



Department  
of Energy &  
Climate Change

# Smart Metering Implementation Programme

Government Response to the February 2016 SEC and Related Licence  
Amendments Consultation

11 May 2016

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# General information

## **Purpose of this document:**

This document is a Government Response on additional Smart Energy Code content and related matters.

**Issued:** 11 May 2016

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## **Territorial extent:**

This consultation 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/a-consultation-on-new-smart-energy-code-content-and-related-licence-amendments>

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. 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. The Government is committed to ensuring that every home and small business in the country is offered a smart meter by the end of 2020, delivered as cost effectively as possible. The roll-out of smart meters is an important national modernisation programme that will bring major benefits to businesses and the nation as a whole.
2. The Smart Energy Code (SEC) is an industry code concerning the arrangements for the provision of the smart metering communication service. It has been created through the Data and Communications Company (DCC) Licence, and it was first designated on 23 September 2013. Further content of the SEC is being introduced progressively over time to reflect the evolving DCC design implementation of the legal content necessary to support the delivery of the smart metering programme in Great Britain. Since February 2016 SEC Parties can also propose all types of modification to the SEC Panel.
3. This document sets out conclusions on all the outstanding topics from the February 2016 SEC consultation<sup>1</sup>. Responses to 9 of the 28 chapters of the February 2016 SEC consultation were set out in an initial government response published 14<sup>th</sup> April 2016 (Annex I), concluding on topics such as Early Testing Services. Related legal drafting for incorporation into the regulatory framework referenced in this document was laid in Parliament shortly before the publication of this document in preparation for DCC Live. Final legal text as revised by the proposals in this conclusion is published alongside this document.

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/503345/February\\_2016\\_SEC\\_consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/503345/February_2016_SEC_consultation.pdf)

## 2 Introduction

### 2.1 The Smart Energy Code and wider regulatory framework

4. 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.
5. On 23 September 2013, a new licensed entity, the DCC, was established. Together with its service providers, 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.
6. The SEC was 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.
7. The DCC, Suppliers of energy to domestic and smaller non-domestic customers, and Network Operators are required by their licences to become parties to the SEC and to 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 in order to do so.
8. Consistent with other energy 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 drawn from SEC Parties ('the SEC Panel') and is subject to the regulatory oversight of Ofgem ('the Authority'). The SEC Panel is supported in the day to day administration of the SEC by a Code Administrator and Secretariat (SECAS).

### 2.2 Responses to the February 2016 SEC consultation

9. There were 18 responses to the February 2016 SEC consultation, including:
  - Large and small energy suppliers - 9
  - Electricity distribution and gas transportation networks (Network Operators) - 1
  - Trade Association - 2
  - Energy code administrators - 1
  - Meter technology provider -1
  - Data and Communications Company - 1

- Ofgem – 1
- Other – 2

## 2.3 Structure of this document

- Chapter 2 provides an overview of the content of this document
- Chapters 3 to 9 provide conclusions to the February 2016 SEC consultation. These include:
  - **Chapter 3: Rollout Strategy** – Concludes on additions to the standard conditions of electricity and gas supply (the ‘Supply Licence Conditions’) and the Electricity Distribution Licence for the Early Roll-Out Obligation and the DCC User Mandate, covering two of the policy conclusions outlined in the response to the Smart Metering Rollout Strategy consultation<sup>2</sup>.
  - **Chapter 4: Communications Hubs** – Concludes on SEC content dealing with Special Installation Mesh Communications Hubs and Network Enhancement Plans. It also includes a minor legal drafting amendment on the issue of WAN Coverage Database data availability.
  - **Chapter 5: User to non-User Churn** - Concludes on a modification to the Supply Licence Conditions to provide for an exception for non-DCC User suppliers, prior to the date that they become DCC-Users, from the obligation to make half-hourly consumption data available on request to customers with DCC-enrolled non-domestic meters
  - **Chapter 6: Enduring Change of Supplier** – Concludes on the Government’s approach to handling the re-design of the Change of Supplier process to securely manage the security credentials for smart meters.
  - **Chapter 7: DCC Additional Support** – Concludes on amendments to Section H of the SEC to include provisions for the DCC to provide reasonable additional support to assist Users in understanding and resolving problems with User Systems or Devices.
  - **Chapter 8: Security, Privacy and Miscellaneous** – Concludes on a number of proposed minor changes to the SEC including, for example: clarifications on Security Disputes, a proposed definition of Explicit Consent; and drafting changes to the Inventory, Enrolment and Withdrawal Procedures in relation to Post Commissioning Reporting and Subscriber Obligations for certain IKI File Signing Certificates.
  - **Chapter 9: Consistency and Consequential Changes** – Concludes on the Government’s preferred approach on a more consistent and transparent usage of the terminology of ‘all reasonable steps’ in the SEC and subsidiary documents, and provides a restructured, clarified and expanded Incident Management Policy.
- There are a number of references throughout the document to ‘DCC Live’. Although not a defined regulatory term in the SEC, DCC Live (which is also referred to as ‘Release 1.2’ in this document) is taken to mean the point at which the DCC has completed Release

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/450167/Smart\\_Meters\\_Rollout\\_Strategy\\_Government\\_response\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/450167/Smart_Meters_Rollout_Strategy_Government_response_FINAL.pdf)



1.2 Interface Testing and when the Secretary of State has confirmed that the DCC is able to offer enrolment and communication services in relation to the services that form part of Release 1.2. The revised DCC plan approved on behalf of the Secretary of State on 18 December 2015<sup>3</sup> identifies DCC Live for 20 July 2016, excluding four weeks of potential contingency. The central planning assumption date for DCC Live (which includes contingency) is 17 August 2016.

## 2.4 Implementation of conclusions

13. The final legal text supporting most policy areas concluded on as part of this publication has been laid in Parliament shortly before the publication of this document and will be incorporated into the regulatory framework (through a combination of licence and code modifications) following the procedure under Sections 88 and 89 of the Energy Act 2008
14. Subject to no objection being raised in Parliament during the 40 day Parliamentary laying period, and to subsequent signature by a Minister, we expect to bring the modifications to the Supply Licence Conditions, the Electricity Distribution Licence and the SEC into effect by DCC Live.
15. We will also be using this opportunity to make some minor typographical changes which are required to the current version of the SEC that is in force. These were included in the changes laid in Parliament.
16. Annex C (attached separately to this document) sets out the concluded SEC legal text as it would look combined with all the SEC drafting most recently published. The concluded text and text that has been laid before parliament associated with this document is marked up with text that is for laying before Parliament also highlighted for clarity.
17. Annex D sets out how the Supply Licence Conditions will look once the proposed text is incorporated. Annex E sets out how the proposed text will look once incorporated into current the Electricity Distribution Licences.
18. The legal changes referenced in Chapters 8.9 and 9.1 will be implemented via direction letter around the time the changes to the main body sections of the SEC come into legal effect.

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<sup>3</sup> [https://www.smartdcc.co.uk/media/346498/dcc\\_contingency\\_request\\_-\\_sofs\\_direction\\_v1.0.pdf](https://www.smartdcc.co.uk/media/346498/dcc_contingency_request_-_sofs_direction_v1.0.pdf)

# 3 Rollout Strategy

## 3.1 Early Rollout Obligation

### Summary of issue under consideration

The July 2015 Rollout Strategy Government Response set out the intention to introduce an Early Rollout Obligation (ERO) which would require large suppliers to take all reasonable steps to install, commission and enrol 1,500 SMETS2 meters or 0.025% of their total meter points (whichever is the lower) by 17 February 2017 (DCC Live + 6 months) or a later date as specified by the Secretary of State. Suppliers could meet the ERO by installing and enrolling gas and/or electricity SMETS2 meters at domestic or non-domestic premises. The ERO applies to suppliers that supplied electricity and/or gas to 250,000 or more domestic premises on 15 February 2015.

In order to meet the ERO a supplier will need to become a DCC User in the role of Import Supplier in order to enrol electricity Smart Metering Systems and/or in the role of Gas Supplier in order to enrol gas Smart Metering Systems. Becoming a DCC User by no later than 16 February 2017 is an absolute requirement and not subject to all reasonable steps. This is to reflect that large suppliers must be DCC Users in order to meet the ERO by 17 February 2017. The User mandate for all other energy suppliers is discussed in section 3.2.

Question 1 of the February 2016 SEC consultation sought views on the proposals and associated legal drafting to introduce an ERO on large suppliers by 17 February 2017.

### Government Consideration of Issue

19. There was broad agreement, with 7 out of 9 respondents who commented on the ERO agreeing that the legal drafting delivered the policy intent. One respondent questioned whether the legal drafting which refers to premises rather than meter points allowed the ERO to be correctly calculated. Government can confirm that the drafting does allow this though it has been amended to provide additional clarity. For example where a supplier has a gas and electricity meter at a single premises the premises would be counted twice, once for the gas meter and once for the electricity meter when calculating the ERO target and when assessing how many meters a supplier has installed, commissioned and enrolled. This is because the drafting requires that what is to be counted is the number of domestic/designated premises to which the supplier supplies gas and the number of domestic/designated premises to which the supplier supplies electricity. Therefore a premises supplied with both is counted twice for the purposes of the ERO in order to capture both the gas meter and the electricity meter. One respondent also questioned whether the legal drafting should be amended to identify the point at which a supplier's ERO would be calculated. Government can confirm that the legal drafting consulted on already contains this. The assessment of a supplier's total number of meter points will be calculated on the date they become a DCC User (in the role of either Import Supplier or Gas Supplier), which is the date when the Code Administrator (SECAS) has received confirmation that the Party has met the User Entry Process Requirements set out in H1.10 of the SEC in relation to the relevant User Role. Finally, one respondent commented that although the ERO is linked to DCC Live this only provides partial functionality and if the date for DCC Release 1.3 slips the Secretary of State should push

back the date by which large suppliers must comply with the ERO. As set out in the 9 December 2015 letter from the Programme’s SRO regarding the Contingency Request submitted by the DCC, DECC considers that DCC Release 1.2 provides an appropriate level of functionality for Suppliers to deploy SMETS2 meters. However, it is not DECC’s policy that this obligation should force the enrolment of smart metering systems with the DCC to the disadvantage of consumers and energy suppliers and the legal text provides the ability to specify a later for compliance with the ERO.

**Summary of government conclusion and changes to the consultation legal draft**

Government intends to implement the Early Rollout Obligation as set out in the February 2016 SEC Consultation without change to the policy. The legal drafting has been amended to provide additional clarity on the policy intent. Firstly that large suppliers must become a DCC User by no later than 16 February 2017. This is to reflect that large suppliers must be DCC Users in order to meet the ERO by 17 February 2017. Secondly, to make clearer how the ERO will be calculated.

**Final Legal Text Affected**

Changes to Electricity and Gas Supply Licence Conditions	Content
<b>Changes to Electricity Supply Licence Condition 48 and Gas Supply Licence Condition 42</b>	Amendment to Electricity Supply Licence Condition 48 and Gas Supply Licence Condition 42 to correctly reflect that large suppliers must become a DCC User by no later than 16 February 2017.
<b>Changes to Electricity Supply Licence Condition 54 and Gas Supply Licence Condition 48</b>	Change to Electricity Supply Licence Condition 54 and Gas Supply Licence Condition 48, to clarify how meters will be counted for the purposes of meeting the ERO.

## 3.2 DCC User Mandate

### Summary of Issue under Consideration

As discussed in section 3.1, the DCC User mandate for large energy suppliers will require all large suppliers to become DCC Users by no later than 16 February 2017 (or such later date as the Secretary of State may direct). The Government Response to the Rollout Strategy Consultation published in July 2015 set out the intention to introduce a DCC User mandate for domestic energy suppliers. This applies to all those domestic suppliers not covered by the DCC User mandate for large energy suppliers. The mandate requires that on or after 17 August 2017, or a later date to be directed by the Secretary of State, each relevant supplier must become a DCC User (in the role of Import Supplier for electricity licensees and in the role of Gas Supplier for gas licensees), if they are supplying gas or electricity to a domestic customer, whether through a smart meter or otherwise.

The DCC User mandate for suppliers will continue on an enduring basis so that suppliers entering the market on or after 17 August 2017 will be required to become DCC Users before they supply gas or electricity to domestic customers.

The DCC User Mandate for DNOs requires that by no later than 28 April 2017 or a later date to be directed by the Secretary of State that DNOs become DCC Users for the Electricity Distributor User Role. This applies to organisations that are classified as Distribution Service Providers in line with Standard Licence Condition 32 of the Electricity Distribution Licence.

Question 2 of the February 2016 SEC consultation sought views on the proposals and associated legal drafting to introduce an obligation for domestic energy suppliers (other than large energy suppliers) to become DCC users by 17 August 2017 and for new entrants to become a DCC User before supplying gas or electricity.

Question 3 of the February 2016 SEC consultation sought views on the proposals and associated legal drafting to introduce an obligation for DNOs to become DCC users by 28 April 2017.

### Government Consideration of Issue

20. There was broad agreement that the legal drafting delivered the policy intent. Three respondents commented on timing issues for the User Mandates. One respondent commented that if the Secretary of State uses her powers to change the date for implementation of the DCC User Mandate for both suppliers and DNOs there should be early consultation with those affected. Our intention is that should the Secretary of State consider that a change to the date is necessary, appropriate consultation will be undertaken prior to making such a change.
21. One respondent commented that if there is a delay to DCC Release 1.2 and 1.3 or a change to the current expected functionality at Release 1.3 the date for the DNO User Mandate should be changed to reflect this delay. Government can confirm that the legal drafting contains flexibility for the Secretary of State to take a decision on a later date for the DNO User Mandate if necessary.
22. One respondent expressed a concern that if too many parties were to become DCC Users at the same time this would impact on the timeliness of suppliers becoming Users. This issue was considered during the Rollout Strategy Consultation where it was proposed that DNOs become Users at DCC Live. Government considered comments on

the practical challenges this could pose for DCC’s test management and concluded that the mandate on DNOs should be 6 months after DCC Live to provide flexibility to prioritise suppliers if required. Government still considers this timing to be appropriate. Finally, one supplier suggested that the importance of the DNO User Mandate meant that it should be a “best endeavours” requirement rather than a “reasonable endeavours” requirement. As drafted the DNO User Mandate is an absolute requirement.

23. One respondent queried how the timing of the User mandate on DNOs interacted with the obligations on suppliers to ensure that the appropriate Network Party security credentials are placed on a Device by a supplier as part of the Commissioning process. We do not believe that there is a link between these two things, as Network Parties can become subscribers for the necessary Organisation Certificates without becoming a DCC User. We have separately dealt with the requirement for Network Parties to become Subscribers for the relevant Organisation Certificates in Section X1.11 of the SEC.

### Summary of Government Conclusion and Changes to the Consultation Legal Draft

Government intends to implement the User Mandates for suppliers and DNOs as set out in the February 2016 SEC Consultation without change to the policy or legal drafting.

### Final Legal Text Affected

Changes to Electricity and Gas Supply Licence Conditions; and Changes to the Electricity Distribution Licence Condition	Content
<b>Electricity Supply Licence Condition 48 and Gas Supply Licence Condition 42</b>	No change from text proposed in February 2016 SEC consultation
<b>Electricity Distribution Licence Condition 21A</b>	No change from text proposed in February 2016 SEC consultation

## 4 Communications Hubs

### 4.1 Special Installation Mesh Communications Hubs

#### Summary of Issue under Consideration

Section F7.5 to F7.7 of the SEC sets out that the DCC may, in certain circumstances, need to attend a premises to perform duties for the Supplier to support the installation and maintenance of Communications Hubs. Where this requires the use of Special Installation Mesh Communications Hubs, a number of changes to the SEC are required in relation to forecasting, ordering, and installation of such devices. Consequential changes to the Communications Hub Installation and Maintenance Support Materials are also required and the DCC issued a consultation on these changes on 31 March 2016.

Where there are Smart Metering Wide Area Network (SM WAN) connectivity issues in the South Region and Central Region (and the Incident cannot be resolved remotely), the DCC may send a technician to the site to assist the supplier with the installation and subsequent maintenance of a Special Installation Mesh Communications Hub. A Special Installation Mesh Communications Hub is a type that can be fitted with a specific high gain aerial to improve connectivity in harder to reach locations or premises.

Question 4 of the February 2016 SEC consultation sought views on the proposals and associated legal drafting to reflect matters related to the installation and maintenance of Special Installation Mesh Communications Hubs in the SEC.

#### Government consideration of issue

24. Whilst the majority of respondents to this question were in favour of changes to the SEC in relation to Special Installation Mesh Communications Hub a few respondents objected to the proposals. In addition respondents raised a range of points of detail.
25. Some respondents raised concerns that the processes are not sufficiently prescribed in the SEC to provide for a successful installation. We would note that the Section F drafting only sets out the key rights and obligations related to Communications Hubs and further details are provided in the CH Support Materials subsidiary documents. We acknowledge that there are detailed operational processes and procedures that need to be documented and understood between the DCC and energy suppliers (in relation to both installation and ongoing maintenance/issue resolution) to ensure that the consumer experience does not suffer where installation of a Special Installation Mesh Communications Hub is required. The place for specifying such arrangements is in the CH Support Materials and the DCC consulted on changes to these documents<sup>4</sup> to include further operational details related to handover, installation and maintenance of Special Installation Mesh Communications Hubs which address these concerns. Furthermore, at the service management forum on 21 April 2016, the DCC provided additional details on

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<sup>4</sup> [www.smartdcc.co.uk/consultations/dcc-consultations/amendments-to-communications-hubs-documents](http://www.smartdcc.co.uk/consultations/dcc-consultations/amendments-to-communications-hubs-documents) - DCC's consultation on the CH Support Materials was issued on 31 March 2016 for comment by 22 April 2016.

the envisaged operation of the field force personnel who support energy Suppliers in relation to the handover, installation and maintenance of Special Installation Mesh Communications Hubs.

26. A few respondents highlighted that customer consent (and on occasion planning permission) may be required and one respondent proposed that the DCC should maintain a central repository of the reasons for non-acceptance, to ensure that a customer is not contacted by Suppliers on a change of tenant or change of Supplier. Also, a respondent suggested that the DCC should be responsible for engaging with the customer regarding planning permission matters. Making DCC principally responsible for securing planning consent is inconsistent with the overall responsibility of the energy Supplier for the customer relationship rather than the DCC and developing some form of central repository would appear to be inconsistent with that approach. Section F7.5 of the existing SEC drafting sets out that it is the Supplier's, rather than the DCC's responsibility for ensuring that consents are obtained. However it is acknowledged that the DCC may be best placed to provide to the Supplier some of the information required to support any consent applications and the legal text has been amended to reflect this requirement.
27. One respondent sought further clarity on how meter installer training is being delivered by the DCC. The DCC has plans to provide training for the trainers of installers (Communications Hubs Train the Trainer (CH-TTT) training) and the DCC published a notice on 10 March 2016 regarding this matter. We understand that the installation of a Special Installation Mesh Communications Hub device is consistent with a standard Mesh Communications Hub device and thus within the scope of this training which should provide the further clarity being sought. A respondent suggested clarity was required on the DCC's liability in relation to activities related to the installation of Special Installation Mesh Communications Hub aerials. In particular responsibility for making good damage to decoration/property as a result of special installations needed to be specified. Section M of the SEC sets out the liability framework that is applicable and no changes are considered necessary in relation to Special Installation Mesh Communications Hubs. One respondent queried whether the legal drafting in F7.4A (c) was consistent with the drafting in F5.5 and F5.6; whilst the legal drafting is considered sufficient a minor change has been made to provide further clarity and alignment to the CH Support Materials.
28. A respondent raised a concern that the DCC will not attempt less costly options prior to the installation of a Special Installation Mesh Communications Hub and suggested the SEC should be amended to place such an obligation on the DCC. Also, a respondent queried whether there was any differential charging for the Special Installation Mesh Communications Hub as this wasn't covered by the consultation. There are no additional charges from the CSP to the DCC for Special Installation Mesh Communications Hubs and thus no charges to energy Suppliers i.e. the site visit cost is internalised by the CSP. Thus there is a natural incentive on the CSP to resolve matters remotely in the first instance given the additional expense related to Special Installation Mesh Communications.

### **Summary of government conclusion and changes to the consultation legal draft**

Government intends to implement the approach for Special Installation Mesh Communications Hubs as set out in the February 2016 SEC Consultation without material change to the policy. There is a small change to the requirement on the DCC to provide information to the energy Supplier to support the customer consent process.

## Final Legal Text Affected

SEC Section	Content
F7.4A (c)	Amendment to provide clarity and alignment with the CH Support Materials.
F7.5	Including a requirement on the DCC to provide information to support the customer consent process



## 4.2 Network Enhancement Plans

### Summary of issue under consideration

The December 2015 SEC Conclusion<sup>5</sup> finalised provisions placing a performance obligation on the DCC such that Incidents raised that relate to a lack of WAN coverage should be resolved within 90 days for 99% of such Incidents (where the SM WAN database had earlier shown that coverage should exist at the premises). The December 2015 SEC Conclusion also set out that the DCC had indicated that there should be an allowance within this performance obligation related to Network Enhancement Plans. The December 2015 SEC Conclusion set out that this issue would be further consulted upon.

Network Enhancement Plans relate to the South and Central regions only and cover the circumstance where the CSP is seeking to improve WAN connectivity via existing local network development during the rollout period. This arrangement doesn't apply to the North Region where new network infrastructure is being rollout out. Each Network Enhancement Plan will cover a cohort of customer premises within a defined geographic region and will have an estimated completion date.

Question 5 of the February 2016 SEC consultation sought views on the proposals and associated legal drafting to reflect matters related to Network Enhancement Plans in the SEC.

### Government consideration of issue

29. There were a range of views on Network Enhancement Plans. Some respondents were supportive of the proposals related to Network Enhancement Plans; however, many respondents expressed concerns and sought further details e.g. on the expected quantity of premises covered.
30. A number of respondents expressed concerns that the DCC could utilise Network Enhancement Plans to mask failures in the Central Region and South Region given that there are no limitations identified in Section F7.21. Whilst there are no limits on Network Enhancement Plans set out in F7.21, the DCC's must operate in line with the General Objective in the licence and also the wider provisions set out in the Statement of Service Exemptions apply and are not relaxed by F7.21. There are also performance reporting requirements in relation to the accuracy of the coverage database and associated service credits. Thus the information in the SM WAN Coverage Database should always reflect the DCC's best information related to coverage and if the DCC initially indicates good coverage for a cohort of customers that subsequently become subject to a Network Enhancement Plan, then this would reflect as a performance shortfall in the accuracy of the coverage database. Also, the quarterly reporting regime set out in F7.21 covering the existence of Network Enhancement Plans, the areas affected and the expected completion date of the works is expected to provide SEC Parties with the further details they need to support the rollout.

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/484710/15\\_11\\_26\\_December\\_2015\\_SEC\\_Government\\_Response\\_final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484710/15_11_26_December_2015_SEC_Government_Response_final.pdf)

31. Furthermore, the DCC has already engaged with stakeholders on the approach to meeting the coverage targets within the South Region and Central Region. A specific coverage briefing related to the Central Region and South Region took place on 21 April 2016 via the DCC's CH and SM WAN Design Forum and the Service Management Design Forum. This provided further insight into the use of Network Enhancement Plans including the expectation that only a very small proportion of premises will be impacted. The DCC confirmed that the Network Enhancement Plans relate to known requirements for improvements and are not added retrospectively in relation to a failure to a 'no WAN' install incident. The DCC also indicated that the only scope for further Network Enhancement Plans to be brought forward in the future relate to occasional 'Notice To Quit' events where an existing cell mast needs to be moved e.g. due to the demolition of an existing building.. Some respondents queried why the reporting regime in F7.21 ceases in 2021; this was aligned to the coverage levels in the Statement of Service Exemptions i.e. the coverage network will be materially complete by 1 January 2021. Given the extremely unlikely scope for Network Enhancement Plans in the longer term we do not propose to amend the legal text to extend this reporting /exemption on an enduring basis; noting that the DCC can bring forward a modification if required towards the end of rollout in the unlikely event that the circumstances change.
32. A number of respondents suggested that details of Network Enhancement Plans should also be available via the SM WAN Coverage Database. Whilst the information in the SM WAN Coverage Database will always reflect the DCC's best information related to coverage (including where coverage does not currently exist due to a Network Enhancement Plan), we have not required in the SEC that details related to Network Enhancement Plans are also provided via the SM WAN Coverage Database because the use of Network Enhancement Plans is limited and is expect to almost completely cease by the start of 2021.
33. A few respondents highlighted that there was a potential impact for 'install and leave' in the circumstances where an SM WAN coverage incident is not resolved within 90 days. This 'install and leave' related issue which will be considered in a future SEC consultation.

### Summary of government conclusion and changes to the consultation legal draft

Government intends to implement the approach for Network Enhancement Plans as set out in the February 2016 SEC Consultation without change to the policy.

### Final Legal Text Affected

SEC Section	Content
F7.18 / F7.19	Strictly the drafting in F7.18 and F7.19 could be interpreted as a target rather than a threshold as intended and so the drafting is amended to reflect the intent
F7.22	Reference to Section H7.21 is a typo and will be amended to refer to Section F7.21.

## 5 User to non-User churn

### Summary of issue under consideration

In the February 2016 SEC consultation we noted that we had reviewed the Supply Licence Conditions to identify if any modifications would be required to meet our policy intention of allowing DCC-enrolled SMETS2 meters to churn from DCC Users to non-DCC Users in the period after DCC live operations (until requirements come into effect for suppliers to become DCC Users). We considered that modifications were not required to the Supply Licence Conditions applying to domestic premises because we deemed the obligations to be sufficiently flexible to allow compliance by non-DCC Users.

In assessing the ability of non-User gaining suppliers to meet obligations in relation to SMETS2 DCC enrolled meters in non-domestic premises, we gave close attention to Supply Licence Conditions 51.12 (Electricity) and 45.8 (Gas) which require suppliers to provide half-hourly consumption data to non-domestic customers on request. We noted that these differ from the equivalent requirement in respect of domestic meters by not being subject to an exception for meters that are churned from a DCC User to a non-DCC User. As we considered that sufficient options might be available to non-User suppliers to enable them to meet this licence requirement, we proposed that modifications to the Supply Licence Conditions would also be unnecessary in respect of conditions where they apply to non-domestic premises.

Question 6 of the February 2016 SEC consultation sought views on our suggestion that no changes are required to the Supply Licence Conditions as a result of churn of DCC-enrolled SMETS2 meters from DCC Users to non-DCC Users.

### Government consideration of issue

34. A majority of respondents supported our proposed approach that no changes would be required to the Supply Licence Conditions as a consequence of churn of SMETS2 meters from DCC User to non-DCC User suppliers. However, two large suppliers drew attention to challenges which they believed that non-DCC User suppliers could face in meeting the requirement to make half-hourly consumption data available to any non-domestic consumers with DCC enrolled meters which they gain from DCC User suppliers. They called for a similar exception to that provided to non-DCC User suppliers in respect of DCC-enrolled domestic meters to apply to non-domestic meters.
35. In the light of these concerns, we further examined potential options that might be available to non-DCC User suppliers to enable compliance with the existing obligation to make half-hourly consumption data available to non-domestic consumers from DCC enrolled meters. On the basis of this further analysis we recognised that there are not any options we would recommend as being both feasible and offering satisfactory solutions for consumers in all cases of churn. Furthermore, our proposals for a non-domestic User Mandate from 17 August 2017, set out in the further consultation on the

non-domestic DCC opt-out<sup>6</sup>, would mean that any loss of half hourly consumption data from non-domestic meters that are churned to non-Users would only be for a limited period.

36. We therefore considered that until the date at which the non-domestic supplier becomes a DCC-User, there should be an exception to the requirement for half-hourly consumption data to be made available by non-DCC User suppliers to their customers in respect of any DCC-enrolled non-domestic meters. We also considered that non-domestic consumers should be made aware of any temporary loss of access to this data before entering into any contract with a non-DCC User energy supplier, as is already the case for domestic meters.

### **Further consultation on User to non-User churn and government consideration**

37. We sought views on these proposals, along with drafting amendments to the Supply Licence Conditions to bring them into effect, in an open-letter consultation<sup>7</sup>. There was strong support for our proposals from respondents. In their responses, two large energy suppliers raised issues with other aspects of the existing obligations for suppliers to provide non-domestic customers with half-hourly consumption data. One issue concerned the ability of suppliers to comply with the requirement to make this data available in respect of SMETS1 meters gained from other suppliers. Another concerned the ability of non-User Suppliers to access from DCC Systems a customer's consumption data recorded prior to the date the supplier became the customer's registered supplier. We will consider these further points.
38. On the issue consulted upon in the open letter, we conclude that we will amend the Supply Licence Conditions to exempt non-DCC User Suppliers from the requirement to make available half-hourly consumption data to customers in respect of any DCC-enrolled non-domestic meters. This will be accompanied by an obligation on non-DCC User suppliers to inform a non-domestic customer of any loss of access to this data before entering into any contract to supply energy to them.
39. We note that these conclusions on non-domestic churn are premised on our minded-to position to remove the non-domestic opt-out and that a non-domestic DCC User mandate will apply from 17 August 2017. The government will conclude on its policy on the non-domestic opt-out when it responds to the further consultation on non-domestic opt-out. In the event that our position on the opt-out changes as a result of this consultation, we would consider whether any further modification to the obligation for access to half-hourly consumption data would be necessary.

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<sup>6</sup> Further consultation on non-domestic smart metering: the DCC opt-out:  
[www.gov.uk/government/consultations/further-consultation-on-non-domestic-smart-metering-the-dcc-opt-out](http://www.gov.uk/government/consultations/further-consultation-on-non-domestic-smart-metering-the-dcc-opt-out)

<sup>7</sup> Open-letter on User to non-User churn: Government response an further consultation following February 2016 Smart Energy Code (SEC) and related licence conditions (21 April 2016):  
[www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/sos-consultations/21-april-2016-decc-consultation-letter-on-non-domestic-churn.pdf?sfvrsn=4](http://www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/sos-consultations/21-april-2016-decc-consultation-letter-on-non-domestic-churn.pdf?sfvrsn=4)

## Summary of Government Conclusion and Changes to the Consultation Legal Draft

- Suppliers will be exempted from the requirement to make half-hourly consumption data available to non-domestic consumers from SMETS2 DCC-enrolled meters until such time as they are a DCC User.
- Non-DCC User suppliers will be required to inform non-domestic consumers if they cannot make half-hourly consumption data available to them before entering into a contract with them to supply energy.
- The Government would consider the extent to which these conclusions would need to be revisited in the event that its minded-to position on the non-domestic DCC opt-out changes as a result of its further consultation on the matter.

## Final Legal Text Affected

Changes to Electricity and Gas Supply Licence Conditions	Content
<b>Electricity:</b> 51.13  <b>Gas:</b> 45.9	Provides an exception for a non-DCC User supplier, until the date at which it becomes a DCC-User, from the requirement for half-hourly consumption data to be available on request in respect of a customer with a DCC-enrolled non-domestic meter.
<b>Electricity:</b> 51.14 and 51.15  <b>Gas:</b> 45.10 and 45.11	Places an obligation on a non-DCC User supplier, before entering into a non-domestic Supply Contract, to take all reasonable steps to communicate to the customer any potential variations of service that may disadvantage the customer on entering into a contract with the supplier.

# 6 Enduring Change of Supplier

## Summary of issue under consideration

During the design of the technical and security architecture for smart metering in 2012/13, it was recognised that the Change of Supplier (CoS) process needed to be re-designed for meters enrolled in the DCC to manage the exchange of security credentials for smart meters. Industry confirmed that moving to an Enduring Change of Supplier (ECoS) model would require significant re-engineering of their systems and business processes that would complicate and prolong the development of new systems to support smart metering.

As an interim measure, the Transitional Change of Supplier (TCoS) process was agreed using the DCC as a broker to manage the CoS process but this does not uphold the security trust models agreed with the Government's Technical Authority (CESG) because the DCC rather than the supplier, signs the change of credentials command. TCoS has been supplemented with a range of checks and balances e.g. anomaly detection and TCoS is a segregated function within DCC as a temporary measure until the move to ECoS.

### Design Implications

Ofgem's Blueprint phase for a Central Registration Service (CRS) is already underway with the aim of having CRS in place from 2019 to support reliable next day switching. We recognise that faster switching through CRS could progress as a separate initiative but, from an efficient and effective system and process design perspective; there is a strong incentive to align the design of ECoS systems and processes with CRS.

We therefore sought comments on a DECC 'minded to' position, supported by Ofgem, to align the feasibility and design of the ECoS process with the Blueprint phase of CRS (and the 'Switching Programme' more broadly being led by Ofgem) with the aim of linking the design and build of the ECoS system with CRS development.

### Implementation Start

Suppliers will have to upgrade systems and change business processes for ECoS. However, suppliers may find it easier to align ECoS design and development with their arrangements to support a CRS and faster switching.

Whilst some suppliers will not wish to disrupt rollout plans to introduce new ECoS business processes, others may wish to introduce ECoS as part of other business change initiatives. We therefore sought comments on a 'minded to' position that suppliers should take 'reasonable steps' to start to use ECoS from the point at which it becomes available.

### Implementation Finish

Irrespective of when ECoS starts to be operational, TCoS will need to remain in place and operational until all the TCoS SMKI certificates on all devices have been replaced by the DCC (the replacement certificate will be subject to a feasibility analysis but could be, for example, a 'Null' certificate) which will take some time (exact length yet to be determined). ECoS and TCoS will therefore have to operate in parallel and processes will need to cater for churn between ECoS and TCoS suppliers during the transition from TCoS to ECoS.

We therefore sought comments on the principle of suppliers completing the move to ECoS within 6 months of the end of roll out i.e. by the end of June 2021, to minimise the period of churn between TCoS and ECoS, to allow time for suppliers to implement the new systems

and processes and for the DCC to manage the replacement of TCoS certificates.

### Governance and Oversight

If there is a case for aligning the design of ECoS with CRS and faster switching, then the initial feasibility, costing, impact analysis and design work for ECoS should start as soon as possible as part of the transitional arrangements agreed between DECC and the SEC Panel. DECC proposed to establish an ECoS Working Group within the existing DECC transitional governance arrangements with industry and Ofgem involvement.

A transition of governance from DECC to industry would be agreed as part of the existing transitional governance arrangements between DECC and the SEC Panel. Comments were sought on the proposed approach to governance and oversight as part of the broader transition of governance.

Question 7 of the Feb 2016 SEC consultation sought views on the 'minded to' position to align the feasibility and design of the ECoS process with the Blueprint phase of CRS with the aim of linking the design and build of the ECoS system with CRS development.

Question 8 of the Feb 2016 SEC consultation sought views on the 'minded to' proposal for suppliers to take reasonable steps' to start to use ECoS from the point at which it becomes available.

Question 9 of the Feb 2016 SEC consultation sought views the principle of suppliers completing the move to ECoS within 6 months of the end of roll out i.e. 2020 or earlier.

Question 10 of the Feb 2016 SEC consultation sought views on the proposal for DECC to establish an industry working group under the transitional arrangements that will subsequently transfer to industry at a point to be agreed as part of the wider transitional arrangements.

### **Government consideration of issue**

40. There was general support for the broad proposals to align the design of ECoS with the design of CRS and faster switching with only one exception. Several respondents pointed out that a feasibility analysis was necessary to inform the subsequent dates for the start and end of ECoS implementation and the majority of responses supported the need for a DECC and industry working group.
41. In response to Question 7, five large suppliers and one smaller supplier supported the alignment of the design of ECoS with the design of CRS and faster switching noting that it was prudent, sensible and logical to achieve efficiencies in design. One large supplier was not yet convinced of the need to move to an ECoS model and wanted to see more detailed rationale. A Communication and Technical Provider supported the alignment but expressed caution about the timing so as not to interfere with the development of DCC systems and early follow-on releases. Several comments referred to the need to avoid impact on rollout and other work involving supplier systems and also to ensure the design of ECoS did not result in cumbersome procedures. There was a general theme in the responses that more information is needed that would be met by a feasibility analysis. The Government concludes therefore that the design of ECoS should be aligned with the design of CRS and faster switching and that a feasibility analysis should be undertaken to inform the detail of the approach and timing.
42. In response to Question 8, two large suppliers, two smaller suppliers and a Communication and Technical Provider supported the proposal to take 'reasonable steps to start to use ECoS from the point that it is available'. One large supplier preferred an

optional approach until roll out is completed. Two large suppliers wanted to await the outcome of feasibility analysis and an associated risk assessment before committing to the proposal and another large supplier wanted to be convinced of the argument for ECoS before committing. The Government concludes that it shall maintain the 'minded to' position to take 'reasonable steps to start to use ECoS from the point that it is available' but will retain the option to refine the proposal in the light of the feasibility analysis and will consult again on any legal drafting.

43. The responses were mixed to Question 9 about completing the move to ECoS within 6 months of the end of roll out i.e. by the end of June 2021. Two large suppliers agreed with 6 months to keep the period of dual running with TCoS to a minimum. One large supplier preferred completion 12 months after the end of roll-out, or 12 months after the successful implementation of ECoS, whichever is later. One smaller supplier preferred 6 to 12 months for completion whilst another smaller supplier proposed a 'big bang' cutover for all DCC Users. A Communications and Technical Provider agreed with the principle of minimising the period but, along with two large suppliers, pointed out that further work is needed to confirm whether six months is achievable. The Government concludes that the period during which ECoS and TCoS operate in parallel whilst the TCoS certificates are replaced should be kept to a minimum but that the exact period within which the move to ECoS should be completed should be determined by the outcome of further feasibility analysis to confirm what is achievable.
44. In response to Question 10, five large suppliers, one smaller supplier and a Communications and Technical Provider all supported the creation of an industry working group to take forward the analysis work required for ECoS. One smaller supplier was not opposed in principle but, along with a large supplier, wanted a greater understanding of what the interaction would be with the CRS working group. One large supplier opposed the creation of a working group because of the workload to support other industry changes and DCC releases in the same timescale. One large supplier suggested that the working group should be set up under the SEC Panel rather than DECC but such a working group would have no vires until there are ECoS obligations in the SEC. The Government concludes that a DECC led ECoS working group will be established within the transitional arrangements and will need to have a reciprocated formal dotted line relationship with the Ofgem next day switching programme. The ECoS working group will subsequently transfer to industry (SEC) governance at a suitable point to be agreed with the SEC Panel.

### Summary of government conclusion and changes to the consultation legal draft

The Government concludes that the design of ECoS should be aligned with the design of CRS and faster switching. The consultation 'minded to' position of suppliers taking 'reasonable steps to start to use ECoS from the point that it is available' will be retained for now and the period to complete the implementation of ECoS should be kept to a minimum. A DECC led ECoS working group will be established under transitional arrangements and feasibility analysis will be conducted to inform the detail of the ECoS arrangements.

### Final Legal Text Affected

SEC Section	Content
	No legal text necessary. The consultation was on 'minded to' positions only.



## 7 DCC Additional Support

### Summary of Issue under Consideration

Section H9 of the SEC provides for Incident Management capabilities to be provided by the DCC to resolve issues associated with DCC Services. Additionally, H14.33 provides for DCC consultancy support during testing to be available to Testing Participants. Despite these provisions, prospective Users have identified additional requirements for the DCC to assist them with issues encountered during their testing and implementation activities. This is referred to as 'Additional Support'.

Question 11 of the Feb 2016 SEC consultation sought views on the proposal to extend the scope of H14.33 to allow the DCC to also provide Testing Participants with assistance with issues related to User Systems and Devices and allowing this assistance to be provided during or after testing.

Question 12 of the Feb 2016 SEC consultation sought views on how Additional Support services should be charged for.

### Government Consideration of Issue

45. Regarding question 11, all Respondents who provided a view supported the extension of existing DCC arrangements under Section H14.33. Many respondents acknowledged that Additional Support has a role in supporting an economic and efficient rollout and some noted that particular benefits would be realised during the critical programme period as DCC Users first connect to the DCC.
46. Most respondents agreed that Additional Support should be offered on an enduring basis although one respondent did not agree that existing DCC Users who have successfully gone live should continue to have access to Additional Support on an enduring basis (but that it should remain available for new market entrants). This concern relates to the DCC's position as a monopoly provider.
47. One respondent pointed out that Additional Support can only be provided when resources are available recognising that the resourcing demand will be difficult to forecast accurately because it will need to respond to an unpredictable volume of issues experienced by Testing Participants. The same respondent also pointed out that the consultation did not specify a date from which the Additional Support provision would be available. The policy intent was that this would be from the start of End to End testing.
48. One Supplier Party suggested additional areas for consideration such as the DCC providing an 'issue resolution self-service' via the web portal to enable suppliers to independently seek resolution to their issues without having to rely on DCC resource to be able to progress testing. This might help to mitigate the risk of a high demand on DCC resources in the early rollout stages.
49. Whilst we acknowledge that the value of DCC Additional Support is likely to decrease as other service companies increase their understanding and capabilities related to GB Smart Metering and enter the market, we believe that the option for Users to access DCC

expertise will continue to be beneficial in achieving the SEC objectives. We agree with respondents who supported the proposal for the DCC to provide Additional Support on an enduring basis as a service for new market entrants, competing with other companies as a market develops and this remains the Government's position.

50. We acknowledge the challenges of forecasting and resourcing the demand for access to DCC Additional Support. The DCC may have a difficult task in providing expert resources for short term demand requests but the SEC text provides for 'reasonable steps' and Users should anticipate that this will reflect the availability of the relevant resources.
51. In accordance with section X3.2, the scope of Section H14.33 of the SEC will be expanded to allow for Additional Support and will come into effect at the commencement of End to End Testing. Regarding the DCC sharing information related to DCC User issues raised specifically via the Additional Support service, the Government agrees in principle that the DCC should share information appropriately with its Users and subject to DCC User confidentiality constraints. The Government is however mindful that if DCC Users have been subject to explicit charges for DCC Additional Support services then this may be unfair on the party having paid the explicit charge and it may be appropriate to reimburse users who have paid for matters to be resolved where others also benefit from DCC's findings. We expect the DCC to consider what types of information are appropriate to be shared and under what circumstances these can be shared as part of a consultation on its Additional Support service that it has proposed and how this is dealt with in the charging arrangements.
52. Regarding question 12, responses on how Additional Support should be charged were split with 7 respondents favouring an explicit 'User pays' charging model. Three respondents agreed the need for Additional Support but expected this to be a smeared cost e.g. on a MPXN basis with only more complex or specific technical assistance being chargeable on a 'consultancy fee' basis. One response highlighted competition issues with a smeared cost model whilst another noted that costs must be reasonable, based on the costs incurred by the DCC and applied in a fair and equitable manner. One Supplier Party proposed that no charges should be levied until such time as an Issue has been identified as being the responsibility of the Testing Participant and another respondent noted that a fuller definition of Additional Support was required in order to provide an informed response.
53. The response from a Regulator supports a provision in the SEC to allow DCC to provide Additional Support noting that this will be beneficial during the critical period as systems go live. The Regulator response proposes that, to the extent that any elements of the additional support service are contestable, Additional Support should be provided through a 'User pays' explicit charge. This will allow other parties to compete on a level playing field and should also encourage a more efficient use of the service from Testing Participants.
54. The Government concludes that the DCC Additional Support will be based on an explicit charge being levied on each DCC User that uses Additional Support. As this is already accommodated in the SEC drafting to increase the scope of Section H14.33 of the SEC as part of the consultation, no change to the drafting is required. Whether or not these charges result in an increase in the overall DCC allowable revenues is a matter for the Authority.

55. The Government welcomes the DCC proposal to consult on the detailed nature of the various elements of the service. We expect this consultation to clearly explain the technical support Users can expect as part of DCC “Business as Usual” and the services that will be provided as Additional Support. We note User concerns that the Additional Support must not be used as a means of the DCC charging for the service it is obliged to provide under existing arrangements or where the DCC is later to be proven to be at fault for an Incident it closed and a User subsequently required assistance Additional Support to resolve. The Government expects that the DCC’s Additional Support consultation will include proposals for managing such occurrences.

**Summary of government conclusion and changes to the consultation legal draft**

In summary, the Government concludes that there is value in the DCC providing Additional Support from the start of End to End testing on the basis of a charging model where the User pays for the service.

**Final Legal Text Affected**

SEC Section	Content
H14.33	<p>The DCC shall, on request by a Testing Participant, take all reasonable steps to offer additional support to that Testing Participant (subject to such Testing Participant agreeing to pay any applicable Charges) in understanding and resolving issues associated with:</p> <ul style="list-style-type: none"> <li>(a) the DCC Total System and the results of such Testing Participant's Device and User System Tests</li> <li>(b) where the Testing Participant is a Party, the Systems of the Testing Participant that are (or are intended to be) User Systems; and/or</li> <li>(c) communications between the DCC and any Device or between Devices which comprise (or which the Testing Participant intends will comprise) a Smart Metering System.</li> </ul>

# 8 Security, Privacy and Miscellaneous Provisions

## 8.1 Security

### Summary of issue under consideration

#### Security Disputes

Section G1.8 reflects our intention that Ofgem should be the body that ultimately determines disputes relating to whether or not a User has complied with its obligations under Section G. However, it was not intended that Ofgem would be the dispute resolution body for other disputes that might arise as a consequence of any non-compliance: for example disputes as to whether a Party has sustained any loss because of the breach. We believe that it would be appropriate for any disputes of this type to be resolved in accordance with the standard SEC drafting on such matters set out in Section M. The proposed changes to Section G1.8, including the addition of a new Section G1.9, were designed to clarify this point.

#### Cryptographic Credential Tokens

The DCC is required to provide Users with a Cryptographic Credential Token. We consider it appropriate that the Cryptographic Credential Token be adequately tested before being issued to Authorised Subscribers. Should vulnerability subsequently emerge that could call into question the capability for the device to function as expected the DCC will be obligated to inform relevant Authorised Subscribers. The proposed changes to Section G sought to place obligations on the DCC in this area.

#### Manufacturer Release Notes

The SEC requires that the SEC Panel maintain and make available a list, the Certified Products List (CPL). The CPL will include Manufacturer Release Notes for each new version of firmware associated with a Device Model.

Due to the potential for Manufacturer Release Notes to include information that could then be used by an adversary to exploit vulnerability on a device we have determined that they should not be made publically available via the CPL. The consultation proposed that Manufacturer Release Notes instead be securely maintained for each Device Model by the Responsible Supplier.

#### Unique Transaction Reference Number (UTRN) Generation and Key Management

Smart metering prepayment customers will have the capability to remotely or locally top up credit on their devices. This is facilitated through the use of a UTRN, which is in part generated using an energy supplier's prePaymentTopUp private key. We proposed in the consultation to clarify that the use of this key and thus generation of the UTRN be explicitly included within the User System definition.

Question 21 of the Feb 2016 SEC consultation sought views on the proposed approach and legal drafting that seeks to ensure that only disputes associated directly with the issue of compliance with Section G are determined by Ofgem, with other disputes following the "normal" path for resolution

Question 22 of the Feb 2016 SEC consultation sought views on the proposed approach and

legal drafting in relation to the need for DCC to test and monitor the security of Cryptographic Credential Tokens

Question 23 of the Feb 2016 SEC consultation sought views on the proposed approach and legal drafting in relation to the removal of Manufacturer Release Notes from the CPL and the associated requirements for secure storage

Question 24 of the Feb 2016 SEC consultation sought views on the proposed approach and legal drafting in relation to the inclusion of systems used to generate a UTRN within the scope of the User System

## **Government consideration of issue**

### Security Disputes

56. Seven respondents to the consultation replied to this question, all of them agreed with the proposal, although two respondents were of the view that in the revised drafting, it was not unambiguously clear which matters would and would not fall within the scope of G1.8.
57. We remain of the view that the drafting is clear in that first, G1.8 makes it clear that disputes relating to compliance with sections G3 to G6 will be determined by the Panel and, if appealed, by the Authority. G1.9(a) clarifies that the obligation on DCC or the Code Administrator to notify the SEC Panel on becoming aware that an Event of Default has occurred is not dependent upon the determination of any dispute by the Panel or (if appealed) the Authority under G1.8. G1.9(b) is also intended for clarification purposes, more specifically to make clear that consequential disputes arising from questions of compliance with Sections G3 to G6 are not referred to the Panel (or to the Authority on appeal) and instead follow the “normal” disputes resolution process (i.e. determination by arbitration). For example if a party wished to claim damages from another party arising out of a breach of Section G, then two potential disputes may arise; first whether a breach of Section G has occurred and second over the amount of damage that has been caused as a consequence of the purported breach. The purpose of G1.9(b) is to clarify that, in this example, whilst the first of these two disputes would be determined by the Panel (or Authority on appeal), the second would not, and would instead be subject to determination by arbitration in accordance with M7.

### Cryptographic Credential Tokens

58. Since the consultation it has become clear that the software used to facilitate digital signing will not form part of the Cryptographic Credential Token and will separately be provided by the DCC to Parties. We have therefore included a new definition within the SEC to reference this File Signing Software and have correspondingly directed the relevant obligations within the SEC to require that this is tested for security vulnerabilities. Arrangements for secure distribution of the Cryptographic Credential Token are outlined in the RAPP, however, corresponding arrangements regarding the File Signing Software are not included. We have therefore identified a need to require DCC to put in place arrangements for the secure distribution of this software to its users, these replicate the arrangements in place for the Parse and Correlate software.
59. All respondents agreed with the proposed approach and legal drafting. A minority of the respondents agreed with caveats. One large supplier queried the extent to which the drafting sufficiently covered the hardware aspect of the Cryptographic Credential Token.

The definition of Cryptographic Credential Token requires these to be certified under the Federal Information Processing Standard (FIPS) 140-2 standard to Level 3, this certification provides assurance as to the overall security of the device, including the hardware. We consider this certification provides an appropriate level of security assurance over the hardware of the product.

60. One respondent questioned whether the obligation to test the Cryptographic Credential Token against its intended purpose was clear enough, in particular whether this would ensure appropriate security testing would be undertaken. The purpose of the Cryptographic Credential Token, and the security enforcing role it will play, is clearly set out within the Section A definition and the Smart Metering Key Infrastructure Registration Authority Policies and Procedures (SMKI RAPP). Taken alongside the need for FIPS 140-2 Level 3 certification, it is considered that a sufficient level of assurance is available to ensure Parties are confident that the device will operate securely.
61. One large supplier respondent questioned whether the SEC should qualify the professional competence of the individual or organisation who is required to conduct the software code review of the Cryptographic Credential Token. It should be noted that this part of the obligation will now apply to the File Signing Software and not the Cryptographic Credential Token itself. In light of the comment we have considered whether any single industry scheme or professional standard could be leveraged to qualify the level of expertise required of the individual or organisation. However, we have not identified any single approach that can be appropriately specified in the SEC and therefore consider it appropriate for DCC to determine how best to meet the obligation as part of its procurement of the individual or organisation.

#### Manufacturer Release Notes

62. The majority of respondents agreed with the proposal but with caveats. Of these the most common query was how the Responsible Supplier should deal with change of supplier events. It was suggested by some respondents that under this circumstance there may not be an established contractual route through which the organisation could gain access to Manufacturer Release Notes or firmware images. A number of energy supplier respondents gave support to a new central service being established to make available Manufacturer Release Notes, firmware images and other relevant information. A meter manufacturing trade body noted their opposition to such a proposal, which is currently being considered as a SEC Modification.
63. It should be noted that this consultation considered only the topic of Manufacturer Release Notes and the extent to which they should be stored on the Certified Products List. We continue to consider that aspects of the Manufacturer Release Notes should not be publically available and are therefore not suitable for the Certified Products List, this position is supported by the consultation responses. It is incumbent on each Responsible Supplier to ensure they have the capability to securely maintain their smart metering estate, including any devices they inherit on change of supplier. Access to Manufacturer Release Notes alone will not be sufficient to meet this responsibility. We understand that work between energy suppliers and meter manufacturers is ongoing to ensure an appropriate contractual framework is in place to manage this issue.
64. A number of respondents queried why the Responsible Supplier should be required to hold Manufacture Release Notes in all cases, with some respondents noting this was an unnecessary duplication of effort. While we continue to consider that, where practicable, the Responsible Supplier should securely maintain the Manufacturer Release Notes we

agree that it is no longer necessary to explicitly require this within the SEC. As such this proposed obligation will not be added to the SEC Certified Products List Requirements document. As a result the Section A definition of Manufacturer Release Notes will also be removed.

Unique Transaction Reference Number (UTRN) Generation and Key Management

65. A large majority of respondents agreed with the policy intent and legal drafting. One large supplier suggested that the policy intent was already delivered through the existing drafting, and that the current drafting was open to interpretation. Another energy supplier agreed with the policy intent but questioned at what point a UTRN would be considered to have been generated.
66. We agree that the current definition of User System includes within its scope the cryptographic key material used to calculate the message authentication code required for UTRN generation. However, the key material is covered only in relation to its role in processing Certificate Signing Requests and not for the purpose of calculating the UTRN message authentication code.
67. It is recognised that the storage and use of the prePaymentTopUp private key is the aspect of the UTRN generation process upon which the most security risks lie. Correspondingly it is this part of the process which must be performed within the User System, it is not until the message authentication code has been calculated that the UTRN can be generated. The full process for generating a UTRN is outlined within the Great Britain Companion Specification. We continue to consider reference to this process within the User System definition to be appropriate.

**Summary of government conclusion and changes to the consultation legal draft**

Security Disputes

The changes to the security dispute arrangements will be made as outlined in the February 2016 SEC consultation.

Cryptographic Credential Tokens

A new term “File Signing Software” has been defined in Section A. Where appropriate the legal text consulted has been updated to apply to the File Signing Software in addition to the Cryptographic Credential Token. The requirement for a software code review will now apply to the File Signing Software rather than the Cryptographic Credential Token. Obligations to require the DCC to securely distribute the File Signing Software have been added to the legal text.

Manufacturer Release Notes

Manufacturer Release Notes will be removed from the CPL (attached at Annex G) as per the consulted on policy and legal text. The change consulted on to require the Responsible Supplier to securely maintain a version of all relevant Manufacturer Release Notes will not be made. The definition of Manufacturer Release Notes will be removed from Section A of the SEC.

Unique Transaction Reference Number (UTRN) Generation and Key Management

The changes to the User System definition will be made as outlined in the February 2016 SEC consultation.

## Final Legal Text Affected

SEC Section	Content
Section A	Manufacturer Release Notes, User System
Section G	G1.8 to G1.9, G2.36 to G2.42



## 8.2 Privacy and Explicit Consent

### Summary of issue under consideration

In the February Consultation, we proposed a definition of “Explicit Consent” that must be sought by relevant Users in order to join and un-join Consumer Access Devices (CADs) to Smart Metering Systems (and also to Parties seeking to access consumption data in and “Other User” role.

Question 25 of the Feb 2016 SEC consultation sought views on the proposal to include a definition of Explicit Consent.

### Government consideration of issue

68. Ten respondents to the February Consultation expressed views on this matter. Three of these respondents agreed with the proposed changes we had put forward. The remaining seven expressed support for making it clearer what explicit consent meant, but raised a variety of caveats, in particular:
- that it would be better to align the concept of “Explicit Consent” within the SEC to the definitions and guidance of the meaning of this term issued by the Information Commissioner’s Office (ICO);
  - that further clarity over what constituted “informed” consent would be welcome;
  - how the explicit consent of the consumer should be obtained and recorded by the User;
  - whether suppliers should be permitted to unjoin CADs without explicit consent, for example in circumstances where they believed there was a security risk to the Smart Metering System;
69. One respondent also sought further clarification on how the Privacy Controls Framework would be updated and what implications this might have for a Party undertaking a Privacy Assessment as part of User Entry.
70. We have discussed our proposals with the (ICO) and note the following:
- In order to be valid, all consent must be freely given, specific and informed. Guidance from the ICO on the conditions for processing can be found here: <https://ico.org.uk/for-organisations/guide-to-data-protection/conditions-for-processing/>
  - The term ‘explicit consent’ is included within both the current Data Protection Act (1998) and the forthcoming EU General Data Protection Regulation (GDPR) and only applies in certain, specific, circumstances where sensitive personal data is processed.
71. In light of this we confirm that we will be introducing the definition of consent outlined in the Government’s consultation. However, following a recommendation from the ICO, we consider that it would be more appropriate for the descriptor ‘Explicit Consent’ to be replaced with ‘Unambiguous Consent’. This change will avoid any confusion with interpretations and guidance issued in relation to the term ‘explicit consent’, as used in the Data Protection Act and forthcoming GDPR. In addition, use of the term ‘unambiguous’ will ensure that the terminology used in the SEC is consistent with existing

data protection legislation and will be aligned with the forthcoming GDPR, which will require consent to be freely given, specific, informed and unambiguous.

72. Use of the term ‘Unambiguous Consent’ in this context remains in line with the policy intention. As outlined in the Government’s Data Access and Privacy Framework and previous SEC consultations, consumer consent is required where a User undertakes to:
- join or un-join a CAD,
  - access records (in line with Section I1.4)
  - request consumption data (in the case of third party User).
73. We are proposing to clarify that, in the case of seeking to join a CAD to a Smart Metering System, as part of ensuring that the consent of the consumer is appropriately informed, the relevant party should ensure that the consumer has been made aware of the fact that this could lead to personal data stored on the Smart Metering System being shared with one or more third parties.
74. We accept that circumstances may arise which mean that it is necessary for a supplier to unjoin a CAD without consent in order to protect a Smart Metering System from compromise. We have therefore provided for this in the drafting, requiring any supplier that does this to attempt to inform the consumer of the unjoin in such circumstances.

### Summary of Government Conclusion and Changes to the Consultation Legal Draft

We will include a definition of “Unambiguous Consent”. Where a User joins a Type 2 Device (other than a Supplier acting in accordance with its licence obligations, for example when providing an IHD) we will require that User to first inform the consumer that this may result in third parties gaining access to Data. We will permit supplies to unjoin Type 2 Devices without consent where they reasonably believe that the Type 2 Device has or is likely to Compromise another Device forming part of a Smart Metering System.

### Final Legal Text Affected

SEC Section	Content
A	Inclusion of the definition of Unambiguous Consent
I1.3 and I1.4	Updated provisions to reflect consultation conclusions.

## 8.3 Changes to Section H (DCC Services)

### Summary of issue under consideration

#### System Changes and Releases

Sections H8.8 – H8.12 of the SEC require the DCC to consult Users and the Technical Sub-Committee prior to making any changes to DCC Internal Systems or the DCC Release Management Policy. As they may potentially be impacted by these changes, we propose that all Parties and Registration Data Providers (RDPs) be included in such consultations.

Section H8.8 (c) provides Users with the opportunity to be involved in testing DCC Internal System changes and H14.36 sets out the Testing requirements under these circumstances. We therefore consider that this involvement also needs to be expanded to include all Parties and RDPs.

#### Unsolicited Transmission of Registration Data

Up to date Registration Data is provided by the RDPs through a mechanism of regular registration data refresh files as specified in the Registration Data Interface Specification (REGIS)<sup>8</sup>. The REGIS also sets out how to handle issues with this exchange of data. Specifically, in the situation where an RDP should identify an anomaly with a file which they have sent to the DCC, the REGIS allows the RDP to send an unsolicited registration data refresh file if that will resolve the issue. Under these circumstances the issue would be resolved and we propose to amend H9.6(b) to remove the requirement on the RDP to raise an Incident with the DCC when this occurs.

#### Changes to Section H10.13

We confirmed in the December 2015 SEC Response<sup>9</sup> that, upon the occurrence of a Disaster, the DCC would ensure that its services are restored within 8 hours. We noted an issue raised by respondents, specifically that it is considered unreasonable to oblige the DCC to restore a Gateway Connection within 8 hours in the event DCC connectivity has been lost if the DCC User had not themselves followed industry best practice and procured backup DCC gateway connections to its own sites which it relies on for the provision of service.

We noted in the December 2015 SEC response document<sup>10</sup> that in principle we agreed with this point and stated that we would consult on a further change to the drafting in section H10.13 accordingly. The loss of a Gateway Connection may require a site visit by the DCC or one of its sub-contractors to rectify it and the resulting risk of a lengthy DCC User outage is largely mitigated by a diversely routed backup connection to the DCC User Gateway. Whilst it is not considered appropriate to oblige DCC Users to install a backup connection, we considered it would be reasonable to limit the DCC's obligations in the

<sup>8</sup> Version 1.1 of the Registration Data Interface Specification can be found at [https://www.smartdcc.co.uk/media/345302/draft\\_version\\_1.1\\_of\\_the\\_regis\\_rebaselined\\_16.12.15\\_clean.pdf](https://www.smartdcc.co.uk/media/345302/draft_version_1.1_of_the_regis_rebaselined_16.12.15_clean.pdf)

<sup>9</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/484710/15\\_11\\_26\\_December\\_2015\\_SEC\\_Government\\_Response\\_final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484710/15_11_26_December_2015_SEC_Government_Response_final.pdf)

<sup>10</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/484721/15\\_11\\_26\\_December\\_2015\\_SEC\\_Government\\_Response\\_final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484721/15_11_26_December_2015_SEC_Government_Response_final.pdf)

circumstance where a backup connection to the DCC User Gateway is not present.

#### Changes to the Incident Management Policy

Section 5.1.5 of the Incident Management Policy (IMP) references “Recovery Point Objective” (RPO) associated with the Services. RPO relates to the DCC Service Providers’ data loss obligation and is currently undefined in the SEC. It was proposed that this would be removed from the Incident Management Policy and replaced with a reference to section H10.13.

It was also proposed that the IMP would be updated to remove the undefined term “Recovery Time Objective” (RTO) which relates to the time taken to recover the Services in the event of a Disaster. This would be replaced with a reference to section H10.13 which already addresses recovery times in the event of a Disaster. The updated Incident Management Policy with the amended text was included as part of the February 2016 SEC consultation.

Question 26 of the February 2016 SEC consultation sought views on the proposal and associated legal drafting to consult with Parties and Registration Data Providers prior to changes to DCC Internal Systems or the Release Management Strategy.

Question 27 of the February 2016 SEC consultation sought views on the proposed change to remove the requirement on RDPs to raise an Incident where the issue can be resolved by the transmission of an unsolicited registration data refresh file.

Question 28 of the February 2016 SEC consultation sought views on the proposals and associated legal drafting related to the recovery and data loss obligations in regard to a Disaster.

#### **Government consideration of issue**

75. All those who responded to Question 26 agreed with the proposal to consult with Parties and Registration Data Providers prior to changes to DCC Internal Systems or the DCC Release Management Strategy. Two Large Suppliers expressed support for the need to ensure all potentially impacted parties are consulted.
76. All those who responded to Question 27 agreed with the proposal to remove the requirement on RDPs to raise an Incident where the issue can be resolved by the transmission of an unsolicited data refresh file. Some respondents suggested that although these occurrences do not need to be recorded as Incidents, some form of tracking and analysis is needed. We agree that this would be good practice but consider this to be something that can be implemented between the DCC/RDP as required without including explicit provision for it in the SEC.
77. Responses to Question 28, regarding the recovery and data loss obligations in regard to a Disaster, came in two parts.

#### Part 1 - Changes to include Data Loss objectives that were previously included in the Incident management Policy

78. All respondents agreed with this change although there was a request for clarity on what the Service Provider performance measures are. Given the positive response we have therefore concluded to keep the drafting as proposed in the consultation. Service Provider Performance measures can be obtained from the DCC directly (we note that these are appropriately redacted on the DCC website).

Part 2 - Changes to provide relief to the DCC on its absolute obligations to recover services ' in any event' within its 8 hours recovery time objective in the event of a Disaster that directly affects the DCC Gateway Connection and where there is no backup connection in place. Responders were split 4 to 3 on the acceptability of the changes.

79. Of those that agreed with the change, 2 respondents raised concerns that the wording may introduce a loophole for the DCC to seek relief in unintended circumstances.
80. Three respondents disputed that the change was appropriate as they would effectively require all DCC Users to procure backup connections or accept the increased risk of extended outages that may result. The increase in costs was cited as a particular concern, specifically with regard to Small Suppliers.
81. One supplier made comparisons to the energy industry's obligation to restore services to consumers and another notes that as a result of any extended outage it is likely to be the most vulnerable consumer segments that are impacted most.
82. Regarding the changes that give relief to the DCC in the event Users have not procured a backup connection, the Government acknowledges respondent concerns regarding the cost or risk burden that this passes back to DCC Users, specifically for small suppliers. However, the need for a backup connection is IT networking best practice for disaster recovery purposes. The DCC is obliged to provide a solution that is capable of meeting its Performance Measures. Elsewhere in its architecture this is achieved using, for example, a combination of resilience and redundancy. However, this is not within the DCC's control for what is colloquially termed the 'Last Mile' (referring to the portion of the network that physically reaches the network customer's premises). As such the DCC is reliant on a backup connection for the resilience it requires for its Performance Measures. For this reason the Government believes the intention of the drafting proposed in the consultation remains appropriate.
83. However, we recognise that the drafting can be tightened to ensure that any relief is only available where, for example the DCC can demonstrate that having a backup connection would have enabled it to recover the service within its BCDR Targets. We will update the drafting to be specific on the circumstances under which the DCC may claim relief.

**Summary of Government Conclusion and Changes to the Consultation Legal Draft**

Respondents agreed with the changes that all Parties and RDPs should be consulted prior to DCC changes and that RDPs should not be required to raise an Incident if an issue can be resolved by resubmission of a file. We consider the proposed legal text to be appropriate.

Respondents agreed on the changes to H10.13 to include Data loss obligations previously contained in the IMP. Respondents were split 4 to 3 in favour of changes to H10.13 to include relief in the event DCC Users did not have a backup DCC User Gateway connection, however, the Government believes the intention of the drafting remains appropriate. We therefore conclude on the policy and legal text outlined in the SEC February 2016 consultation with the exception of the inclusion of an additional clause to remove the risk of unintended relief should the lack of a backup connection not be the cause of any resolution delays.

## Final Legal Text Affected

SEC Section	Content
H	H8.8, H8.10, H8.11, H14.36 H9.6 H10.13(b), H10.13(c)

## 8.4 Rectifying Errors in relation to Device Credentials

### Summary of issue under consideration

Clause 17.1 of the Service Request Processing Document (SRPD) requires Parties to cooperate in order to rectify the situation where the Device Security Credentials on a Device erroneously include information from one or more of their Organisation Certificates, including by sending Service Requests if necessary.

Section H3.6 of the SEC places restrictions on which Service Requests may be sent by any particular User. We believe that a minor change is needed to H3.6 to make it clear that Users are permitted to send Service Requests in situations when they are rectifying errors in accordance with the SRPD.

Question 29 of the Feb 2016 SEC consultation sought views on the proposal to clarify that Users are permitted to send the relevant Service Requests

### Government consideration of issue

84. Of those respondents who answered this question, five Large Suppliers agreed without caveats and one commented that there should be a clarification that this requirement related to the replacement of Device Security Credentials. Two Small Suppliers agreed with the proposed requirement. One party, the DCC, disagreed with the proposal as it is concerned that their systems are designed to prevent users who are not Eligible Users in respect of a Smart Metering System from sending Service Requests to that Smart Metering System.
85. The proposed drafting for Section H3.6 permits Users who are not Eligible Users to send service requests to rectify errors in accordance with the SRPD. Clause 17.1 of the SRPD specifically refers to where the Device Security Credentials of a Device erroneously include Data from one or more of a Party's Organisation Certificates. Therefore it is the opinion of the Government that no further clarification is required. Further since Service Requests to rectify issues with Device Security Credentials are classed as Critical Service Requests, then DCC Systems should not prevent them being processed to be sent to devices.

### Summary of government conclusion and changes to the consultation legal draft

We will make the change to H3.6 in line with the proposals in the consultation.

### Final legal text affected

SEC Section	Content
H3.6	Addition of the words: "(save that a User may send a Service Request in circumstances where it is not an Eligible User in order to rectify errors, as further described in the Service Request Processing Document)."

## 8.5 Status of Associated Devices and Device Security Credentials

### Summary of issue under consideration

In the February 2016 SEC Consultation we explained that DCC Systems will not be capable of applying functionality that allows it to change the SMI Status of a Device as a result of a change in the SMI Status of a Device with which it is Associated, and consequently proposed changes to the Section H6.6 of the SEC and a number of Clauses of the Inventory Enrolment and Withdrawal Procedures (IEWP) to reflect this.

We noted that this issue had been discussed with prospective users in the Technical Specification Issue Resolution Sub Group and no material concerns were raised at the lack of this functionality.

We also proposed a further minor change to the IEWP to clarify by when suppliers are required to ensure that the appropriate Device Security Credentials are placed on a Device.

Question 31 of the Feb 2016 SEC consultation sought views on the proposals to remove the requirement for DCC to modify the SMI Status of a Device in circumstances where the status of a Device with which it is associated changes, and to clarify by when suppliers must ensure that the appropriate Device Security Credentials are placed on a Device

### Government consideration of issue

#### *Changes in SMI Status*

86. Of the eight respondents who commented on the proposals relating to SMI Statuses, three supported the proposed changes (two of these raising supplementary questions), three did not support the proposals and two raised additional questions.

The principal issues raised were that:

- the proposals appeared to leave a gap in that it was not clear whether Type 1 Devices and Gas Proxy Functions (GPF) continued to have an SMI Status or alternatively whether they did, but that the supplier was responsible for setting their status;
- further clarification is needed on whether the limitation on sending Service Requests to DCC prior to appropriately populating the Device Security Credentials applies to all Service Requests or just to Device Service Requests. This respondent noted that there was no functionality in DCC Systems to prevent Non-Device Service Requests (that still relate to a particular Device) from being processed prior to the Device Security Credentials being appropriately populated;
- the IEWP do not indicate whether the SMI Status is updated following the processing of a join command (and that significant changes to supplier systems would be needed if the joining of a Type 1 Device or a GPF to a commissioned meter did not result in the joined Device's status being set to "commissioned");
- it is necessary to fully understand the implications for dual fuel installations for example to notify the gas supplier in circumstances where there is a change in the SMI Status of a Communications Hub Function installed by the electricity supplier;



- mismatches between supplier systems and the DCC inventory might arise and that Service Requests may be rejected as a consequence;
  - the change should be subject to an impact assessment by TBDG (or subgroup);
  - clarity on why DCC systems are unable to deliver the required functionality would be welcome.
87. Gas Proxy Functions and Type 1 Devices will continue to have an SMI Status. We believe this remains clear, for example given the definition of Smart Metering Inventory and the fact that the IEWP (and DUIS, amongst other documents) continue to include provisions relating to the setting of SMI Statuses for such Devices.
88. The obligation in Clause 3.1(a) of the IEWP prohibits suppliers from sending Service Requests in relation to a Smart Meter or Type 1 Device prior to populating the credentials in accordance with the further requirements of the IEWP but does not require DCC Systems to prevent the processing of such Service Requests. Nevertheless, we agree that it is appropriate to clarify that the constraint applies only in relation to Service Requests that may result in a Command being sent to the relevant Device and hence not to Non-Device Service Requests. In passing it is noted that “Gas Proxy Functions” should be added to the list of Devices, i.e. “a Smart Meter, Gas Proxy Function or Type 1 Device”.
89. We believe that the IEWP already incorporates the necessary obligations on DCC to make changes to the SMI Status of Devices that are joined to a Smart Meter or to a Gas Proxy Function. Where a Device is so joined, Clause 4.7(a) requires DCC to set the SMI Status of the joined Device to “installed not commissioned” if the Status of the Device to which it is being joined is “installed not commissioned” and Clause 4.7(b) requires DCC to set the SMI Status of the joined Device to “commissioned” if the Status of the Device to which it is being joined is “commissioned”.
90. It is noted that if a GPF or Type 1 Device is successfully joined to a Device that has an SMI Status of “installed not commissioned” and the SMI Status of the Device to which it is joined is subsequently updated to “commissioned”, the SMI Status of the joined Device will not automatically be updated by DCC. Instead, it will be necessary for the supplier to subsequently re-join the GPF or Type 1 Device in order for its SMI Status also to be updated to ‘commissioned’.
91. There are DCC Alerts generated in appropriate circumstances to inform suppliers of changes in dual fuel installations, for example in circumstances where a shared Communication Hub Function is decommissioned. Consequently we are of the view that the information will exist for both suppliers at dual fuel premises to appropriately manage their Smart Metering Systems.
92. The fact that DCC Systems have not been developed to deliver this functionality was discussed at the Technical Specification Issue Resolution Sub-Group (TSIRS) and the proposal to remove the obligations on DCC in relation to updating the SMI Status of Devices following a change in the SMI Status of an Associated Device discussed. No material concerns over removing the requirement to provide this functionality were raised.

93. We have also made a minor change to Clause 3.1(b) of the IEWP to refer to Communications Hubs provided in accordance with the Communications Hub Service (rather than simply Section F6).

*Further Clarity on by when a supplier must ensure appropriate Device Security Credentials are placed on a Device*

94. Three respondents specifically commented upon our proposals to clarify this (although the comment on whether suppliers are limited to sending any Service Request in relation to a Device or just Device Service Requests is also relevant to this drafting). All agreed with the proposals, although one noted that suppliers will need to obtain Network Party Certificates prior to installation and that there was a potential issue if a Network Party has multiple certificates, suggesting that the principle of “installation certificates” should be used.
95. It should be noted that given the options available to suppliers it is not necessary for them to obtain Network Party Credentials prior to installing a Device. The table in Clause 3.2 of the IEWP sets out four different options for which Certificates may be used to populate the Network Operator trust Anchor Cells on a Device as it goes through the commissioning process. Clause 5.2(a) of the IEWP sets out the supplier obligations in relation to this. Where a Network Party has multiple Organisation Certificates we do not propose to specify which must be used by the supplier, although this does not prevent Network Parties and suppliers reaching an agreement on this matter outside the SEC.

**Summary of government conclusion and changes to the consultation legal draft**

We will make the proposed changes to Section H6.6 and the IEWP (attached at Annex H), with minor clarificatory changes to include Gas Proxy Function and to clarify that the constraints on sending Service Requests apply only to those that result in the sending of Commands to Devices (and hence not for example inventory queries relating to the Device).

**Final legal text affected**

SEC Section	Content
Section H6.6 And IEWP	Changes to remove the obligation on DCC to automatically update statuses removed as per consultation proposals. H6.6, IEWP Clause 4.8 deleted, other Clauses in section 4 renumbered, changes to the (renumbered) Clauses 4.9, 4.10, 4.13.
IEWP Clause 3.1	<p>Sub-clauses (a) and (b) updated to read as follows:</p> <p>3.1 Before:</p> <p style="padding-left: 40px;">(a) a Responsible Supplier sends a Service Request which may result in the sending of a Command to a Smart Meter, Gas Proxy Function or Type 1 Device; or</p> <p style="padding-left: 40px;">(b) the DCC delivers a Communications Hub (comprising a Communications Hub Function and a Gas Proxy Function) to a Party in accordance with the Communications Hub Service,</p>

## 8.6 Post Commissioning Reporting

### Summary of issue under consideration

In the February 2016 SEC Consultation we explained that one consequence that arises from the fact that change request CR110a V2 will not be fully implemented by DCC Live, is that DCC will not be able to meet certain obligations in relation to post-commissioning reporting set out in the IEWP. There are two aspects to this. First the nature of the information that DCC will have access to will be slightly more limited in relation to Devices that are Commissioned between DCC Live (Release 1.2) and Release 1.3. Second that that DCC will be unable to produce the various post-commissioning reports that are required of it under the IEWP until Release 1.3.

We proposed therefore to transitionally switch off these obligations until Release 1.3 (at which point DCC will be required to report on Devices that have been Commissioned in the meantime).

Question 32 of the Feb 2016 SEC consultation sought views on the proposal to change the reporting obligations on DCC in relation to Devices Commissioned between DCC Live and Release 1.3

### Government consideration of issue

96. Of the eight respondents that commented on these proposals, seven agreed with them, some with supplementary comments or questions and one on the proviso that the period between DCC Live and Release 1.3 was limited to a number of weeks. One respondent did not agree, stating that the commissioning functionality was related to security and stating that it was inappropriate for suppliers to be asked to install and commission meters but not be confident that they were secure. The principal points raised were:
- to note that Clauses 5.3 and 5.6(c) of the IEWP allow DCC to identify commissioned meters that have not had their Device Security Credentials updated within 7 days, seeking clarification on how this would be enforced;
  - whether DCC should be permanently exempt from ever analysing the responses between release DCC Live and Release 1.3;
  - whether the drafting in Clause 5.6(a) of the IEWP might need to be reordered.
97. We do not believe that, as a consequence of the proposals put forward, suppliers will be incapable of being confident that meters that they install and commission are secure. With the exception of the requirement to confirm that the correct Recovery Certificate has been used to populate the Device Security Credentials, all of the Post-Commissioning obligations relating to meters fall on suppliers. Suppliers will themselves receive Service Responses or Alerts indicating the success in carrying out these actions and there is therefore no reason why a supplier cannot satisfy itself that the meters it has installed and commissioned are secure. Furthermore, if concerned (and not willing to wait for the DCC reports from Release 1.3) a supplier can itself interrogate the credentials in the Recovery Trust Anchor and confirm that they correspond to those of the Recovery Certificate held within the SMKI Repository.
98. We have not included additional explicit enforcement provisions relating to failure to comply with the Post Commissioning Obligations. However instead the purpose of the DCC's reporting is to identify if those subject to these obligations have failed to meet

them. The failure of a Party to meet its Post Commissioning Obligations would constitute a SEC breach and potentially an Event of Default in relation to which the provisions of Section M would apply. Furthermore a breach of the SEC by DCC or a supplier would constitute a breach of their licence obligations to comply with the SEC and consequently enforcement action could also be taken by the Authority if appropriate in the circumstances.

99. We are requiring DCC to undertake an analysis of the responses in the period between DCC Live and Release 1.3, however the nature of the information collected by DCC in this period will be more limited primarily in that it will not be capable of determining whether the relevant Service Requests have been successfully executed, only that they have been processed by the Device (and not, for example failed DCC access control). The more detailed information in relation to Devices commissioned in the period between DCC Live and Release 1.3 will not be available to DCC after DCC Live and hence it would not be possible for a more detailed analysis to be undertaken until after Release 1.3. In short, DCC will be undertaking as much analysis as is possible under the present proposals with the data that it has collected.
100. Finally whilst it would be possible to reorder the wording in clause 5.6(a) of the IEWP we have reviewed it again and remain of the view that the current structure correctly conveys the meaning we intend.

#### **Summary of government conclusion and changes to the consultation legal draft**

We will amend the IEWP (attached at Annex H) as proposed in the consultation.

#### **Final legal text affected**

<b>SEC Section</b>	<b>Content</b>
<b>IEWP</b>	Clauses 5.3 and 5.6(c)

## 8.7 RDP IDs and DCC Reporting under Section E

### Summary of issue under consideration

In the February 2016 SEC Consultation, we noted that the DCC had confirmed that DCC systems would be able to accommodate only a single RDP ID per RDP and further that prior to the implementation of change request “CR110a V2” whether or not the DCC would be able to comply with such a request for information from the Panel under Section E1.4 or E1.5 would depend on the nature of the information requested by the Panel.

Rather than making minor transitional legal drafting changes in the period until Release 1.3, we proposed instead to rely upon RDPs and the Panel to work with DCC within the confines of its Systems Capability on a transitional basis.

Question 34 of the Feb 2016 SEC consultation sought views on this proposal.

### Government consideration of issue

101. Seven respondents commented on this proposal, all agreeing with it, although two questioned why a similar informal approach to restricting Users to a single User ID per User Role was not also being adopted.
102. We did consider adopting the same informal approach to applying the transitional restriction on User IDs however we thought that it would be prudent to be more explicit in this case, and hence to apply a transitional variation. There are two reasons for this; first the constraint is slightly more complex – in that Users are limited to a single User ID *per User Role*, with the additional complexity that a single User ID may be shared across any two or more of the roles of Import Supplier, Gas Supplier and Export Supplier; and second the number of would-be Users is significantly greater than the number of Registration Data Providers and hence additional communications issues may arise in relation to this.

### Summary of government conclusion and changes to the consultation legal draft

In light of the responses to the consultation we propose to continue to rely on RDPs and the Panel to work with DCC within the confines of its Systems Capability on a transitional basis in relation to these matters.

### Final legal text affected

SEC Section	Content
N/A	No legal changes

## 8.8 Miscellaneous Issues and Minor Amendments to Drafting

### Summary of Issue under Consideration

#### Indemnity for SEC Panel Members

Currently Section C3.12 of the SEC provides for Panel Members to be indemnified for actions taken against them, but C3.13 provides that this indemnity does not extend to actions arising as a result of them breaching the provisions of a contract. Although this section already provided protection in the event of negligence, it did not provide protection for breaches of contract. As those who serve on code bodies are routinely asked to sign a letter by which they agree to perform their duties in accordance with the SEC (which is in effect a contract), the provision of protection in the case of negligence, but not breach of contract, was not logical. An amendment was therefore proposed to C3.13, such that Panel Members will be indemnified for any such action. This change would bring the SEC in line with a number of the other industry codes – such as the BSC, section B2.9. Without this change, there is a risk that individuals are discouraged from serving on code bodies.

### Government Consideration of Issue

103. All those who responded on this subject agreed with the proposed amendments to the SEC, with a number reiterating that this was a necessary protection for Panel Members.

### Further Minor Amendments

104. We are also making a change to Section H8.15(c) to read as follows (changes underlined):
- (c) allows each User to access the information described in Section H8.16 as being accessible to that category of User (and also allows other Users to access that information to the extent permitted by the first User in accordance with the Self-Service Interface Design Specification).
105. DCC is currently consulting upon a change to the SSI Design Specification that would enable one User to access another User's data via the SSI should the appropriate permissions to do this be provided. This change to the SEC is therefore intended to provide the flexibility to enable such access arrangements, should it be concluded that the SSI Design Specification should contain them.
106. Additionally, we are making two minor changes that affect Sections L12.3 and L13.49 of the SEC which relate to the obligations of Relying Parties. One of these changes is clarificatory, in that it clarifies that the check that need to be undertaken by Relying Parties on any revocation list is to Check Cryptographic Protection of the list. The second is to correct an error since in the case of the IKI and ICA Certificates, only DCC is a Relying Party and, contrary to the existing text in L12.3(c)(i) and L12.3(d)(i), the associated Revocation Lists are not held in the SMKI Repository. We have therefore removed the text that implies that IKI CRL and ICA CRL are held in the SMKI Repository.
107. In the April 2016 SEC Conclusions Document, we concluded upon changes to Section L to permit SECCo to become a Subscriber for IKI Certificates in order to permit it to use these to Digitally Sign the Certified Products List. In order to become a Subscriber for IKI Certificates, SECCo needs to be issued with a Party Signifier. Whilst SECCo is a party to

the Framework Agreement it is not included within the definition of Party in the SEC. In order to allow SECCo to be allocated a Party Signifier for these purposes, we have added a new Section B1.22 to permit this and modified the definition of Party Signifier in Section A accordingly.

108. Finally, we have also amended Section X2.4(d) to enable the variations to provisions E2.1 and E2.2 (Responsibility for Providing Gas and Electricity Registration Data), and E2.3 (Obligation on DCC to Provide Data) to be cancelled at different points in time. The provisions require data to be sent between Registration Data Providers (RDPs) and the DCC, and are currently varied by X2.4 to require only a subset of data to be sent from RDPs to the DCC and on a monthly basis, and to relieve the DCC of its obligation to send data to RDPs. These variations will need to be cancelled upon the move to daily Registration Data files being sent to the DCC by the RDPs, and daily status files being sent by the DCC to RDPs. This change to X2.4 is to enable cancellation of the variations at different times, which provides the flexibility to enable the first provision of full registration data from the RDPs to the DCC, and the first provision of data from DCC to the RDPs, to take place on different days should this be required to support the detailed plan to get to DCC Live.

### Summary of Government Conclusion and Changes to the Consultation Legal Draft

The Government intends to implement the change to C3.13 as set out in the February 2016 SEC Consultation. The Government also intends to make the minor drafting changes to H8.15(c), L12.3, L13.40 and X2.4(d).

### Final Legal Text Affected

SEC Section	Content
C3.13	No change from text proposed in February 2016 SEC consultation.
H8.15(c)	Change to clarify that the SSI Interface Design Specification may include provisions permitting Users to authorise others to access their data on the SSI.
L12.3 and L13.49	Changes to clarify the checks to be performed on revocation lists.
Section A and new B1.22	Changes to permit SECCo to be issued with a Party Signifier.
X2.4(d)	Changes to enable different dates to be specified for daily Registration Data to be sent to the DCC and the DCC status file to be sent to the RDPs.

## 8.9 Changes to provide flexibility to accommodate changes arising during testing

### Summary of issue under consideration

The first versions of the SMKI Device Certificate Policy, SMKI Organisation Certificate Policy and SMKI Compliance Policy were incorporated into Appendices A, B and C of the SEC using the Secretary of State's powers under Section 88 of the Energy Act 2008 in 31 July 2014. We are proposing a mechanistic change to the SEC to remove these three documents from Appendices A, B and C of the SEC and then to immediately designate and incorporate new versions of the documents as SEC Subsidiary Documents (incorporating any changes that have been made in the meantime using Section X of the SEC that are to endure) under the process in Condition 22 of the DCC Licence/Section X5 of the SEC. This change will enable further enduring modifications to the documents to be managed through the re-designation process, as is the case for the large majority of SEC Subsidiary Documents, rather than Section 88.

Question 37 of the Feb 2016 SEC consultation sought views on the proposal to remove these documents from the SEC and to re-introduce them (including any enduring changes made using Section X) by designation under Condition 22/Section X5 of the SEC.

### Government consideration of issue

109. Nine respondents commented on this proposal, all agreeing with it. We will remove these annexes from the SEC using the Secretary of State's powers under Section 88 and to immediately re-introduce them pursuant to Condition 22 of the DCC Licence / Section X5 of the SEC when we do so.

### Summary of government conclusion and changes to the consultation legal draft

We will remove the Appendices A, B and C of the SEC as proposed in the consultation and reintroduce them as planned using X5 when we do.

### Final legal text affected

SEC Section	Content
Appendices A, B and C	Appendices removed



## 8.10 Test Communications Hubs

### Summary of Issue under Consideration

The Government proposed an amendment to the SEC definition of Test Communications Hub, to facilitate the provision of an “Instrumented Test Communications Hub”, which would allow test participants to better interrogate the messages that are being sent and received over the HAN and provide visibility of the activity of the Communications Hub. We noted that the DCC was undertaking an initial impact assessment relating to the provision of the Instrumented Test Communications Hub and noted that we were minded to introduce the amendment if this showed that DCC Live would not be impacted.

Question 38 of the Feb 2016 SEC consultation sought views on the proposal and legal drafting in relation to Test Communications Hubs

### Government Consideration of Issue

110. Nine stakeholders (energy suppliers and the DCC) responded to this question, with all but two (energy suppliers) agreeing with the proposed drafting, albeit with some caveats. Those with concerns felt that the SEC should explicitly require that the DCC provide Instrumented Communications Hub and describe the functionality it should contain (one respondent specifically asked for reassurance that defect triage would be supported). Others however felt that the general nature of the proposed provision was appropriate at this stage and that DCC should engage stakeholders separately to define user requirements outside of the SEC. Many stakeholders noted their desire to have the Instrumented Test Communications Hub available as soon as possible.
111. The DCC presented the conclusions of its initial impact assessment to the Technical and Business Design Group in March 2016. DCC noted that it was unlikely to be possible to provide an Instrumented Test Communications Hub before DCC Live, with the earliest delivery date likely to be in Q4 2016.
112. Based on the consultation responses received and discussions at the Technical and Business Design Group, the Government has concluded that the proposed amendment to the Test Communications Hub definition should be made. We consider that this amendment facilitates the provision of an Instrumented Test Communications Hub, and believe the definition is wide enough to allow DCC to provide Test Communications Hubs that support additional issue resolution and triage of defects. We note that the DCC and Users agree that the provision of such a tool is likely to be mutually beneficial.
113. The DCC has stated its intent to further consider when it will be able to provide the Instrumented Test Communications Hub and will continue to engage with Users via TDEG and TBDG. DCC has also agreed to use these groups to report and consider how triage of testing issues can be facilitated in advance of the Instrumented Test Communications Hub being available. If SEC Parties feel that further prescription is needed within the SEC they could raise a SEC modification proposal.

## Summary of Government Conclusion and Changes to the Consultation Legal Draft

We will make the proposed changes to the Test Communications Hub definition to facilitate the provision of an “Instrumented Test Communications Hub”, which would allow test participants to better interrogate the messages that are being sent and received over the HAN and provide visibility of the activity of the Communications Hub. The DCC has stated its intent to further consider when it will be able to provide the Instrumented Test Communications Hub and will continue to engage with Users via TDEG and TBDG.

## Final Legal Text Affected

SEC Section	Content
Section A	Change definition of Test Communications Hub as per consultation

## 9 Consistency and Consequential Changes

### 9.1 Consistent terminology on 'all reasonable steps'

#### Summary of Issue under Consideration

There are variations in the terminology used to place obligations on SEC Parties in the SEC and designated subsidiary documents. The terms 'reasonable steps' and 'reasonable endeavours' are both used for the same purpose. We consider these formulations to be identical in policy intent and legal meaning so we intend to amend the SEC to make the terminology consistent and more transparent as using different terms may imply a difference in meaning. We are replacing the term 'reasonable endeavours' with 'reasonable steps'.

In response to previous SEC consultations we have also received comments regarding the use of the term 'best endeavours' in several places in the SEC. We have considered alternative formulations, including similar terms used in licence conditions. However, we have decided that it is not appropriate to amend the SEC to replace the term 'best endeavours' because we do not consider any of the alternatives to have the same legal or policy meaning. As such, we are content that the term 'best endeavours' implements our policy intent appropriately.

Question 39 of the Feb 2016 SEC consultation sought views on the proposal and associated legal drafting to align the wording of obligations throughout the SEC

#### Government Consideration of Issue

114. We received seven responses on this issue. All respondents supported the proposal to align terminology in the SEC to improve consistency and clarity. Two large suppliers requested more clarity over what in practice the term 'reasonable steps' requires Parties to do to fulfil the obligation. We do not consider it appropriate to dictate what would meet a 'reasonable steps' obligation in each case. The term is used where we do not wish to be prescriptive over how the Party fulfils the obligation. 'Reasonable steps' is a standard term in energy codes and licences and therefore should be well understood by the industry. It is up to Parties to interpret the obligation and for Ofgem to determine on regulatory compliance.
115. One of these large suppliers also asked for clarification that we consider the terms 'reasonable endeavours' and 'reasonable steps' to be legally equivalent. Most respondents agreed with our analysis that the two terms are identical. We do consider the terms to be legally equivalent and are satisfied that it is appropriate to make the change to ensure consistency in the SEC. This change will be applied to all sections of the SEC, including subsidiary documents, that have been incorporated into the SEC.

#### Summary of Government Conclusion and Changes to the Consultation Legal Draft

We conclude on the policy outlined in the February 2016 SEC consultation, and will make the change to the main body sections of the SEC set out in the February 2016 consultation. We will make any necessary changes to Subsidiary Documents that have been incorporated into the SEC by re-designating them through a separate letter. Any remaining subsidiary

documents that are not incorporated into the SEC at this time will be updated before designation.

### Final Legal Text Affected

SEC Section	Content
Throughout the SEC and Subsidiary Documents	The phrases “reasonable endeavours” and “all reasonable endeavours” are replaced with “reasonable steps” or “all reasonable steps” respectively.

## 9.2 Incident Management Policy

### Summary of Issue under Consideration

Previously, the SEC required that the DCC produce three subsidiary documents associated with the handling of Incidents: the Incident Management Policy (IMP), the Registration Incident Management Policy (RDIMP) and the Error Handling Strategy (EHS).

In 2014, the DCC carried out two consultations<sup>11</sup> on these SEC subsidiary documents as required by the SEC, culminating with submission of drafts of all three documents to the Secretary of State on 18 December 2014<sup>12 13 14</sup>.

The December 2015 SEC Conclusion<sup>15</sup> stated that structural changes should be made to this document set. Firstly, the RDIMP has been deleted from the SEC and the contents of the RDIMP merged into the IMP. Secondly, the EHS has been deleted from the SEC and requirements added to the IMP for the DCC to establish and manage changes to the EHS as Self-Help material.

Question 40 of the Feb 2016 SEC consultation sought views on the proposed changes to the Incident Management Policy which sets out the approach to the EHS.

### Government Consideration of Issue

116. All respondents to Question 40 agreed to the changes proposed to the IMP.

### Summary of Government Conclusion and Changes to the Consultation Legal Draft

All respondents agreed to the changes to the Incident Management Policy. We consider the proposed drafting of the SEC Subsidiary Document to be appropriate.

The IMP is attached at Annex F to this document. It is our intention that the IMP will be Designated into the SEC prior to DCC live. The date for Designation together with the finalised IMP will be consulted on prior to DCC Live.

### Final Legal Text Affected

SEC Section	Content
Incident Management Policy	Section 4 5.1.5 (see Question 28)

<sup>11</sup> DCC Service Management Subsidiary Document consultations can be found at <https://www.smartdcc.co.uk/consultations/dcc-consultations/service-management-november-2014/>

<sup>12</sup> Draft Incident Management Policy submitted to SoS can be found at [https://www.smartdcc.co.uk/media/208512/draft\\_ssd\\_incident\\_management\\_policy\\_december\\_2014.pdf](https://www.smartdcc.co.uk/media/208512/draft_ssd_incident_management_policy_december_2014.pdf)

<sup>13</sup> Draft Registration Data Incident Management Policy submitted to SoS can be found at [https://www.smartdcc.co.uk/media/208674/draft\\_ssd\\_registration\\_data\\_incident\\_management\\_policy\\_december\\_2014.pdf](https://www.smartdcc.co.uk/media/208674/draft_ssd_registration_data_incident_management_policy_december_2014.pdf)

<sup>14</sup> Draft Error Handling Strategy submitted to SoS can be found at [https://www.smartdcc.co.uk/media/208664/draft\\_ssd\\_error\\_handling\\_strategy\\_december\\_2014.pdf](https://www.smartdcc.co.uk/media/208664/draft_ssd_error_handling_strategy_december_2014.pdf)

<sup>15</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/484710/15\\_11\\_26\\_December\\_2015\\_SEC\\_Government\\_Response\\_final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484710/15_11_26_December_2015_SEC_Government_Response_final.pdf)

# 10 Glossary

This section provides a glossary of the principal terms used in this document.

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 this response document.

## **Alert**

A message from a Device or from DCC and sent as a DCC Alert or a Device Alert 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 (defined in Section A of 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 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, currently 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 currently 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 (defined in Section A of 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**

The SEC Subsidiary Document summarising the services available to Users across the User Interface and specifying a number of other matters such as eligibility to receive those services.

### **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 Device; (f) a HAN Controlled 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 (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 DCC 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.

### **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 Communication 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 Device 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 acceded to the SEC Framework Agreement.

### **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 SEC, 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 modification process.

### **Service Request**

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

### **Service Response**

A message sent from DCC to a DCC User over the User Interface (and in a form set out in the DCC User Interface Services Schedule) 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 or other PKI Services; and
- any other Systems from which the Systems used for the above are not Separated.

# Annex A: Responses Received

Responses to the February 2016 SEC Consultation were received from the following organisations:

<b>DCC</b>	<b>SSE</b>
<b>British Gas</b>	<b>EDF Energy</b>
<b>UK Power Networks</b>	<b>e-on</b>
<b>Npower</b>	<b>Scottish Power</b>
<b>Ofgem</b>	<b>BEAMA</b>
<b>SEC Panel</b>	<b>CMAP</b>
<b>Energy UK</b>	<b>SMDA</b>
<b>First Utility</b>	<b>Haven Power</b>
<b>Utilita</b>	<b>European Copper Institute and Waide Strategic Efficiency Ltd</b>

## Annex B: Consultation questions responded to in this document

<b>Early Roll-Out Obligation</b>	
Q1	Do you agree that the proposed legal drafting implements the policy to introduce an Early Rollout Obligation on large suppliers by 17 February 2017? Please provide a rationale for your views.
<b>DCC User Mandate</b>	
Q2	Do you agree that the proposed legal drafting implements the policy to introduce an obligation for domestic energy suppliers to become DCC users by 17 August 2017 and for new entrants to become a DCC User before supplying gas or electricity? If you disagree please provide a rationale for your views.
Q3	Do you agree that the proposed legal drafting implements the policy to introduce an obligation for DNOs to become DCC users by 28 April 2017? If you disagree please provide a rationale for your views.
<b>Special Installation Mesh Communications Hubs</b>	
Q4	Do you agree with the proposal and associated legal drafting to reflect matters related to the installation and maintenance of Special Installation Mesh Communications Hubs in the SEC? Please provide a rationale for your views.
<b>Network Enhancement Plans</b>	
Q5	Do you agree with the proposal and associated legal drafting to reflect matters related to Network Enhancement Plans in the SEC? Please provide a rationale for your views.
<b>User to non-User churn</b>	
Q6	Do you agree with our approach that no changes are required to the Supply Licence Conditions as a result of churn of SMETS2 SMSs from DCC Users to non-DCC Users?
<b>Enduring Change of Supplier</b>	
Q7	Do you agree with the 'minded to' position to align the start of the feasibility and design of the ECoS process with the Blueprint phase of CRS with the aim of linking the design and build of the ECoS system with CRS development? Please provide a rationale for your views.

Q8	Do you agree with the 'minded to' proposal for suppliers to take reasonable steps' to start to use ECoS from the point at which it becomes available? Please provide a rationale for your views.
Q9	Do you agree with the principle of suppliers completing the move to ECoS within 6 months of the end of roll out i.e. 2020 or earlier? Please provide a rationale for your views.
Q10	Do you agree with the proposal for DECC to establish an industry working group under the transitional arrangements that will subsequently transfer to industry at a point to be agreed as part of the wider transitional arrangements? Please provide a rationale for your views.

### DCC Additional Support

Q11	Do you agree with the proposal to extend the scope of H14.33 to allow the DCC to also provide Testing Participants with assistance with issues related to User Systems and Devices and allowing this assistance to be provided during or after testing?
Q12	Do you have any views on how Additional Support services should be charged for?

### SEC Panel and DCC Live Criteria Assessment

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

Q21	Do you agree with the proposed approach and legal drafting that seeks to ensure that only disputes associated directly with the issue of compliance with Section G are determined by us, with other disputes following the "normal" path for resolution?
Q22	In relation to the need for DCC to test and monitor the security of Cryptographic Credential Tokens, do you agree with the proposed approach and legal drafting?
Q23	In relation to the removal of Manufacturer Release Notes from the CPL and the associated requirements for secure storage, do you agree with the proposed approach and legal drafting?
Q24	In relation to the inclusion of systems used to generate a UTRN within the scope of the User System, do you agree with the proposed approach and legal drafting?

### Privacy and Explicit Consent

Q25	Do you agree with the proposal to include a definition of Explicit Consent and do you have any comments on the proposed drafting? Please provide a
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	rationale for your views.
<b>Changes to Section H (DCC Services)</b>	
Q26	Do you agree with the proposal and associated legal drafting to consult with Parties and Registration Data Providers prior to changes to DCC Internal Systems or the Release Management Strategy? Please provide a rationale for your views.
Q27	Do you agree with the proposed change to remove the requirement on RDPs to raise an Incident where the issue can be resolved by the transmission of an unsolicited registration data refresh file? Please provide a rationale for your views.
Q28	Do you agree with the proposals and associated legal drafting to the recovery and data loss obligations in regard to a Disaster? Please provide a rationale for your views.
<b>Rectifying Errors in Relation to Device Credentials</b>	
Q29	Do you agree with the proposal to clarify that Users are permitted to send the relevant Service Requests? Please provide a rationale for your views.
<b>Status of Associated Devices</b>	
Q31	Do you agree with the proposals to remove the requirement for DCC to modify the SMI Status of a Device in circumstances where the status of a Device with which is associated changes, and to clarify by when suppliers must ensure that the appropriate Device Security Credentials are placed on a Device? Please provide a rationale for your views.
<b>Post Commissioning Reporting</b>	
Q32	Do you agree with the proposal to change the reporting obligations on DCC in relation to Devices Commissioned between DCC Live and Release 1.3? Please provide a rationale for your views.
<b>RDP IDs and DCC Reporting under Section E</b>	
Q34	Do you agree with the proposal not to make transitional changes to the SEC to deal with these matters and instead to rely upon RDPs and the Panel to work with DCC within the confines of its Systems Capability on a transitional basis?
<b>Miscellaneous Issues and Minor Amendments to Drafting</b>	
Q35	Do you agree with the proposal legal drafting amendment to C3.13? Please provide a rationale for your view.
<b>Changes to provide flexibility to accommodate changes arising during testing</b>	
Q37	Do you agree with the proposal to remove these documents from the SEC

and to re-introduce them (including any enduring changes made using Section X) by designation under Condition 22/Section X5 of the SEC?

### Test Communications Hubs

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

### Consistent terminology on “all reasonable steps”

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

### Incident Management Policy

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



## Annex C: SEC Legal Text

The associated SEC legal drafting will be published separately alongside this document.

## Annex D: Supply Licence Conditions Text (both Gas and Electricity Supply Licence Conditions)

The associated Supply Licence legal drafting will be published separately alongside this document.

## Annex E: Electricity Distribution Licence Text

The associated Electricity Distribution Licence legal drafting is published separately alongside this document.

## Annex F: Incident Management Policy Text

The Incident Management Policy legal drafting is published separately alongside this document.

## Annex G: Certified Products List Requirements Document Text

The Certified Products List (CPL) Requirements Document legal drafting is published separately alongside this document.

## Annex H: Inventory Enrolment and Withdrawal Procedures Text

The IEWP Document legal drafting is published separately alongside this document.

## Annex I: Initial Government Response to the February 2016 SEC Consultation

The initial Government response (published in April 2016) to the February 2016 SEC Consultation is published separately alongside this document.

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