



Smart Metering Implementation Programme - Regulation
Department of Energy & Climate Change
Orchard 3, Lower Ground Floor
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23rd December 2014

Dear SMIP team

Smart Energy Code 4 URN 14D/298

Please find enclosed our response to the consultation. We have appreciated the extent to which DECC has shared the discussions on the majority of these subjects in the working groups, particularly the TSEG.

We note that in a number of instances DECC is now proposing to implement "pragmatic solutions" to issues that have been identified through earlier consultations and discussions at working groups etc. Whilst we acknowledge that in some instances such pragmatic solutions may be required to be considered, we stress that it is imperative that the implementation of any such "pragmatic solutions" must be to the benefit of the entire industry, and thence consumers overall, and must not increase risk in the end to end Smart Metering Solution.

Yours sincerely

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Q1 – Do you agree with the proposed approach and legal drafting in relation to Infrastructure Key Infrastructure?

Yes

Further definition and redrafting in relation to the Smart Meter Key Infrastructure and the IKI would be of benefit

We are supportive of DECC's proposal that the existing SEC legal drafting relating to SMKI should be expanded to capture IKI relevant arrangements, in particular to capture:

- a) the production by the DCC of 2 new documents – IKI Certificate Policy and IKI Certification Practice Statement
- b) the incorporation of the remaining elements of the IKI Document Set (i.e. Registration Authority Policy and Procedures, Interface Specification, Code of Connection, Subscriber Obligations and Relying Party Obligations) into the existing SEC Drafting for the SMKI Document Set.

Adoption of the above approach will ensure that the above documents are brought under formal governance and change control.

Whilst we are supportive of the above approach, we believe that the proposed legal drafting could benefit from some further consideration. In particular we question whether the inclusion of much of the new legal drafting relating to IKI within SEC Section L3 (The SMKI Services) provides sufficient clarity regarding the distinction between SMKI and IKI.

Furthermore, we note that there are numerous definitions for SMKI and IKI related terms within SEC Section A (e.g. SMKI Recovery Procedure; SMKI Document Set; IKI Certificate) however there is no definition for the terms SMKI and IKI themselves. For clarity, we believe that there would be benefit in capturing a definition for SMKI and IKI within SEC Section A, as has been done for DCC Key Infrastructure (DCCKI).

Clause L3.18 – we question whether usage of the word "person" within this clause is correct in all cases

Q2 – Do you agree with the proposed approach and legal drafting in relation to DCC Key Infrastructure?

Yes

We are supportive of DECC's proposal that:

- a) the SMKI Policy Management Authority (PMA) review the effectiveness of the DCCKI Document Set and propose changes to the DCC where it considers these must be made for the DCC to meet its obligations as specified in SEC Section G (Security)
- b) the DCCKI Document Set is moved into the SEC for change management purposes
- c) it is unnecessary to apply the tScheme to DCCKI assurance as DCCKI assurance will be included within the scope of DCC's ISO27001 certification and the proposed annual SOC2 audit.

It is our view that adoption of the above approach is appropriate for DCC Key Infrastructure, and that this approach should ensure that PMA Governance will not become more onerous, nor costly, than necessary.

We note that paragraph 246 of the consultation document states that "DECC propose that the SMKI PMA has sight of audit reports generated in relation to ISO27001 certification. We can find no reference to this new requirement within the proposed legal drafting however, and request further clarity on this proposed new obligation upon the PMA .

Q3 – Do you agree with the proposed approach and legal drafting in relation to allowing RDPs to become Authorised Subscribers for Organisation Certificates?

Yes, and therefore RDPs should accede to the SEC

We support the proposal that RDPs should become Authorised Subscribers for Organisation Certificates, but we do not agree with the proposal that RDPs should not become SEC Parties.

To date, access to SMKI has been restricted to SEC Parties as this is believed to be the best means of ensuring that the system remains secure. DECC are now proposing to "open up" access to the SMKI to RDPs however, without such RDPs having to become SEC Parties. We do not support this approach. It is our strong view that the long term integrity of the security arrangements requires that access to SMKI requires accession to SEC.

We are concerned that if RDPs are allowed access to SMKI without being a SEC Party, that this may set a precedent which other users may wish to follow in the future, and that such arrangements could reduce the "existing rigour in SEC security arrangements" which Parties have been working towards maintaining, and further improving, over recent years.

Whilst we note that DECC are proposing that the Network Party(ies) that nominate persons to act as RDPs should be made responsible for ensuring that RDPs exercise their duties, we do not consider that this approach is as robust as the current arrangements which preclude non-SEC Parties from accessing the SMKI.

Q4 – Do you agree with the proposed approach and legal drafting in relation to the checks the DCC must apply when deciding if a Subscriber is an Eligible Subscriber?

As an interim arrangement only, pending development

To date the SEC has required the DCC to apply checks that required verification of both the Device type and the SMI Status, and npower have supported this position. DCC have now advised DECC however that they will not be able to implement this requirement from Initial Live Operations (ILO) for "systems design reasons".

In light of the above, DECC are now proposing the following:

- a) DECC will require the DCC to check that an Authorised Subscriber is either a Supplier or the DCC for Devices that are either "Commissioned" or "Installed not Commissioned"
- b) Where a Party other than the DCC or a Supplier wishes to become an Authorised Subscriber for Device Certificates the DCC must "reasonably satisfy" themselves that the Party's business activities are related to the installation of devices and that it is necessary for that Party to subscribe to Device Certificates as part of such activities.
- c) Introduction of an appeals procedure relating to this activity in order to provide Parties who disagree with the DCC's determination to appeal that determination to the SEC Panel
- d) Any Party that has been determined to qualify as a Subscriber by the DCC must report to the DCC any change in its business activities which may be likely to materially affect whether it would qualify to become a Subscriber for Device Certificates were it to re-apply to become a Subscriber in light of such a change

Npower are of the view that the above proposal, whilst it may be pragmatic in managing some current DCC system design issues, is not "best practice" as the drafting is now more permissive than would normally be considered acceptable, and we would request that further consideration is given to investigating alternative solutions which conform to "best practice".

Npower note that DCC have advised that they will not be able to implement the original requirement from ILO, and we question whether DECC's intent is therefore to revisit this requirement post-ILO when the system design reasons cited by the DCC will hopefully have been overcome.

Q5 – Do you agree with the proposed approach and legal drafting in relation to the size restrictions on a number of fields in Device and Organisation Certificates?

Yes

Npower do not have any issues from a security perspective with the proposal to restrict the size of a number of fields in the Device and Organisation Certificates.

Q6 – Do you agree with the proposed approach and legal drafting in relation to the clarified Independent SMKI Assurance Scheme?

Yes

Npower agree that the proposed approach and legal drafting in relation to the Independent SMKI Assurance Scheme is a pragmatic solution to the issue that has been identified following the appointment of IScheme as the SMKI Independent Assurance Scheme operator.

Q7 – Do you agree that the proposed changes are necessary and proportionate to protect DCC Systems?

Yes

Npower agree that the detection and prevention of unauthorised system access or software execution is an important part of an organisation's approach to vulnerability management.

Npower support DECC's proposal that all Users and RDPS should implement arrangements to:

- a) detect and prevent unauthorised software execution, and take appropriate remedial action where such software is installed or executed; and
- b) detect and prevent unauthorised system access, and take appropriate remedial action where such software is installed or executed.
- c) complete assessments of system vulnerabilities and take appropriate remedial action where such vulnerabilities are identified.
- d) Make appropriate provision for training their personnel in relation to information security
- e) Implement controls to ensure that the exchange of information between their Users Systems/RDP Systems and any other systems to which they are connected is controlled to ensure that these information exchanges are for a legitimate business purposes

Npower also supports DECC's proposal that the DCC should be allowed (in exceptional circumstances) to temporarily suspend its connection to a Party where its systems have been, or are imminently likely to be, compromised due to a breach emanating from that Party. Npower also supports DECC's proposal that such powers should be subject to oversight by the SEC Panel, and that Parties should be able to appeal such decisions by the DCC to the Authority.

Npower believe that the legal drafting relating to the above (H10.1 – H10.8) should be further augmented however to clearly specify that if the DCC were to suspend a Party erroneously, or without sufficient reason, that the DCC should be liable for any losses incurred by that Party as a result of that suspension.

Q8 – Do you agree with the proposed changes to the post commissioning obligations and associated limitation of liabilities?

Not at this point

Whilst npower agrees with DECC's comment that: there may be a number of reasons why a device fails to complete post commissioning checks within the 7 day window that is currently allowed, and we agree that in many cases the checks may still be capable of being successfully completed at a later date, and we agree that it could be inefficient to immediately replace a device where it may still be capable of successfully completing the checks outside the 7 day window, we are unable to support the proposed approach at this point in time for the reasons detailed below.

Lack of any visibility of the detail relating to the proposed suspension activity:

The SEC4A Further Consultation and associated legal drafting does not provide us with any detail regarding the proposed suspension activity. For example, no detail is providing regarding the following:

- what actions/messages/commands a Party will, and will not, be able to undertake/send when a Device is suspended (e.g. will Parties be able to send a firmware update down to a suspended device or will only Critical Commands be allowed?)
- what the behaviour of a Suspended Comms Hub will be
- whether (and if applicable, how) Users will be able to communicate with a non-Suspended Device that is in a premises that is serviced by a Suspended Comms Hub

In the absence of sufficient detail regarding the proposed suspension process npower is unable to support the proposed approach and legal drafting relating to post-commissioning.

Lack of clarity regarding Post-Commissioning Process

The legal drafting that has been provided (H5.33 – H5.40) implies that the DCC may interrogate the CH Function prior to or during commissioning. Our understanding from the Comms Hub Forum however, is that the DCC will have no ability to interrogate Comms Hubs prior to their Installation and Commissioning, and that interrogation will therefore only be feasible from the point of Installation and Commissioning onwards. Further clarification regarding the post-commissioning processes that are being proposed is required.

Concerns regarding the proposed legal drafting relating to Limitations of Liability regarding Post-Commissioning Obligations

npower are concerned that, as currently drafted in M2.7 and M2.8, consequential and indirect losses may now be recoverable for a breach of the new post-commissioning obligations. It is our view that recovery of such losses would normally be excluded, and we would request that DECC give further consideration to the drafting in this area.

Detailed comments on the legal drafting of H5.33 to H5.40

(as contained in the document entitled SEC4A_Section_H5_Comparite_for_Consultation_November14 which was published alongside the SEC4A Decision document) for DECC's further consideration:

1. We are assuming that DECC's intention is for the DCC to "Suspend" the device as detailed within H5.34(a) "as soon as reasonably practicable" after the 7 day window referenced in H5.33 has concluded. We believe that this detailed timescale information should be captured within H5.34(a), and furthermore that relevant timescales for the activities detailed within H5.34(b) and (c) should also be captured within the legal drafting.
2. We are assuming that DECC's intention is for the Lead Supplier to "Suspend" the device as detailed within H5.38(a) "as soon as reasonably practicable" after the 7 day window referenced in H5.37 has concluded. We believe that this detailed timescale information should be captured within H5.38(a), and furthermore that relevant timescales for the activity detailed within H5.38(b) should also be captured within the legal drafting.
3. H5.35 – by what means, and within what timescales, will the DCC "notify the Responsible Supplier"?
4. H5.36 and H5.39 refer to SEC Sections F8 and F9.5(f) however no such sections exist with the SEC4A Further Consultation Legal drafting provided. Without visibility of the legal drafting referenced within these clauses we are unable to confirm our acceptance of the proposals.

Q9 – At what point should the Recovery Key on a meter be validated?

Flexible approach to allow the Recovery Key to be validated, either before or during the installation.

Npower are pleased to note that DECC "recognise that there are alternative points (eg prior to installation or during installation) at which validation of the Recovery Key can be undertaken".

It is npower's view that there should be some flexibility regarding the point at which the Recovery Key on a meter should be validated.

Npower note that the proposed legal drafting of H5.33 – H5.40 provides for such flexibility with regards to the timing of when the Recovery Key on a meter is validated (i.e. the legal drafting allows for validation of the Recovery Key to be undertaken either prior to installation or at the point of installation), and we are supportive of that approach.

Q10 – Do you agree with the proposal to move four sections of the SEC (H4, H5, H6 and O3) from the SEC into SEC Subsidiary documents, and the proposed changes to the legal drafting to accommodate this?

Yes subject to caveats and a clarification

In principle npower have no objection to the proposal that four sections of the SEC (H4/H5/H6 and O3) are removed from the SEC and placed into SEC Subsidiary documents instead, subject to the following comments:

1. The content of the new SEC Subsidiary documents that are being proposed as a replacement to the current SEC H4, H5, H6 and O3 sections "matches" the content of SEC H4, H5, H6 and O3 both in terms of intent and detail.
2. Clarification regarding who is going to develop the new SEC Subsidiary Documents that are being proposed, what process they are going to follow to develop these documents (eg establishment of a design forum etc) and the timescales for development of these documents is required.
3. Industry Parties are consulted regarding the content of the new SEC Subsidiary Documents, and feedback received during these consultations is taken into account, prior to the new SEC Subsidiary Documents being incorporated into the SEC.

We note that whilst DECC advise that SEC Section O3 is proposed for removal from the SEC (for inclusion within a SEC Subsidiary document instead), the current SEC legal drafting published alongside the SEC4A Consultation document actually contains no Section O3. Some clarification regarding the content of O3 would be appreciated.

Q11 – Do you agree with the proposed approach to amending the legal drafting to provide for the Secretary of State to direct that an activity is required to be carried out in advance of a specified date instead of a milestone?

No

1. We concur that the current SEC legal drafting does not provide the Secretary of State with flexibility with regard to moving a milestone but maintaining the date by which any related activity needs to be carried out or completed.
2. We can see merit in potentially amending the SEC legal drafting to allow such flexibility to be introduced, however we question whether a "global" amendment is appropriate or whether each instance should be reviewed on a case by case basis.
3. Without having visibility of the SEC legal drafting amendments that are being proposed in this area, we are unable to advise whether or not we support the proposal at this point in time.

We believe that there could be merit in the proposed approach being further discussed and developed at an appropriate SMIP governance body, including potentially any new Industry Programme Board that may be established going forwards as per our response to the recent DCC re-planning consultation (see our response to Q5 and Q10).

Q12 – Do you agree with the approach and proposed legal drafting supporting Parties undertaking tests equivalent to UEPT and SREPT on their own account?

Yes

Npower are generally comfortable with the approach and the legal drafting that is being proposed to support Parties undertaking tests equivalent to UEPT and SREPT on their own account, subject to the following comment:

We can see that allowing third party providers to undertake testing equivalent to UEPT and SREPT on their own account could be of benefit to the market as it should enable competition, however it must be ensured that the testing that is undertaken by such parties is at a level of depth, and of sufficient quality, to ensure that the operation of such parties does not have any detrimental impact upon the market.

We are supportive of the proposed legal drafting for Clauses H14.20 and H14.29, both of which we believe confirm that Parties with multiple Supplier IDs who use the same systems/processes for their differing Supplier IDs will be allowed to use the proof obtained via their testing for one of their Supplier ID's as evidence for their other Supplier IDs that utilise the same systems/processes.

Please note that a word is missing from Clause H14.32(a) (Suspect it should read "whether the test results would meet the requirements" or words to that effect)

Q13 – Based on our understanding of the DCC's remote testing offering, it may be that a DCC Gateway Connection is required, which would mean that remote testing would only be available to SEC Parties. We welcome views from prospective testing participants on the impact this may have on their plans.

Yes

As a Supplier we are already a SEC Party and will therefore have access to the DCC's remote testing offering via our DCC Gateway Connection, and therefore the proposal has no impact upon our plans.

We do acknowledge however that some non-SEC Parties (eg meter manufacturers; SMDA Ltd and/or Test Houses) may wish to access the DCC's remote testing offering and we can see benefit in them doing so. We would support the provision of access to the DCC's remote testing offering for such parties, and believe that this provision could enable increased confidence in the end to end smart metering arrangements. Whether or not such parties are willing to become SEC Parties in order to be able to access this facility is for those parties to determine.