



DECC Consultation - Smart Metering Implementation Programme A
Consultation on New Smart Energy Code Content (Stage 3)

Response from E.ON

General Comments

We welcome the development of the 3rd Stage of the Smart Energy Code (SEC) and in particular the clarity that this brings with regard to the future security requirements that will be needed for smart meters.

In general these seem appropriate and in line with the recommendations from the expert groups that have been working on this issue.

We do have some specific concerns with the proposals. These include the proposed governance arrangements for the SMKI Policy Management Authority (PMA), the approach for opted out Suppliers and the suggestion for only 1 large supplier to need complete SMKI testing. We have some suggested amendments to detailed text proposed for the SEC. We elaborate further on these concerns in the specific responses to the consultation questions.

We have consistently been opposed to the ability for metering operator agents (MOP) to have direct access to the DCC. This we believe undermines the Supplier Hub principle, creates complexity and is not necessary as in all instances the metering agent will have a commercial arrangement with a Supply company.

This view would appear to be vindicated by the issues raised in the development of the security model and the DCC User Gateway proposals that are detailed in the consultation.

It remains our view therefore that the provision for MOP access to DCC Services through the SEC should be removed and that these agents should rely on their commercial arrangements with Suppliers to access any relevant information that they need.

In our previous responses regarding DCC testing requirements we outlined our concerns that these did not include any aspects of volume testing. We note that this has been mirrored in the proposed SEC obligations for the DCC. We understand the DCC will have contractual service levels to deliver to and that it is therefore in their interests to ensure that their systems are capable of managing suitable volumes of data transfer. We remain concerned however that not testing of this capability may increase the future risk for Users of the DCC services.



The Stage 3 proposals for the SEC include an amendment to the DCC testing requirements, introduced in Stage 2, regarding the availability of physical communications hub being a pre-request for the completion of the SIT phase of testing. This implies that this phase of testing will now be completed using test stubs.

Whilst we would not wish to see the introduction of the DCC delayed in anyway this does increase risks for the Suppliers involved in the next phase of end to end testing. This phase will now include the use of actual communication hub equipment for the first time and any problems that materialise may result in this phase of the project being delayed.

This may be attractive from the perspective of the DCC as it hastens the introduction of the next level in their funding recovery. However from a Suppliers perspective it appears to increase risk without clearly demonstrating that DCC delivery will be ensured. Clarity and agreement on this issue we believe should be resolved via the Implementation Managers Forum (IMF) before any changes are made to the SEC.

Answers to consultation questions:

Question 1: Do you agree with our proposed approach and text for the SEC with respect to the Policy Management Authority?

No, we do not believe that there is a need for both the Policy Management Authority (PMA) and the Security Sub-Committee. Whilst these may appear to have different functions, specialist security versus policy, the knowledge and skills involved are likely to be the same. The same people may therefore be able to carry out the roles on both groups in a similar way to that applied in the existing Transitional Governance security groups.

We note that both groups are proposed to include a number of salaried roles. We would question whether a paid independent chair is required as a suitable candidate maybe available from the members of the group.

By consolidating the groups and reducing the dependence on paid experts it should help reduce the overall costs for the administration of the SEC for the benefit of both industry and consumers.

The detailed structure for the PMA seems reasonable as does its remit and rules around quoracy.

The Chair is the only role proposed to be able to nominate an Alternate Member. We do not believe this was the intention and that all members of the Group should be able and



encouraged to nominate Alternate Members, for clarity these need not be from the Members own organisation but should be from the appropriate Membership Category.

We do not agree with the proposed powers for the PMA and individual PMA members to have the right to raise changes to the SEC.

With at least 3 members of the PMA derived from signatories to the SEC it should not be difficult for the group collectively, or specific individuals on it, to find a party willing to sponsor any proposed change. This approach would ensure that members of the PMA engage appropriately with parties to the SEC and consider the wider implications of any changes.

Should it still be considered appropriate for the PMA to be able to raise changes to the SEC then we believe that this should be explicitly limited to the SMKI SEC Documents. Inclusion of L9.4 (c) and (d) creates potential ambiguity as to the scope that the group may have. It is not clear from the proposed SEC arrangements as to who would have oversight and enforcement of the actions that the PMA may take and we therefore suggest that these 2 clauses are removed.

Question 2: Do you agree with our proposed approach to securing the timely appointment of PMA members?

Yes, however, as Clause L1.6b would require all Supplier members to retire at the same time there is a risk that issues may arise in the transition from one set of members to the next. For continuity purposes we would propose that 1 large supplier retires at the end of the first year, 1 large supplier retires after 2 years and that the small supplier retires after 3 years. After the initial retirements all posts could then be allocated for two year periods to ensure that the transition of members of the group is phased.

Question 3: Do you agree with our proposed approach and text for the SEC with respect of provision of the SMKI Service?

Yes

Question 4: Do you agree with our proposed approach and text for the SEC with respect to SMKI Assurance?

Yes, however the Emergency Suspension of SMKI Services should be at the direction of the SEC Panel and not the PMA Group.



Question 5: Do you agree with our proposed approach and text for the SEC with respect to the Device Certificate Policy?

Yes, although we note that the DCC can be both an eligible subscriber and the issuing authority.

Question 6: Do you agree with our proposed approach and text for the SEC with respect to the Organisation Certificate Policy?

Yes.

Question 7: Do you agree with our proposed approach to parties using SMKI service, including by Opted Out Non-Domestic Suppliers?

No, we do not believe that there is a satisfactory approach to Opted Out parties in relation to the SMKI Service. However, this should be part of a wider discussion on the Opt-Out process which from a security perspective would include the Change of Supplier process and the exchange of public keys.

Question 8: Do you agree with our proposed approach for the SEC with respect to Liabilities, Warranties and Indemnities?

Yes, the proposals seem reasonable and in line with approach taken for other issues within the SEC.

Question 9: Do you agree with our proposed approach and text for the SEC with respect to the SMKI repository?

Yes

Question 10: Do you agree with our proposed approach and text for the SEC with respect to SMKI Recovery Process?

Yes

Question 11: Do you agree with our proposed approach and text for the SEC with respect to SMKI and Repository Testing?

Yes

Question 12: Where appropriate, when do you consider your organisation will first need to obtain live Device and Organisation certificates to be placed on Devices ordered by manufacturers?



Our preference would be for live devices

Question 13: Do you agree that Large Supplier Parties should be obliged under the SEC to be ready to participate in SMKI and Repository Testing?

Yes, all Large Supplier parties should be required, but we suggest that this may be staggered so as not to slow the pace of testing to the pace of the slowest.

Question 14: Do you agree that it is sufficient for only one large Supplier to complete SMKI and repository testing for the SMKI Service and repository to have been proved?

No, this should be a minimum of two large Suppliers and two different manufacturers of equipment

Question 15: Do you agree that the SMKI entry processes should be aligned with the User Entry Process Testing in relation to the DCC User Gateway and Self Service Interface?

Yes

Question 16: Do you agree with our proposed approach and text for the SEC with respect to the Location of System Controls?

Yes, this should be within Great Britain

Question 17: Do you agree with our proposed approach and text for the SEC with respect to the Obligations for Cryptographic Material?

Yes

Question 18: Do you think that it is important that MOPs/MAMs are able to access DCC services directly?

No, MOPs/MAMs will be working on behalf of Suppliers and therefore will have commercial arrangements in place with entities that are party to the SEC and will have access to the DCC. It is therefore feasible for all relevant communication to be routed from the MOPs/MAMs via the Supplier and to the DCC. Therefore there is no absolute need for MOPs/MAMs to access the DCC directly.

Question 19: Do you have any views on the possible options identified for MOPs/MAMs to access DCC services?

Options 1 and 2 seem feasible and are already mostly catered for in the arrangements set out in the SEC.



We favour Option 1 as we believe that this is the least costly option for the industry, requires the least change and keeps the principle of the 'Supplier Hub' intact.

We understand Option 3 as presented in consultation but have a number of outstanding questions regarding this model that we believe would need to be resolved before we could support its adoption. Examples of these include, providing access to MOPs/MAMs as other users will imply consent from customer how is it envisaged that this would be validated?, we assume that all the rights/obligations upon parties to the SEC will required of the MOPs/MAMs, has the costs for this been considered? We suggest that this Option needs to be considered in much more detail before it is agreed to.

Question 20: Are there other options which should be considered for MOPs/MAMs to access DCC services?

No, the options considered in the consultation seem reasonable and we favour Option 1.

Question 21: Do you agree with our proposed text for the SEC with respects to Test Phasing, consistent with our decisions on testing arrangements detailed in our recent consultation response?

Yes, although we continue to have concerns regarding the lack of volume testing by the DCC. We note that this has been mirrored in the proposed SEC obligations for the DCC. We understand the DCC will have contractual service levels to deliver to and that it is therefore in their interests to ensure that their systems are capable of managing suitable volumes of data transfer. We remain concerned however that not testing of this capability may increase the future risk for Users of the DCC services.

The Stage 3 proposals for the SEC include an amendment to the DCC testing requirements, introduced in Stage 2, regarding the availability of physical communications hub being a pre-request for the completion of the SIT phase of testing. This implies that this phase of testing will now be completed using test stubs.

Whilst we would not wish to see the introduction of the DCC delayed in anyway this does increase risks for the Suppliers involved in the next phase of end to end testing. This phase will now include the use of actual communication hub equipment for the first time and any problems that materialise may result in this phase of the project being delayed.

This may be attractive from the perspective of the DCC as it hastens the introduction of the next level in their funding recovery. However from a Suppliers perspective it appears to increase risk without clearly demonstrating that DCC delivery will be ensured. Clarity and



agreement on this issue we believe should be resolved via the Implementation Managers Forum (IMF) before any changes are made to the SEC.

Question 22: Do you agree that the term 'Enduring Testing' should be used to encompass both the End-to-End and Enduring Test stages in order to assist comprehension and simplicity?

No, Enduring Testing is a confusing terminology and can mean 1 of three testing phases. Each phase should be clearly defined to avoid confusion?

Question 23: Do you agree with the proposed approach to include the Projected Operational Service Levels within the SEC?

Yes, we agree that this would provide certainty to DCC Users and would provide an enduring robust governance regime for manage any future potential changes.

Question 24: Do you agree with the need for an issue resolution process in testing?

Yes

Question 25: Do you agree with our proposed text for the SEC with respect to Issue Resolution?

Yes

Question 26: Do you agree with our proposed text for the SEC with respect to Equipment Testing, and configuration of enrolled Smart Metering Systems?

A mechanism is required for Suppliers to be able to identify that the correct Firmware version has been applied by the previous Supplier.

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OTHER CLAUSE SPECIFIC COMMENTS:

H9.1 add after (b) a new subsection: "Classification of Incident e.g. IT Failure (DSP) Comms Failure (CSP) or Security Incident."

H9.1(e) after "identification" add the words " and notification"

H9.1(e) at the end of the sentence add timescales for notification to interested persons

L8.1 (a) We believe that this should be actioned within 1 second rather than 30 seconds

L8.7 We would question the need for this requirement as it may lead to Suppliers forecasting particularly high numbers, the details for this should be available to the DCC from other sources.

L2.5 This should also trigger the incident management process.