

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

16 June 2015

Dear Sir or Madam,

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

Thank you for the opportunity to respond to the above consultation. Our responses to the consultation questions are in Annex 1 to this letter. We would highlight the following points:

- We think the DCC should be required, from time to time, to formally clarify the position with any Party that has not nominated an individual(s) to receive Classified information.
- We agree that the SEC Panel should be entitled to suspend the rights of defaulting Parties to receive services, but that the Panel should first seek approval of the Authority if the defaulting Party is a supply or a distribution licensee.
- We suggest that the words "*from time to time*" should be omitted from draft paragraph 40A.2(c)(i) of the gas supply licence and draft paragraph 46A.2(c)(i) of the electricity supply licence as they could be seen as spanning separate periods in time when the licensee supplies the premises. An alternative which is more accurate if a little old fashioned might be "for the time being".

Should you wish to discuss any aspect of this response please do not hesitate to contact [REDACTED]

Yours faithfully,

[REDACTED]

**CONSULTATION ON NEW SMART ENERGY CODE CONTENT AND RELATED
LICENCE AMENDMENTS – MARCH 2015 – SCOTTISHPOWER RESONSE**

Performance Reporting

Q1 Do you have any comments on the additions to the Reported List of Service Provider Performance Measures (Annex E)? Do you have any comments on the revised legal drafting in Section H13 and the proposal to incorporate Section H13 into the SEC towards the end of 2015?

In general, we have no objection to the earlier incorporation of Service Provider Performance Measures in the SEC, provided any proposed alteration of these measures is subject to 'reasonable consultation' in accordance with H13.3. In this respect, we note the 'confidentiality concerns' referred to in the consultation document, but are unclear as to why Service Provider performance metrics should be considered confidential; we would certainly think it reasonable to expect the DCC to set out the existing performance levels, as well as any alteration proposed, in any such consultation.

Q2 Do you have any comments on the proposal for the Secretary of State to formally identify the initial Reported List of Service Provider Performance Measures?

We have no comments at this time.

Scope of Risk Management Obligations for Users

Q3 Do you agree with the proposal, and associated legal drafting, to extend the scope of User risk management obligations to include systems that are used to secure communications with the DCC?

Yes. Although the wording is very broad, we agree with the principle that any system level communications links established between Users and the DCC should fall within the scope of this obligation.

Confidentiality

Q4 Do you agree with our proposal to limit DCC's liabilities in all cases to £1 million when breaching confidentiality of sensitive information and to consequentially amend confidentiality markings? Please provide a rationale for your response.

In light of the reclassification of sensitive data as either Confidential or Classified, we agree that any liabilities the DCC faces as a result of a breach of Confidential information should be limited to £1m. We also agree with the proposed changes to Confidentiality markings.

Q5 Do you agree that Parties should nominate to the DCC individuals eligible to receive sensitive information marked as 'classified' to be able to receive such information? Please provide a rationale for your response.

Yes, given the consequential exposure to liabilities that would result from receiving classified information, we agree that Parties should not be obliged to receive it. We also agree with

the approach whereby Parties nominate eligible individuals, but would suggest that the DCC be required to formally clarify the position, perhaps annually, with any Party that has not done so.

We further note the proposed drafting for M4.18, which suggests that although a Party might have nominated more than one individual to receive classified data, the DCC is only obliged to provide the data to one of them. Perhaps this could similarly be subject to clarification between the DCC and the Party concerned.

Other SEC Amendments

Q6 Do you have any comments on the proposed amendment to the drafting in Section M8.6 which reinstates the ability of the Panel to remove a Defaulting Party's right to receive core communication services or local command services, but subject to the consent of the Authority where that Party is acting in the capacity of registered supplier or registered network operator?

We would only add that we agree with the proposed revision. It is important that, in order to protect the interests of other stakeholders, the SEC Panel is able to suspend the rights of defaulting Parties to receive services. However, where the defaulting Party is a supply or a distribution licensee, it is also important to require that the Authority's consent first be sought before the SEC Panel can be allowed to withdraw such rights, as the consequent loss of services might detrimentally affect consumers.

Security Licence Condition Covering DCC Enrolled Smart Meters

Q7 In relation to the proposed licence condition requiring suppliers to take all reasonable steps to secure systems used to communicate with DCC enrolled meters, do you agree with the proposed approach and legal drafting?

We fully recognise the need to secure the end to end Smart Metering System, so broadly support this approach.

However, we do have a concern with the proposed legal drafting for the gas and electricity supply licence conditions: specifically 40A.2(c)(i) of the draft gas supply licence and 46A.2(c)(i) of the draft electricity supply licence. Both refer to any equipment that is "*comprised within a Smart Metering System located at each premises that is from time to time supplied with [gas or electricity] by the licensee*".

In our view inclusion of the phrase "*from time to time*" could be construed to imply that the licensee in question remains continuously responsible for such equipment in premises across separate time periods when it supplies the premises in question. We would therefore propose that "*from time to time*" is removed from these draft licence obligations so that they apply to equipment within premises supplied by the licensee at any particular time, which we understand to be the government's policy intent.

Implementation Performance Regime

Q8 Do you have any comments on the scope for further amendments to each Implementation Due Date and Implementation Milestone Criteria?

We welcome Government's undertaking to ensure the DCC is appropriately incentivised while minimising costs and risks for its Users and, ultimately, consumers.

Q9 Do you have any comments on the amendments to the definition of 'Baseline Margin Implementation Total'?

We have no comments at this time.

ScottishPower
June 2015