



Department  
of Energy &  
Climate Change

# Smart Metering Implementation Programme

January 2015 government response to parts of the previous consultations on: 1) Stage 4 Smart Energy Code (SEC) (June 2014) and 2) Additional SEC Content consulted on as part of the SEC 4 Part A Response (November 2014)

26 January 2015



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Any enquiries regarding this publication should be sent to us at [smartmetering@decc.gsi.gov.uk](mailto:smartmetering@decc.gsi.gov.uk).

# General information

## **Purpose of this document:**

This document sets out the Government's further response to part of the consultation on the content of stage four of the Smart Energy Code (SEC) and the additional SEC content consulted on as part of the SEC4 Part A response. These set out arrangements related to the management of smart metering in Great Britain.

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## **Territorial extent:**

This consultation response applies to the gas and electricity markets in Great Britain. Responsibility for energy markets in Northern Ireland lies with the Northern Ireland Executive's Department of Enterprise, Trade and Investment.

## **Additional copies:**

You may make copies of this document without seeking permission. An electronic version can be found at:

<https://www.gov.uk/government/consultations/new-smart-energy-code-content-stage-4>

<https://www.gov.uk/government/consultations/consultation-on-additional-smart-energy-code-sec-content>

Other versions of the document in Braille, large print or audio-cassette are available on request. This includes a Welsh version. Please contact us under the above details to request alternative versions.

## **Quality assurance:**

This consultation has been carried out in accordance with the Government's Consultation Principles, which can be found here:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/60937/Consultation-Principles.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60937/Consultation-Principles.pdf)

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

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# 1 Executive summary

## 1.1 The Smart Energy Code

1. The Smart Energy Code (SEC) is a new industry code concerning the arrangements for the provision of the smart metering communication service. It has been created through the Data Communications Company (DCC) Licence, and it was first designated on 23 September 2013. A consultation on stage 4 of the SEC (SEC 4) was published on 30th June 2014. A substantial part of the SEC 4 content was concluded upon in a document published on 17 November 2014 (SEC 4A), which contained both SEC 4A conclusions and some further items for consultation. This document sets out conclusions on a small number of outstanding topics from the original SEC 4 consultation and from the additional consultation content in SEC 4A. The related legal drafting will be laid in Parliament in parallel with the publication of this document.
2. Also on 17 November 2014, the DCC published its consultation entitled Resetting the DCC Delivery Programme. The DCC has not yet published its conclusions to this consultation, and any resulting change to the timing of DCC delivery would be subject to determination by the Secretary of State under the DCC licence. Any amendments to the SEC arising, beyond those already in hand, will be considered and consulted upon once such a determination has been made. This document provides conclusions in areas which are regarded as pressing.

## 1.2 January 2015 SEC Government Response

3. Chapter 2 provides an overview of the content of this document and the associated SEC legal text.
4. Chapter 3 (Test Certificates) provides conclusions for this area of the SEC 4 Consultation.
5. Chapter 4 (User IDs, DCC IDs and Party IDs) provides conclusions for this area of the SEC 4 Consultation and the SEC 4A further consultation.
6. Chapter 5 (Compliance Policy Independence Arrangements) sets out the conclusions for this part of the SEC 4A further consultation.
7. Links to the associated legal drafting is provided at Annex C and summarised alongside the conclusions for the above areas. We will be laying this legal text in Parliament in parallel with the publication of this document.

## 2 Introduction

### 2.1 A new industry code

8. Smart Meters are the next generation of gas and electricity meters. They will offer a range of intelligent functions and provide consumers with more accurate information, bringing an end to estimated billing. Consumers will have near-real time information on their energy consumption to help them control and manage their energy use, save money and reduce emissions.
9. On 23 September 2013, a new licensed entity, the Data and Communications Company (DCC), was established. Together with its sub-contractors, the Data Service Provider (DSP) and Communications Service Providers (CSPs), the DCC will provide a Smart Meter communications service. The DCC will offer a means by which Suppliers, Network Operators and others can communicate remotely with Smart Meters in Great Britain.
10. The Smart Energy Code (SEC) is a new industry code which has been created through, and came into force under, the DCC Licence. The SEC is a multiparty contract which sets out the terms for the provision of the DCC's Smart Meter communications service, and specifies other provisions to govern the end-to-end management of smart metering.
11. The DCC, Suppliers of energy to domestic and smaller non-domestic customers, and Network Operators are required by licence to become parties to the SEC and comply with its provisions. Other bodies who wish to use the DCC's services, such as energy efficiency and energy service companies, or those that require Smart Metering Key Infrastructure (SMKI) Certificates to be placed on smart metering devices, must accede to the SEC to do so.
12. Consistent with other industry codes, the SEC is self-governed, enabling participants to raise change proposals, debate issues, and resolve disputes without the need for day-to-day regulatory intervention. It is managed by a Panel of experts drawn from SEC Parties ("the SEC Panel"), subject to the regulatory oversight of Ofgem. The Panel is supported in the day to day administration of the SEC by a Code Administrator and Secretariat (SECAS).

### 2.2 Stage 4 of the Smart Energy Code

13. The SEC is being introduced in stages. The consultation on Stage 4 of the SEC ('the SEC 4 consultation') was published on 30 June 2014<sup>1</sup>. Part A of the conclusions on the content of SEC 4 (SEC 4A) was published on 17 November 2014<sup>2</sup> and part of the associated legal text was laid in Parliament and came into effect on 14 January 2015. That publication also included a further consultation on a number of areas. This document provides conclusions to three policy areas from the above two consultations, and the final legal text for each of these that is to be laid in Parliament:

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<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/329306/SEC4\\_-\\_Consultation\\_Document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/329306/SEC4_-_Consultation_Document.pdf)

<sup>2</sup> <https://www.gov.uk/government/consultations/consultation-on-additional-smart-energy-code-sec-content>

- Chapter 3 – Test Certificates (consulted on in the SEC 4 consultation);
- Chapter 4 – User IDs, DCC IDs, Party IDs (consulted on in both the SEC 4 consultation and SEC 4A);
- Chapter 5 – Compliance Policy Independence Arrangements (CPIA) (consulted on in SEC 4A).

## 2.3 Responses to the SEC Stage 4 consultation

14. The SEC 4 consultation on draft legal text for Stage 4 of the SEC was published on 30 June 2014 and closed on 25 August 2014. It contained 66 questions in total; this response document relates to three of them. A list of those who have responded to this consultation is provided at Annex A. Responses to this consultation are available on the Government website. Annex B sets these out with a summary of responses to each of the SEC 4 questions responded to in this publication. Responses to many of the other questions were set out in the SEC Stage 4 Part A response<sup>3</sup>. Conclusions on the remainder of the questions will be published later in 2015.
15. There were 35 responses to the consultation across a range of organisations, including:
- Large and Small energy Suppliers;
  - electricity distribution and gas transportation networks (Network Operators);
  - trade bodies;
  - energy data managers;
  - energy code administrators;
  - Data and Communications Company (DCC);
  - meter technology providers; and,
  - Ofgem.

## 2.4 Responses to the SEC Stage 4A consultation

16. The SEC Stage 4A Government response and further consultation was published on 17 November 2014<sup>4</sup> and closed on 31 December 2014. It contained 13 questions in total; this response relates to two of them. A list of those who have responded to this consultation is provided in Annex A. Responses to this consultation will be published on the Government website in parallel with the publication of this document. Annex B sets these out with a summary of responses to each of the SEC 4A questions responded to in this publication. Conclusions on the remainder will be published later in 2015.
17. There were 17 responses to the consultation across a range of organisations, including:
- Large and Small energy Suppliers;
  - electricity distribution and gas transportation networks (Network Operators);
  - Data and Communications Company (DCC)
  - meter technology providers; and

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<sup>3</sup> <https://www.gov.uk/government/consultations/new-smart-energy-code-content-stage-4>

<sup>4</sup> <https://www.gov.uk/government/consultations/consultation-on-additional-smart-energy-code-sec-content>



- Ofgem.

## 2.5 Introducing this SEC 4 and SEC 4A content into the regulatory framework

- All the legal text concluded on as part of this publication will be laid in Parliament in parallel with the publication of this document following the procedure under Sections 88 and 89 of the Energy Act 2008. Subject to no objection being raised in Parliament during the 40 day period, we expect it to come into legal force before the end of March 2015.
- Every effort has been made to ensure the explanatory text in the main body of this consultation response reflects the legal text however the legal drafting should be treated as definitive.
- Table 1 below sets out the topic areas that we are concluding on within this publication together with the relevant legal drafting and details of when the provisions will be laid in Parliament and incorporated into the SEC. The items concluded on here will be 'switched on' i.e. made legally effective, immediately on incorporation into the SEC.
- We will also be using this opportunity to make some minor typographical changes which have been identified in the current version of the SEC that is in force. These will be laid in Parliament alongside the drafting changes outlined in this document.
- The marked up legal drafting published alongside this document shows how the SEC in legal effect is being amended. The marked up text shows new additions to the SEC, the majority of which has been concluded on as part of this document. However, this text also includes some text which was concluded on as part of SEC 4A but was not designated into the SEC at that time. The clean version published shows how these specific sections of the SEC will look once this text comes into legal force.

**Table 1: Summary of January 2015 SEC Government Response Content and Legal Drafting Approach**

Chapter	Content concluded on in this document with updated legal drafting	Content concluded on in this document to be laid in Parliament and 'switched on' by end March 2015
<b>3:Test Certificates</b> SEC Section H and T unless stated	<ul style="list-style-type: none"> <li>• H14.11</li> <li>• T6.4</li> </ul>	<ul style="list-style-type: none"> <li>• H14.11</li> <li>• T6.4</li> </ul>
<b>4:User IDs, DCC IDs and Party IDs</b> SEC section B unless stated	<ul style="list-style-type: none"> <li>• B1</li> <li>• B2</li> </ul>	<ul style="list-style-type: none"> <li>• B1</li> <li>• B2</li> </ul>
<b>5:Compliance Policy Independence Arrangements (CPIA)</b> SEC Appendix C unless otherwise stated	<ul style="list-style-type: none"> <li>• Appendix C</li> </ul>	<ul style="list-style-type: none"> <li>• Appendix C</li> </ul>

## 2.6 The future

23. Looking ahead, we have reviewed our plans for implementing the remainder of the initial drafting of the Smart Energy Code to ensure that it will be able to support any possible decisions arising from the DCC's consultation "Resetting the DCC Delivery Programme" published on 17 November 2014, and also that it remains fully aligned with the content and conclusions of the various consultations on subsidiary documents.
24. A short additional consultation is also being published at the end of January 2015. We expect to conclude on much of the remaining material from the SEC 4 consultation, the further consultation published along with our SEC 4A response in November, and the consultation being publishing in January, in March 2015. We expect to publish at the same time some further consultation questions. Conclusions wrapping up all the outstanding material from these consultations are expected later in the year.

## 3 Test Certificates (SEC 4)

### Summary of Issue under Consideration

In the SEC 4 consultation we proposed that the DCC should provide Test Certificates to Testing Participants, including non-SEC Parties for the purposes of Testing Services and testing defined in Section T of the SEC. Non-SEC Parties will have to enter into a bilateral agreement with the DCC prior to being able to receive Test Certificates. We also proposed that Test Certificates must be provided in line with Good Industry Practice. Furthermore, we proposed to remove the requirement for the DCC to make available Test Certificates via a test repository.

The consultation asked one question on this area:

**Test Certificates:** question 29 of the SEC 4 consultation sought views on the proposal to require DCC to provide Test Certificates to Test Participants (who, in the case of non-SEC parties, will have to be bound by an agreement entered into with the DCC) only for the purposes of Test Services and testing pursuant to Section T of the SEC, and to not require DCC to provide Test Certificates via a test repository.

### Government Consideration of Issue

25. The majority of respondents were supportive of the proposals, although there were a number of specific issues raised.
26. Some respondents expressed concern in response to our proposal not to require the DCC to make Test Certificates available on the Test Repository. These respondents highlighted that there is a necessity to test the connection to the SMKI Repository. We agree, and note that as part of the DCC's Testing Services the connection to the SMKI Repository can be tested. During transitional testing, the SMKI & Repository Test (SRT) Approach Document will outline how the connection to the SMKI Test Repository can be tested, while the Enduring Test Approach Document will detail the enduring testing arrangement for the SMKI Repository. The change we proposed related to the provision of Test Certificates. We do not require the DCC to provide Test Certificates via a test repository, to not unnecessarily constrain the DCC's flexibility for designing the testing solutions.
27. Two respondents indicated that it would be appropriate for the DCC to be liable if Test Certificates were incorrectly provided, and one respondent requested clarification on the resolution process if a Test Certificate was incorrectly provided. Test Certificates are based on industry standards that are specified and are widely available, and therefore the risk of an incorrect format is expected to be low and this can be easily checked (the DCC is required to operate in line with Good Industry Practice). Extending the liability arrangements could require significantly more rigour and associated cost in the issuing of Test Certificates. We do not believe that it is appropriate to extend the enduring liability arrangements to transitional testing matters. DCC does have licence obligations to act in an efficient, economic and co-ordinated manner which we believe reinforces the need for DCC to take appropriate care in issuing Test Certificates.
28. The DCC also mentioned in their response to the consultation that there are currently no SEC arrangements for the DCC to apply security controls to Test Participants within a testing environment. The DCC suggested that the SEC permit the scope of a new

Subsidiary Document to include obligations on Parties, RDPs and the DCC relating to the issuing and use of Test Certificates for the purposes of DCC Gateway Connection. The DCC elaborated that this document should include obligations on Parties and RDPs in relation to security that they must adopt on their systems as part of such testing. We agree that it is appropriate for the SEC to allow for such security obligations in the light of the design of the testing environment. However, rather than obliging the DCC to create a new Subsidiary Document, we consider that the Enduring Testing Approach Document – whose purpose is to set out how the Testing Services are to be provided – is best placed to include any such additional security obligations in relation to Testing Services. We have concluded on additional text in T6.4 in line with these further requirements.

### Summary of Government Conclusion

We will implement the proposed legal text set out in the SEC 4 consultation. Furthermore, we will include in T6.4 further legal text enabling additional obligations to be placed on Test Participants, including where testing takes place over the DCC Gateway Connection and in relation to Test Certificates.

### Summary of Changes to the Legal Drafting

SEC Section	Content
T6.4	<p>This paragraph has been amended so that the Enduring Testing Approach Document will include:</p> <ul style="list-style-type: none"> <li>• In what circumstances Testing Services will be provided (including in relation to security);</li> <li>• How the DCC will provide any Testing Services remotely (including over DCC Gateway Connections); and</li> <li>• How the DCC makes available different categories of Test Certificates.</li> </ul>

## 4 User IDs, DCC IDs and Party IDs (SEC 4 and SEC 4A)

### Summary of Issue under Consideration

#### Proposals in the SEC 4 and SEC 4A Consultations

In the June 2014 SEC 4 consultation, the Government set out proposals for the establishment of User IDs, DCC IDs and Party IDs. User IDs and DCC IDs would be globally unique EUI-64 identifiers that would be used to identify a User or DCC acting in a particular role by linking them to specific public keys in Organisation Certificates. Party IDs would be SEC-unique identifiers.

It was explained that an EUI-64 ID comprises two parts; firstly, a unique identifier (Registry Entry) which is assigned by the IEEE Registration Authority to an organisation and a further part that can be allocated by an organisation with the first ID to Users. With this in mind, it was proposed to centrally procure a single Registry Entry, which could then be used for the purposes of assigning unique EUI-64 compliant IDs to Users and the DCC. This approach would reduce costs and be a more reasonable use of IEEE address space.

It was therefore proposed that the SEC Panel (acting via SECAS) should be responsible for procuring the necessary Registry Entry associated and for allocating unique extension identifiers when requested for EUI-64 compliant IDs by Users and DCC.

It was also noted that there was a need for the DCC to be able to map User IDs to SEC Parties so that access to the Self Service Interface can be provided at the Party level where the SEC allows this. The consultation sought views on the creation and allocation of a 'Party ID' to each Party for these purposes.

Views were invited on the proposals to centrally procure the Registry Entry and upon the proposals to create Party IDs.

The consultation asked two questions on this area:

**User IDs, DCC IDs and Party IDs:** question 31 sought views on the proposed approach and legal drafting in relation to centrally procuring a EUI-64 Registry Entry. Question 32 sought views on the intention to create a 'Party ID', enabling access to the Self Service Interface at a Party level.

In the November 2014 SEC 4A response and further consultation on SEC content, it was explained that it was proposed to require Registration Data Providers (RDPs) to digitally sign Registration Data with a Private Key associated with an SMKI Organisation Certificate. One of the consequences of this was that RDPs would also need EUI-64 compliant "RDP IDs" in order to be able to identify them within their Organisation Certificates.

Furthermore, in order to establish transport layer security over DCC Gateway Connections (over which, amongst other things, Registration Data is to be sent), RDPs will need to become subscribers for DCCKI Infrastructure Certificates for which the equivalent of a Party ID for RDPs would be needed (i.e. an identifier for the RDP which was unique under the SEC, but which need not be EUI-64 compliant).

In order to differentiate between globally unique EUI-64 IDs which would be used in

Organisation Certificates and SEC-unique identifiers for use in DCCKI Certificates, the concept of 'Signifiers' was introduced. Hence SEC Parties would have a Party Signifier (and not a Party ID). Where they are Users, these Party Signifiers would map to one or more EUI-64 compliant User IDs. RDPs would be allocated with "RDP Signifiers" and one or more EUI-64 compliant RDP IDs.

The consultation sought views on the proposed drafting changes to section B1 and B2 to implement this.

## **Government Consideration of Issue**

## **Government Consideration of Issue**

### Respondents' Views to the SEC 4 Consultation

29. Most of the sixteen respondents to the SEC 4 consultation agreed with the general proposals for the central procurement of the Registry Entry and with the proposals in relation to Party IDs. A number of specific points were raised, which included:
- What precise assignment rule the Central Registry Entry will use and whether or not there is a further requirement to assign a Party ID per Party role.
  - That provision should be made in the Central Registry Entry to ensure that only EUI-64 IDs are allocated to the requesting party within an allocated range and subjected to access control. In other words, Manufacturer A should not be allowed to request a EUI-64 ID from the range allocated to Manufacturer B.
  - That further detail was required regarding the criteria to be applied by the SEC Panel when approving IDs. That there needed to remain the ability to access the Self Service Interface (SSI) at an Organisation (or group of Parties) level.
  - That it will also be necessary to map Market Participant IDs and role codes, to User IDs.
  - That clarification was sought on who was responsible for making amendments to Party details.
  - The expectation that there will be no additional charge to obtain a Party ID and associated EUI-64 compliant ID.
  - That the 'ID Allocation Procedure' being created must include clear obligations on the timeliness of provision of IDs.
  - That sufficient clarity has not been provided as to the role that the new Party ID will have and the benefits that this will deliver.
  - That there is a need to more clearly articulate the relationships between Party IDs, User IDs and the Market Participant IDs that Parties use for the purposes of the MRA and the UNC including further clarification on how these relationships work and how they will ensure that User entry and registration based access control are implemented appropriately.
  - That the need to centrally procure this and build in complexity seems counterproductive to the £500 it would cost for each supplier to procure their own ID.
  - That the drafting needs to be further augmented in order to achieve DECC's intent of creating a 'Party ID' for accessing the SSI at a Party level. The SEC needs to allow Parties who have multiple Supplier IDs to be able to have a common/corporate Party ID.
  - That the proposed drafting in Section H1.5 which allows Users to use the same identifier in the Role of Import Supplier, Export Supplier and Gas Supplier, impacts the DCC solution on access control rules and internal data model design.

- That B2.9(b) requires the SEC Panel to notify the DCC of User IDs issued to Parties. H1.5 also requires the User to notify the DCC of its User ID(s), and that either the SEC Panel or the User should notify the DCC and not both.

#### Respondents' Views on the SEC 4A Consultation

30. The majority of respondents to the November 2014 SEC 4A consultation agreed with the proposals to extend the ID arrangements to encompass RDPs. Again a number of specific comments were made, including:
- That there were concerns over whether controls will be proportionate and relevant, as this covers an existing Industry Registration process.
  - That the term 'RDP ID' is used in E2.15, however the defined term is not used in Section E: Registration Data.
  - That the decision to change the RDP security requirements at a relatively late stage in the SMIP lifecycle may require Xoserve to undertake a solution re-design and incur additional expenditure.
  - That as a consequence of the proposals, RDPs should accede to the SEC, since 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". That the arrangements for Party Signifiers should be implemented as soon as is practicable so that DCC can use these as part of providing an Interim Incident Management process.

#### Government Response to Views on SEC 4 Consultation

31. We continue to be of the view that it is most cost effective to centrally procure Register Entries for use in allocating User IDs and RDP IDs and that there is no reason to believe that the central arrangements will be overly complex or costly. User IDs are not just issued to suppliers and establishing centralised arrangements would obviate the need for each User to procure its own registry entry.
32. It is proposed that the Central Registry Entry will use MA-S; this requirement is set out in Section B2 of the SEC. It is not proposed that it will be necessary to assign a Party ID (now Party Signifier) on a 'Party Role' basis. Hence each SEC Party (and RDP) will be allocated a single Signifier and may have multiple User IDs (or RDP IDs) mapping to this Signifier.
33. If necessary, any detailed rules for allocating particular EUI-64 ID ranges to specific Parties should be included in the ID Allocation Procedure developed by the SEC Panel ("The Panel") in conjunction with interested Parties and RDPs. It should be noted however that the centrally procured EUI-64 IDs are intended to be used only for User IDs and RDP IDs and not for the purposes of identifying Devices. As this is the case, the allocation of ranges to manufacturers may not be relevant in this context. It would be most appropriate for any specific timescales for the allocation of IDs also to be included within the ID Allocation Procedure, since these can be agreed between the Panel and those using the service in light of the practicalities associated with its provision.
34. The Government understands that the SSI is not capable of allowing access to a group of parties given the reliance of the SSI on SMKI Organisational Certificates.
35. The Government accepts that it will be necessary for DCC to map Market Participant IDs etc. to User IDs. It is noted that Parties are required to provide such information as part of

their accession to the SEC and that the Panel is required to provide this information (and any changes to it) to the DCC. Section B1.21 refers. DCC thus has all the information needed to be able to map Party Signifiers, User IDs and other Party identifiers for access control purposes. Section M6.2 requires Parties to keep Party Date up to date. No specific charges are currently proposed for the acquisition of Party IDs or associated EUI-64 IDs.

36. Party Signifiers (and RDP Signifiers) will be included within DCCKI Infrastructure Certificates and used to link individual Parties (and RDPs) to specific DCCKI Public Keys. Hence for example one Party may use its DCCKI Infrastructure credentials to establish Transport Layer Security over a DCC Gateway Connection. The identity of the Party doing this will be established by the Signifier within the DCCKI Certificate/associated Private Key that it uses for such purposes. We understand that more than one User may access DCC services over a DCC Gateway Connection secured by the TLS established by a single User. Please refer to the recent DCC consultation on DCCKI which provides further information about the use of Signifiers in DCCKI Certificates.
37. In light of the responses to the SEC 4 consultation on DCC systems functionality, we have discussed further with DCC the issue of suppliers having a single User ID for Import Supplier, Export Supplier and Gas Supplier roles. In particular there are a number of systems issues over how DCC's access control will operate to differentiate between Export Supplier and Import Supplier, for example where a single electricity meter is linked to different export and import MPANs associated with different suppliers. We will set out our conclusions in relation to this issue in our March 2015 conclusions.
38. The Government does not believe that the existing drafting requires both a User and the Panel to notify DCC of User IDs. Instead, the Panel will notify DCC of the User IDs allocated to a particular Party. The Party must identify which of its User IDs it wishes to have allocated to a particular User Role such that Organisation Certificates containing such IDs can be appropriately issued to such Users.

#### The Government Response to Views on SEC 4A Consultation

39. We will specifically respond to the comments on the proportionality of using SMKI keys to secure Registration Data transfers in a subsequent SEC conclusions document, and this issue is therefore outside the scope of these conclusions. In the meantime, it is proposed to continue to provide for Signifiers and IDs to be issued to RDPs within the SEC.
40. Whilst the Government accepts that there may be a case for RDPs to have to become SEC Parties (rather than acting through the relevant Network Party) we do not believe that the proposed arrangements do set a precedent for other users. Ultimately, Network Parties, not their agents, are responsible for RDP data and hence it remains appropriate for Network Parties to be responsible for their actions. Future users would be responsible for their own actions and hence would need to become parties in order to avail themselves of DCC services.
41. We also propose to introduce the obligations upon which we consulted in June 2014 and which require the Panel to notify DCC of identifiers associated with Parties under the MRA and UNC.

#### **Summary of Government Conclusion**

It is proposed to introduce the drafting on Sections B1 and B2 as proposed in the November



2014 SEC4A consultation which incorporates changes proposed in both the SEC 4 and SEC 4A consultations.

### Summary of Changes to the Consultation Legal Drafting

SEC Section	Content
B1 and B2	<ul style="list-style-type: none"><li>• Introduce the text proposed in these sections in the SEC 4A November 2014 consultation (which incorporates previous changes from the SEC 4 consultation in June 2014).</li></ul>

# 5 Compliance Policy Independence Arrangements (CPIA) (SEC 4A)

## Summary of Issue under Consideration

The Compliance Policy (SEC Appendix C) requires the DCC to submit to an SMKI Independent Assurance Scheme. The scheme chosen by the DCC to fulfil this capacity ('tScheme') has been approved by the SMKI PMA.

The Independence Arrangements specified in the Compliance Policy outline that no director of a DCC Service Provider may become a director of the Independent SMKI Assurance Scheme. However, since the tScheme Board membership is drawn from those organisations who operate the scheme, it is possible that a director or employee of the DCC Trusted Service Provider will also be a tScheme Board member. To avoid the risk of an unnecessary breach of SEC obligations in this scenario, we proposed in the SEC 4A consultation to clarify the independence arrangements in more detail. We proposed to amend the independence requirements so that no director or employee of the DCC or the DCC Service Provider can influence the outcome of the SMKI Assessment Reports.

There was one question in this area:

**Compliance Policy Independence Arrangements (CPIA):** Question 6 sought views on the proposed approach and legal drafting in relation to the clarified Independent SMKI Assurance Scheme.

## Government Consideration of Issue

42. All respondents to this consultation question agreed with our proposed approach. We will therefore proceed with enacting the associated legal text. Two respondents caveated their responses by noting that the related legal text had been marked-up as 'strikethrough'. One respondent commented that they supported the proposed approach if the strikethrough text was indeed the intended consultation text. We can confirm that the strikethrough was an administrative error, and the underlying text is correct.

## Summary of Government Conclusion

The Government concludes on the approach proposed in the consultation. The legal text shown inadvertently as strikethrough in Appendix C of the consultation will be implemented, as this text reflects the policy intent.

## Summary of Changes to the Consultation Legal Drafting

SEC Section	Content
Appendix C	<ul style="list-style-type: none"><li>The text presented as strike-through in the SEC 4A consultation version of the legal text will be implemented.</li></ul>

## 6 Glossary

This section provides a glossary of the principal terms used in SEC consultation and Government response documents.

A complete set of definitions and interpretations of terms used in the SEC can be found in Section A of that document.

The definitions in this glossary are not intended to be legally precise, but instead to assist in understanding the consultation document.

### **Alert**

A message from a Device or from DCC and sent to a DCC User across the DCC User Interface.

### **Command**

A message sent by the DCC to a Device over the SM WAN (or to a DCC User over the DCC User Interface to be executed locally) in order to instruct the Device to carry out an action.

### **Commissioned**

A Device status recorded in the Smart Metering Inventory. The steps a Device must go through to be Commissioned vary by Device type, but essentially this status is achieved when: the Device has been added to the Smart Metering Inventory; it has been demonstrated that DCC can communicate with it (and vice versa) over the SM WAN; and its relationship with either the Communications Hub Function or a Smart Meter has been established.

### **Communications Hub**

A device which complies with the requirements of CHTS and which contains two, logically separate Devices; the Communications Hub Function and the Gas Proxy Function.

### **Communications Hub Function**

A Device forming part of each Smart Metering System which sends and receives communications to and from the DCC over the SM WAN, and to and from Devices over the HAN.

### **Communications Hub Technical Specifications (CHTS)**

A document (which is to form part of the SEC) which sets out the minimum physical, functional, interface and data requirements that will apply to a Communications Hub.

### **Communications Service Provider (CSP)**

Bodies awarded a contract to be a DCC Service Provider of communications services to DCC as part of DCC's Relevant Services Capability. Arqiva Limited and Telefónica UK Limited have been appointed to provide these services.

### **Core Communication Services**

The services associated with processing a specific set of Service Requests set out in the DCC User Interface Services Schedule in a manner that involves communication via the SM WAN, but excluding the Enrolment Services.

### **Correlate**

A check, to be carried out by DCC Users, to ensure that the Pre-Command created by DCC after transforming a Critical Service Request (as defined in the SEC) is substantively identical to the original Service Request.

### **CoS Party**

A separate part of the DCC, responsible for signing critical Commands to update a Supplier's Security Credentials on a Device (as defined in the SEC) following the submission of a 'CoS Update Security Credentials' Service Request by an incoming Supplier to the DCC.

### **Data and Communications Company (DCC)**

The holder of the Smart Meter communication licence, Smart DCC Ltd.

### **Data Service Provider (DSP)**

The company awarded a contract to be a DCC Service Provider of data services to DCC as part of DCC's Relevant Services Capability. CGI IT UK Limited has been appointed to provide these services.

### **DCC Licence**

The licence awarded under section 7AB of the Gas Act 1986, and the licence awarded under section 5 of the Electricity Act, each authorising Smart DCC Ltd to undertake the activity of providing a Smart Meter communication service.

### **DCC Service Providers**

Companies or persons from whom DCC procures Relevant Services Capability; principally the DSP and the CSPs.

### **DCC Systems**

The systems used by the DCC and its DCC Service Providers in relation to the Services and / or the SEC, including the SM WAN but excluding the Communications Hub Functions.

### **DCC Total System**

All DCC Systems and Communications Hub Functions within the control of DCC.

### **DCC User**

A SEC Party who has completed the User Entry Processes (as defined in the SEC) and is therefore able to use DCC's Services in a particular User Role.

### **DCC User Interface**

The communications interface designed to allow appropriate Smart Metering communications to be sent between DCC Users and the DCC.

### **DCC User Interface Services Schedule**

This refers to the SEC Subsidiary Document identified as the 'DCC User Gateway Interface Specification'.

### **Device**

One of the following: (a) an Electricity Smart Meter; (b) a Gas Smart Meter; (c) a Communications Hub Function; (d) a Gas Proxy Function; (e) a Pre-Payment Interface; (f) an Auxiliary Load Control; or (g) any Type 2 Device (e.g. IHD).

### **Distribution Network Operators (DNOs)**

Holders of electricity distribution licences.

### **Elective Communications Services**

The services associated with processing of Service Requests that are (or are to be) defined in a Bilateral Agreement (as defined in the SEC) (rather than the DCC User Gateway Services Schedule) in a manner that involves communication via the SM WAN (provided that such Service Requests must relate solely to the Supply of Energy or its use).

### **Electricity Smart Meter**

A Device meeting the requirements placed on Electricity Smart Metering Equipment in the SMETS.

### **Eligible User**

A DCC User who, acting in a particular User Role, is eligible to receive particular Services, including in relation to a particular Device.

### **End-to-End Smart Metering System**

Any DCC System, Smart Metering System, User System or RDP System.

### **Enrolled**

The status of a Smart Metering System when the Devices which form part of it have all been Commissioned.

### **Enrolment Services**

Services associated with the processing of Service Requests that are involved in the commissioning of Devices in the Smart Metering Inventory, and establishing their inter-relationships, and which ultimately result in the Enrolment of Smart Metering Systems ready for communication via DCC over the SM WAN.

### **Foundation stage**

The period prior to the start of the mass roll-out stage.

### **Gas Proxy Function**

The functionality in the Communications Hub specific to its operation as a data store of the gas meter's operational data.

### **Gas Smart Meter**

A Device meeting the requirements placed on Gas Smart Metering Equipment in the SMETS.

### **GB Companion Specification (GBCS)**

A document setting out amongst other things, the detailed arrangements for communications between the DCC and Devices and the behaviour required of Devices in processing such communications.

### **Hand Held Terminal (HHT)**

A HAN-connected Device used by authorised personnel for meter installation and maintenance purposes.

### **Home Area Network (HAN)**

The means by which communication between Devices forming part of Smart Metering System takes place within a premises and which is created by the Communications Hub Function.

### **In-Home Display (IHD)**

An electronic Device, linked to a Smart Meter, which provides information on a consumer's energy consumption and ambient feedback.

### **Mass roll-out stage**

The period between the date at which the DCC starts providing Core Communications Services and the fulfilment of the roll-out obligation as specified in the roll-out licence conditions.

### **MPAN**

The Meter Point Administration Number, being a unique reference number for each metering point on the electricity distribution network and allocated under the Master Registration Agreement (defined in Section A of the SEC).

### **MPRN**

The Meter Point Reference Number, being a unique reference number for each metering point on the gas distribution network and allocated under the Uniform Network Codes (defined in Section A of the SEC).

### **MPxN**

A collective reference to the MPAN and MPRN.

### **Network Operators**

A collective term for holders of electricity distribution licences and gas transportation licences.

### **Outage Detection**

The ability for an electricity supply interruption to be identified and communicated to the SM WAN.

### **Parse**

The conversion of Service Responses and Alerts received from the DCC over the DCC User Interface into a more user-friendly format.

### **Parse and Correlate Software**

Software to be provided by the DCC which enables the carrying out of the Parse and Correlate activities.

### **Party (SEC Party)**

A person that has agreed to be bound by the requirements of the SEC.

### **Pre-Command**

A message generated as part of the processes of converting of Service Requests into Commands, i.e. after Transformation by DCC. For Critical Service Requests, Pre-Commands are returned to the DCC User for Correlation and signing after DCC has Transformed the Service Request.

### **RDP System**

The systems used by, or on behalf of a Network Operator for the collection storage, back-up, processing, or communication of Registration Data (defined in Section A of the SEC) prior to being sent to DCC.

### **Registration Data Provider (RDP)**

A person nominated by a Network Operator to provide Registration Data to DCC under the SEC.

### **Release Management**

The process adopted for planning, scheduling and controlling the build, test and deployment of releases of IT updates procedures and processes.

### **Relevant Services Capability**

The internal and external resources which the DCC relies upon in order to provide services as part of its Mandatory Business (as defined in the DCC Licence).

### **SEC Panel**

A Panel of persons drawn from the energy industry and consumer organisations who oversee governance of the Smart Energy Code, subject to the regulatory oversight of Ofgem.

### **SECAS**

The company appointed and contracted to SECCo to carry out the functions of the Code administrator and the Code Secretariat - Gemserv.

### **SECCo**

A company established under the SEC, owned by SEC Parties and which acts as a contracting body for the SEC Panel.

### **SEC Subsidiary Documents**

Documents that are referenced by and forming part of the SEC, and thus subject to the SEC modifications process.

### **Service Request**

A communication to the DCC over the DCC User Interface (and in a form set out in the DCC User Gateway Interface Specification) that requests one of the Services identified in the User Interface Services Schedule (or, in future an Elective Communications Service, as defined in the DCC Licence).

### **Service Response**

A message sent from DCC to a DCC User over the DCC User Interface (and in a form set out in the User Gateway Interface Specification) in response to a Service Request.

### **Services**

This refers to the services provided or that will be provided by the DCC pursuant to the requirements in the SEC (including the bilateral agreements).

### **Smart Energy Code (SEC)**

The Code designated by the Secretary of State pursuant to Condition 22 of the DCC Licence and setting out, amongst other things, the contractual arrangements by which DCC provides services to DCC Users as part of its Authorised Business (defined in the DCC Licence).

### **Smart Meter**

A Gas Smart Meter or an Electricity Smart Meter.

### **Smart Metering Equipment Technical Specifications (SMETS)**

A specification (which is to form part of the SEC) of the minimum technical requirements of Smart Metering equipment (other than Communications Hubs which are separately dealt with in CHTS).

### **Smart Metering Inventory**

An inventory of Devices which comprise Smart Metering Systems which are (or are to be) Enrolled with DCC. The Smart Metering Inventory also holds information about Devices and their inter-relationships.

### **Smart Metering System (SMS)**

A particular collection of Commissioned Devices installed in a premises:

- a Gas SMS comprises a Communications Hub Function, a Gas Smart Meter, a Gas Proxy Device and any additional Type 1 Devices (as defined in the SEC); and
- an Electricity SMS comprises a Communications Hub Function, an Electricity Smart Meter and any additional Type 1 Devices.

### **Smart Metering Wide Area Network (SM WAN)**

The network that is used for two way communication between Communications Hub Functions and the DCC.

### **Supplier**

The holder of a gas supply licence or an electricity supply licence.

### **Technical Architecture**

The DCC Systems and the Smart Metering Systems together, including as documented in the Technical Specifications (defined in Section A of the SEC).

### **Transformation**

The conversion, by DCC, of a Service Request into an associated Pre-Command - the format ultimately required in order for the Command to be executed by a Device.

### **User Role**

One of a number of different capacities in which a User may (if appropriately authorised and having gone through the necessary User Entry Processes) act, including: Import Supplier; Export Supplier; Gas Supplier, Electricity Distributor, Gas Transporter or Other User.

### **User System**

Any Systems (excluding any Devices) which are operated by or on behalf of a User and used in whole or in part for:

- constructing Service Requests;
- sending Service Requests over the DCC User Gateway;
- receiving, sending, storing, using or otherwise carrying out any processing in respect of any Pre-Command or Signed Pre-Command;
- receiving Service Responses or alerts over the DCC User Gateway;
- generating or receiving Data communicated by means of the Self-Service Interface
- communicating with the SMKI or Repository Services.



# Annex A: Responses Received

Responses to the SEC 4 consultation were received from the following organisations:

Association of Meter Operators	Npower
British Gas	Ofgem
Brookfield Utilities UK	Opus Energy
Citizens Advice	Scottish Power
Competitive Networks Association	Scottish Power Energy Networks
DCC	SECAS
EDF Energy	Siemens
Energy Networks Association	Smart Energy GB
Energy UK	Smartest Energy
e-on	SMKI PMA
First Utility	SSE
Good Energy	TMA
Haven Power	UK Power Networks
ICOSS	Utilita
MServ	Utility Partnership Ltd
Information Commissioner	Wales and West Utilities
Labrador Ltd	Xoserve
Northern Powergrid	

Responses to the SEC 4 Part A additional SEC content consultation were received from the following organisations:

British Gas	Scottish Power
Citizens Advice	Siemens
DCC	SMDA
EDF Energy	Spark Energy
Electricity North West	SSE
e-on	UK Power Networks
Good Energy	Wales and West Utilities
Npower	Xoserve
Ofgem	

# Annex B: Summary of Responses to Consultation Questions

## Relevant SEC 4 Consultation Questions

Test Certificates	
<b>Q29</b>	<p><b>Do you agree with our proposal to require DCC to provide Test Certificates to Test Participants (who, in the case of non-SEC parties, will have to be bound by an agreement entered into with the DCC) only for the purposes of Test Services and testing pursuant to Section T of the SEC, and to not require DCC to provide a Test Repository? Please provide a rationale for your view.</b></p> <p>The majority of respondents were supportive of the proposals although there were a number of specific issues raised.</p> <p>Some respondents expressed concern in response to our proposal not to require the DCC to make Test Certificates available on the Test Repository. These respondents argue that there is a necessity to test the connection to the SMKI Repository.</p> <p>Two respondents also expressed concerns with the liability arrangements where a Testing Participant relied upon a Test Certificate provided by the DCC was subsequently found to be incorrect.</p> <p>One respondent mentioned that it is not clear whether the SEC prescribes the provision of Test Certificates to manufacturers. This is allowed for in the definition of Testing Participant, which may include non-SEC Parties.</p>
User IDs, DCC IDs and Party IDs	
<b>Q31</b> and <b>Q32</b>	<p><b>Do you agree with the proposed approach to centrally procure a EUI-64 Registry Entry?</b></p> <p>and</p> <p><b>Do you agree with the intention to create a ‘Party ID’, enabling access to the Self Service Interface at a Party level?</b></p> <p>Most of the sixteen respondents to the SEC 4 consultation agreed with the general proposals for the central procurement of the Registry Entry and with the proposals in relation to Party IDs. Many specific points were raised:</p> <p>One respondent was of the view that provision should be made in the Central Registry Entry to ensure that only EUI-64 IDs are allocated to the requesting party within an allocated range and subjected to access control.</p> <p>A further respondent commented that more detail was required regarding the</p>

criteria to be applied by the SEC Panel when approving IDs and that there needed to remain the ability to access the Self Service Interface (SSI) at an Organisation (or group of Parties) level.

Furthermore, a respondent indicated that the drafting needed to be further augmented in order to achieve DECC's intent of creating a "Party ID" for accessing the SSI at a Party level, and that the SEC needed to allow Parties who have multiple Supplier IDs to be able to have a common/corporate Party ID.

Further views included a request for clarification on who was responsible for making amendments to Party details and that there was a need to more clearly articulate the relationships between Party IDs, User IDs and the Market Participant IDs that Parties use for the purposes of the MRA and the UNC (including that further clarification was needed on how these relationships work and how they will ensure that User entry and registration based access control are implemented appropriately). Another respondent commented that the need to centrally procure I.D.s seemed counterproductive to the £500 it would cost for each supplier to procure their own ID.

Finally, a respondent was of the view that B2.9(b) required the SEC Panel to notify the DCC of User IDs issued to Parties. H1.5 also required the User to notify the DCC of its User ID(s), and that either the SEC Panel or the User should notify the DCC but not both.

## Relevant SEC 4A Additional SEC Content Consultation Questions

### Additional Public Key Infrastructures and SMKI-related changes

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

The majority of respondents to the November 2014 SEC 4A consultation agreed with the proposals to extend the ID arrangements to encompass RDPs.

One respondent voiced concerns over whether controls will be proportionate and relevant, as this covers an existing Industry Registration process.

Another respondent commented that the decision to change the RDP security requirements at a relatively late stage in the SMIP lifecycle may require Xoserve to undertake a solution re-design and incur additional expenditure.

Furthermore, a respondent was of the view that as a consequence of the proposals, RDPs should accede to the SEC, since 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".

We will specifically respond to the comments on the proportionality of using SMKI keys to secure Registration Data transfers in a subsequent SEC conclusions document, and this issue is therefore outside the scope of these conclusions. In the meantime, it is proposed to continue to provide for Signifiers and IDs to be issued to RDPs within the SEC.

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

All respondents to this question were in agreement with our proposed policy approach.

Two respondents have questioned the effectiveness of the legal draft to achieve the policy intent. We will review the legal draft as part of this consultation response to reflect the policy intent.

# Annex C: Legal Drafting

The associated legal drafting will be published on the below webpages:

<https://www.gov.uk/government/consultations/new-smart-energy-code-content-stage-4>

<https://www.gov.uk/government/consultations/consultation-on-additional-smart-energy-code-sec-content>

Two versions of the legal text will be published: a marked up version and a clean version. The marked up legal drafting shows how the legal effect SEC is being amended. The marked up text shows new additions to the SEC, the majority of which has been concluded on as part of this document, however, this text also includes some text which was concluded on as part of SEC 4A but was not designated into the SEC at that time. The clean version published shows how these specific sections of the SEC will look once this text comes into legal force.

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