



Smart Metering Implementation Programme - Product Delivery
Department of Energy & Climate Change
Orchard 3, Lower Ground Floor
1 Victoria Street
London
SW1H 0ET

Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

1 September 2015

DECC Consultation on new Smart Energy Code content, and related supply licence amendments, to support smart metering

We welcome the opportunity to respond to this consultation on new Smart Energy Code content, on behalf of the following Licensees:

- SSE Energy Supply Limited
- Southern Electric Gas Limited
- South Wales Electricity Limited
- SWALEC Gas Limited
- Scottish Hydro Electric Power Distribution plc
- Southern Electric Power Distribution plc

We recognise that early benefit from smart metering is typically associated with the management of alerts and the associated information that they provide, in particular use of the power outage alert functionality. Indeed we have always supported the position that the smart metering system should notify the relevant Electricity Network Operator (ENO) whenever a power outage occurs and that this functionality provides the programme with additional credibility.

Based on the March 2015 Government response to an earlier SEC Consultation, we expected this Consultation to include the relevant SEC legal provisions for power outage alerts. As a Network Operator, we remain concerned regarding the proposed design of the power outage alert solution suggested by the DCC and its CSP for the central and southern CSP areas. We find it regrettable that the conclusions are yet to be consulted on, at this stage of the programme.

As a Network Operator we seek the removal of the ability for the ENO User Role to send the following Service Requests:

- 8.4 Update Inventory;
- 12.1 Request Wan Matrix; and
- 12.2 Device Pre-notification.



These Service Requests have no use to a Network Operator as:

- a) Network Operators do not install Devices; and
- b) The Wan Matrix is not designed to provide coverage following a CSP fault, it is design to manage to Roll-Out and suppliers will provide granular information under SMICoP.

We are seeking the removal of these Service Requests from the DUIS/ DUGIDS/ SEC and from the Common Testing Scenarios. This will ensure that Network Operators do not incur unnecessary cost.

We have provided responses to your questions in the attached Annex. If you have any questions or comments, please do not hesitate to contact me.

Yours sincerely,

Annex - Consultation Questions

Consultation on New Smart Energy Code Content and Related Supply Amendments

DCC Enrolment Mandate

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

We agree with the proposed amendment to the Electricity and Gas Supply Licence Conditions. This will compel SEC Users to keep their communications services with the DCC.

As it is a capitalised term, we seek the inclusion of "Communications Hub" into the Definitions section in the respective new Electricity and Gas Licence Conditions, utilising a term similar to the newly defined 'Commissioned' term. The legal text we would recommend for "Communications Hub" is "has the meaning given to it from time to time in the Smart Energy Code". This will further ensure that Licensee's interpretation of this Licence Condition applies to DCC Communications Hubs only.

We note that in a previous DECC consultation conclusion response, "Changes to equipment installation requirements and the governance arrangements for technical specifications"; the legally drafted Licence Condition text included a "Communications Hub" definition. The conclusion was for this text to come into force in early 2015. If this text is still due to be included in Supply Licence Conditions, then the inclusion of Communications Hub in the new Licence Conditions is superfluous.

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

We agree that the legal duty should take effect when DCC's enrolment services are first available.

DCC Enrolment and Communication Services

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

We support the alignment of SEC with GBCS v0.8.1 and DCC systems' functionality.

Service Request Processing Document

In the Service Request Processing Document, we seek clarification on the legal text in '18.1 Incident Management'. We consider that this is inaccurate, as the Device Security Credentials of a Device would be the Device Certificate and would not contain data from the Party's Organisation Certificate. We believe that the intent set out in

paragraph 20 of the consultation document, would be better achieved if it is legally re-drafted to begin "Where the Organisation Security Credentials within a Device erroneously include Data...".

Inventory Enrolment and Withdrawal Procedures Document

Even with the new legal drafting set out in Clause 5 in the Inventory Enrolment and Withdrawal Procedures Document, obliging the DCC to monitor commands sent to Devices and report on whether or not there is evidence that the security-related Post Commissioning Obligations have been carried out, we believe that there is still a residual risk on suppliers. The risk is where there is a possibility (even prior to 24 hour switching) that there could be a change of supply during the 7 calendar day window after enrolment, which could mean that the Post Commissioning Obligations have not been met. Suppliers could suffer losses as result of the Post Commissioning Obligations not being carried out, therefore we are seeking to understand the responsibilities and obligations on both suppliers. We believe that further consideration is required on:

- Confirming if the new supplier pick up the responsibility;
- How will the new supplier know that they have this additional responsibility;
- How will the supplier check the installation date; and,
- The need to check the validity dates in the certificates and compare to the installation date.

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

As we detailed in our response to Q3, further process consideration is needed to resolve the element of risk. We believe that there will still be a remnant of risk even with the DCC monitoring commands. We consider there should be a limited liability, which is consistent with the level of other liabilities within in the SEC.

Consent for joining and un-joining Consumer Access Devices

5. Do you have any comments on the proposed approach?

We welcome the approach of utilising the Code governance framework, rather than use of Licence Conditions.

We agree that the proposed legal text in I1.3b facilitates the requirement to require suppliers to gain consent of the consumer prior to joining or un-joining any Type 2 Device. We believe that as there are separate definitions for joining and un-joining set out in the SEC there are two distinct requirements. We therefore seek clarification to whether a party, when obtaining consents, should be obtaining consents for both joining and un-joining.

Consequential Changes to Sections F2, G, M2 and A

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

As detailed in our response to Q4, we do not support the removal of M2.7 and M2.8. We agree with the remaining proposed changes and do not have any additional comments.

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

We support having a consistent approach, to move some of the technical detail, set out in F2, into a subsidiary document.

SEC amendments to support Smart Metering Testing

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

We support and welcome the proposed changes to ensure that the testing objectives reflect a more up to date version of the SEC, and would support further changes to reinforce that the DCC Live milestone must align to the current version of SEC for DCC Live. We have concerns that the DCC may be working to a "Design Baseline" based upon an outdated version of SEC, which would not reflect any subsequent designated changes.

We support the changes to refer to a simulation of the SM WAN. However, we are concerned with the new wording in H14.31 which states, "References to particular Systems in this Section H14.31 may include a simulation of those Systems (rather than the actual Systems).", we seek clarification that the intent is for the DCC to provide testing installations of its Systems rather than "stubbed" simulations of them. A simulation of any DCC System would not allow us to reliably or confidently exercise our User Systems. Access to fully functional copies of the live (or to-be-live) systems is essential for proper end-to-end testing of the entire solution. We believe this could be addressed simply by defining the term "simulation" in this context to mean a "testing installation" of the live System.

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

We support the proposal that DCC should offer a testing service for Non-Gateway Suppliers, as it is likely that many suppliers will initially function in this role following DCC Live. We consider it essential to be able to fully test the end-to-end functionality of our Non-Gateway processes prior to utilising the DCC Services.

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

We do not intend to test only Devices against the DCC Systems. However, it should be noted that SMDA Co. will be testing in this manner and therefore may have a view on this.

Public Key Infrastructure

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

We are in agreement with the approach and legal drafting.

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

We are supportive of the proposed legal drafting on how changes to the SMKI Recovery Key Guidance are managed.

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

We are supportive of the proposals and associated legal drafting in relation to the SMKI Recovery Procedure Liabilities.

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

We are in agreement with the approach and legal drafting.

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

We agree that the PMA should be able to require Parties to nominate Key Custodians; this will ensure that there is a sufficient number of Key Custodians to meet the SMKI Recovery Procedure.

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

We are in agreement with the approach and legal drafting.

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

We are in agreement with the approach and legal drafting.

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

As a Network Operator, we seek clarification on the legal drafting that obliges a Network Operator to establish their Organisation Certificates, prior to DCC Live. Further detail is required, to confirm how far in advance of DCC Live this is required.

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

We are in agreement with the approach and legal drafting.

Security Independence Requirements

- 20. Do you have any comments on the proposed drafting regarding the CIO independence requirements?**

We agree with the proposed legal text regarding the CIO independence requirements.

Communications Hubs

Re-use of previously installed Communications Hubs

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

We agree that there could be value in being able to re-use Communication Hubs that have been removed in certain circumstances. We believe that further work is required to assess the cleanest and least onerous process for this action.

We seek clarification on how the introduction of re-use aligns with the charging mechanisms already set out. In particular, how an item, which is set as 'active', will be identified when it is decommissioned and be returned to 'stock', and how it could subsequently become 'active' again. We welcome further engagement with DECC and the DCC to work through these associated processes, to understand the implications.

We provide some examples where further work is required:

- Where the Device is used at a dual fuel site, the commands needed to clear Gas Information off of the Communications Hub, will also mean that the Gas Meter has to be decommissioned and recommissioned, 'rather than just transferred across to the new Communications Hub'. The decommission/recommission process may mean that the customer at the site loses access to their gas consumption history, even though they are on a new Communications Hub;
- Testing that the 'Communications Hub Status Update' Service Requests 8.14.3 and 8.14.4 are still suitable for use; and
- To determine if the Network Operators' Device Credentials can be replaced, allowing full re-use of the Communications Hub.

We support the intent set out in paragraph 101 of the consultation document, as drafted in SEC Section F8.6 (b) (i), which reinforces the ongoing supplier obligations around consumer data privacy and security.

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

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

We generally agree that the proposed monitoring of Parties compliance with the Communications Hub Support Materials is necessary. We seek clarification on the following points:

- That the DCC will be monitored on their auditing, to ensure that the 'reasonable' requests they make are considered reasonable. These requests should be subject to Service Level Agreement's, to ensure that Parties have sufficient time to respond to those requests; and
- The requests need to go to the Party responsible for the relevant actions, e.g. query relating to the installation of a Communications Hub should go to the installing supplier, as this may be different from the responsible supplier at that time.

We recommend further work is required to define a robust process that incorporates performance monitoring; Service Level Agreement's and associated audit functions.

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

In Clause 7.1 of the Communications Hub Installation and Maintenance Support Materials, reference is made to the DCC notifying the relevant Party of a request to attend premises; we seek clarification on the notification method that is proposed to be used.

There needs to be further definition of the DCC 'nature of activity' or 'inspection' within the legal drafting as set out in Clause 7.1 (a).

Failure of Parties to accept delivery of Communications Hubs

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

We understand that the DCC needs to be protected against unforeseen losses. We would like to see consideration of a Force Majeure clause to be inserted here for specific circumstances, as is applicable to other such events for the DCC and Parties.

We note that there is no minimum timescale for Parties to receive the notification of the charges prior to receiving an invoice. Should the timescale not be met then the charge could be carried over to the next applicable invoice. We suggest new legal drafting should be included to meet the principle; the notification will be provided not less than 10 working days in advance of the invoice, in respect of the charges to be included.

Consequential change to the SEC for alignment with the Communications Hub Support Materials

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

We are broadly supportive of the proposed consequential changes as a result of amendments to the Communications Hub Support Materials. We seek clarification on how the SLA in F7.19 will be triggered when a site is subsequently defined as being in the coverage area; since an install failure report at the premises, prior to it being defined as in the coverage area will probably have been rejected as being non-compliant with the CHIMSM.

Miscellaneous Communications Hub Issues

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

We are concerned with the inconsistency of the wording between the consultation document and the proposed legal text.

- The consultation document paragraph 126 sets out that that the information on the SMWAN database should be made available at least 7 months in advance;
- The consultation document, legal text summary of the new SEC provisions in section H states 12 months; and
- The Annex B Draft Legal Text for July 2015 SEC Consultation, H8.16 states 8 months in advance.

We seek confirmation on how many months this should be. Additionally we seek clarification that the intent of the new legal drafting, was to remove the importance of rapid feedback from operational experience. We believe that rapid feedback is essential to ensure that installers have the most up-to-date information available, in-order to use the most appropriate Communications Hub variant.

We broadly agree with the remaining changes, although we are concerned that we are driving a fixed definition of the Region, such that premises will not be reallocated from one region to another. If we have technical difficulties in operating one communications technology, we might find that the technology used in the other Region would serve the premises adequately.

We would welcome further discussions on a more flexible approach to better coverage/cost balance.

Incident Management

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

We are supportive of the changes to Incident Management; we welcome the inclusion of the Registration Data and an onus on the DCC to assist SEC Users.

Governance of Error Handling Strategy

28. Do you agree with the proposed approach to provide a more flexible governance for the Error Handling strategy, set out above?

We accept that the proposed approach will provide a more flexible governance regime for the Error Handling Strategy. We are concerned with the potential for DCC to impose further obligations on SEC Users without having a pre-determined process for consulting on changes.

Further Activation of the SEC Modification Process

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

We agree with the proposals in relation to the timing of the further activation of the SEC Modification Process. This will ensure that future designations and developments of the SEC coincide with developments of the Smart Programme, as it continues through transition.

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

We agree with the proposed legal text, this is prudent to ensure that the SEC is maintained and developed in an active manner.

Miscellaneous

Scope of the Threshold Anomaly Detection Procedures document

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

We believe that the legal drafting supports the content set out in the Threshold Anomaly Detection Procedures document.

However, we would like to take this opportunity to raise concerns about the process undertaken to develop the Threshold Anomaly Detection Procedures. We believe that industry was not consulted early enough in the development. This is worrying, considering the process relies heavily on the SEC Users; where the onus for identifying issues is on the SEC Users, in a cumbersome and predominantly manual process. We note that during Mass Roll-out, the potential volumes could impact the SEC Users ability to continue to manage the Threshold Anomaly Detection Procedures as a heavily manual process. Therefore, we seek inclusion in the Procedure, of how, when and by whom the Threshold Anomaly Detection Procedure will be reviewed; to ensure it remains fit for purpose and takes on board learning from the DCC and SEC Users.

We do not believe that the Service Management Design Forum (SMDF) is the appropriate forum to discuss the far-reaching implications of any Anomaly Detection Threshold, unless more qualified business representatives are invited to be involved.

Appeals of Panel Decisions relating to SMETS non-compliance

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

We agree that in principle affected supplier Parties or the DCC should have the ability to appeal a SEC Panel decision relating to non-compliance of the Technical Specifications. We seek clarification on the route which Ofgem can utilise industry meter technical expertise support.

Section A Definitions

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

We agree with the proposal to amend the definitions in preparation for the future introduction of technical specifications in the SEC. We note an omission, as in the SEC legal drafting we can see definitions for "OTA Header" and "Supplementary Remote Party"; which has cross referenced the definition set out in the GBCS, "has the meaning given to that expression in the GB Companion Specification". However, when we reviewed the GBCS we cannot see the underlining definitions for "OTA Header" and "Supplementary Remote Party"; we seek confirmation of the definitions to be used in the GBCS and whether that will form part of the designated legal text for this consultation.