers must ensure that the appropriate Device Security Credentials are placed on a Device? Please provide a rationale for your views.

The first proposal to remove the requirement for DCC to maintain SMI Status of associated devices (PPMID, HCALCS and GPF) seems reasonable and we concur that it is a pragmatic proposal to remove complexity from the DCC solution.

However, we seek clarification as it seems to leave a potential gap that isn't addressed within the proposal:

- Does this mean that Type 1 Devices and GPF will cease to have "SMI Status"? Or,
- Does this mean the Supplier becomes responsible for setting the "SMI Status" of Type 1 and GPF devices?

If it is the latter, we query how the Supplier will be informed that a CHF has moved from "installed not commissioned" to "commissioned", thereby knowing to trigger an update to the other devices on the HAN. In addition, we note that currently there is no event for the Supplier to update the GPF. We support the proposal for the Supplier to update the status of PPMID and HCALCS, on the basis that Suppliers are in control of those Devices.

We support the second proposal to clarify when Suppliers place appropriate security credentials on a Device.

Suppliers will have to obtain Network Operator (NO) public security certificates in advance of installation. There is the potential issue if a Network Operator has multiple certificates. Whilst Network Operators have stated they would all use a single certificate, this is not documented or obligated.

We believe that it would be more efficient if Network Operators used the principle of "installation certificates". A Supplier would place these certificates on meters for each NO, and then the NO would update with their enduring NO certificate.

Post Commissioning Reporting

Q32 Do you agree with the proposal to change the reporting obligations on DCC in relation to Devices Commissioned between DCC Live and Release 1.3? Please provide a rationale for your views.

These amendments seem reasonable if DCC are unable to provide the reports before Release 1.3. Suppliers will know the devices that they have commissioned. SSE would include the security certificate updates as part of the install/commission process.

The IEWP clauses 5.3 and 5.6c allow the DCC to identify commissioned meters that have not had their Device Security Certificates updated within 7 days. We seek clarification on how this will be enforced as it is not set out within the legal drafting.

Subscriber Obligations for certain IKI File Signing Certificates

Q33 Do you agree with the proposals to modify the subscriber obligations in relation to Certificate Signing Requests generated by DCC-provided software and to place an additional obligation on DCC in relation to these in Section G?

SSE agrees with the proposals to modify the Subscriber obligations in relation to Certificate Signing Requests.

RDP IDs and DCC Reporting under Section E

Q34 Do you agree with the proposal not to make transitional changes to the SEC to deal with these matters and instead to rely upon RDPs and the Panel to work with DCC within the confines of its Systems Capability on a transitional basis?

We support the proposal not to make transitional changes to the SEC relating to RDP IDs and DCC Reporting under Section E.

Miscellaneous Issues and Minor Amendments to Drafting

Q35 Do you agree with the proposal legal drafting amendment to C3.13? Please provide a rationale for your view.

SSE agrees with the proposed legal drafting amendment to C3.13 – Indemnity for SEC Panel Members. We support the proposal to align the SEC Panel indemnity provisions with other industry codes such as the BSC.

Q36 Do you agree with the proposed legal drafting amendments to Section E2? Please provide a rationale for your view.

We are in agreement with the change proposed to clause E2.1 (a) as this accurately reflects the description of the information that is readily available.

Changes to provide flexibility to accommodate changes arising during testing

Q37 Do you agree with the proposal to remove these documents from the SEC and to re-introduce them (including any enduring changes made using Section X) by designation under Condition 22/Section X5 of the SEC?

SSE agrees with the proposal to remove the Policy Documents from the SEC (Annexes A to C) and to designate these and incorporate as SEC Subsidiary Documents under Condition 22/Section X5 of the SEC. We support the proposal as it will enable further modifications to be managed under the re-designation process.

Test Communications Hubs

Q38 Do you agree with our proposal and legal drafting in relation to Test Communications Hubs? Please provide a rationale for your response.

SSE agrees with the proposal and legal drafting in relation to Test Communications Hubs.

Consistent terminology on "all reasonable steps"

Q39 Do you agree with the proposal and associated legal drafting to align the wording of obligations throughout the SEC?

SSE agrees with the proposal and associated legal drafting to align the wording of obligations, replacing "endeavours" with the term "steps".

Incident Management Policy

Q40 Do you agree with the proposed changes to the Incident Management Policy? Please give reasons to support your answer.

We broadly agree with the proposed changes to the Incident Management Policy, on the basis that these are low in number and seem to be minor edits and formatting amendments.

We believe that the new clause 2.10.9 needs further specification for the term "reasonable mechanism" to remove potential ambiguity and the possibility of additional costs in providing an alternative method of access:

"Should the Service Desk be inaccessible through the usual mechanisms and any alternate mechanism provided under H8.20, the DCC will inform Incident Parties of an alternative method of access through a reasonable mechanism."