

Ian Anthony
Head of Regulation
DECC Smart Metering



14 February 2014

By email

Dear Ian

British Gas is pleased to contribute to the next stage in development of the Smart Energy Code. Appended to this letter is our response to the questions you have set out as part of the SEC 3 consultation.

British Gas has no significant concerns the SEC 3 drafting proposals. However, specifically in relation to the SMKI proposals, we must caveat our response given the amount of outstanding documentation that is not yet visible to us. For this reason, we must reserve judgment to an extent until all supporting artefacts are available, and our obligations are completely clear.

Similarly, there are many artefacts that are to be produced in the future by either DECC or the DCC, with some artefacts becoming part of the SEC and others not. Timing and ordering could also be problematic. By releasing documents in stages, there is a risk that the architecture doesn't hang together in an end-to-end manner.

Because it is so critical and potentially so complex, strong co-ordination is needed across the different organisations and artefacts to bring together a coherent SMKI policy and solution. It may be valuable to carry out a final end-to-end review, providing a further descriptive output to industry, once the document set is complete. This could provide some useful additional context to parties entering the testing phase.

Lastly, and perhaps owing to weighting towards DCC obligations in SMKI, the timeline for the delivery of DCC User-related artefacts and detailed obligations is a little vague. There is mention of the DCC producing some artefacts, and also mention of some SEC 4 activity in this area. We think DECC's consultation response would benefit from a timeline (for example in the form of a GANNT chart) showing what is happening, by way of artefact release against the industry published milestones / phases, with a product description for each artefact.

We support your recognition that SEC's approach to Supplier Nominated Agents needs updating; but we urge you to maintain a degree of flexibility for parties now and in the future. There is a risk of going from one extreme to the other if Option 3 is implemented.

The legal drafting setting out the DCC's testing approach is in line with our expectations and the slight amendments to the approach and terminology look sensible to us.

Please contact me or David Speake if you have any questions in relation to this consultation response.

Yours sincerely

Appendix

Responses to consultation questions

3.2: SMKI Policy Management Authority

Q1

Do you agree with our proposed approach and text for the SEC with respect to the Policy Management Authority? Please provide a rationale for your views.

In principle, we agree with the proposals.

It is important that to ensure that the PMA's response to perceived threat is proportionate. This must be a focus when considering the finer detail around how the PMA enacts its extensive powers, and the situations in which emergency powers are invoked (for example, prior notification to affected parties). Will risk assessments be carried out; and in the event of suspension will all SEC Parties be notified as they can be in an event of default?

Q2

Do you agree with our proposed approach to securing the timely appointment of PMA members? Please provide a rationale for your views.

Yes in principle. We agree that it is important to have the PMA in place before the relevant SEC provisions go live, and will support the SEC Panel where needed.

3.3: The SMKI Service

Q3

Do you agree with our proposed approach and text for the SEC with respect to provision of the SMKI Service? Please provide a rationale for your views.

Yes in principle. We will be seeking further clarity on whether this has the potential to impact commissioning, and whether there is a limit to the number of batches that a User can submit per day.

3.4: SMKI Assurance

Q4

Do you agree with our proposed approach and text for the SEC with respect to SMKI Assurance? Please provide a rationale for your views.

Yes, in principle. We are interested to understand whether the suggested 'ad hoc requirements' placed on us by the SMKI Compliance Policy will be specific new requirements, or just a high-level requirement to co-operate with the Auditors. We are being asked to agree compliance with a policy that does not exist yet.

The Compliance Policy will include the PMA's approach to "ad hoc assessment of other SMKI Participants". We are not clear as to the nature or reason for these ad hoc assessments. Is this intended for new Users, or as a reactive assessment of current SMKI Participants?

3.5: Certificate Policies

Q5

Do you agree with our proposed approach and text for the SEC with respect to the Device Certificate Policy? Please provide a rationale for your views.

Yes.

Q6

Do you agree with our proposed approach and text for the SEC with respect to the Organisation Certificate Policy? Please provide a rationale for your views.

In our experience, there is huge complexity and rigour around re-certifying organisation certificates especially on millions of meters. What is the rationale for the 3 year expiry of the organisation certificate?

We recognise the need to extend access to Device Certificates for devices outside of the DCC, assuming it is in fact possible or practical to operate SMETS 2 meters apart from the DCC. This is a complex area and it seems to us that there are significant impediments to operating a SMETS 2 meter outside of DCC. If this is indeed the case, we see no merit in building complex processes to permit this if the economic route will always be to opt-in, or remain opted-in.

There must be no relaxation of security provisions under any circumstance. Accepting this principle, the market will determine behaviour in relation to opting out. That said this is an area that needs urgent additional consideration and engagement with impacted parties.

3.6: Using the SMKI Service

Q7

Do you agree with our proposed approach to parties using the SMKI service, including by Opted Out Non-Domestic Suppliers? Please give a rationale for your views.

We recommend delaying a decision in this area until further engagement has taken place with impacted parties. At the moment it is not clear to us how any supplier can operate an opted-out SMETS 2 meter, unless in dumb mode. We need more information before we are able support DECC's position on this.

Q8

Do you agree with our proposed approach for the SEC with respect to Liabilities, Warranties and Indemnities? Please provide a rationale for your views.

Yes, as a starting point. When considering the eventual drafting reflecting this approach, we will be most interested to understand the mechanism for passing on liabilities on Change of Supply, and giving warranties when generating new meter certifications for meters that we have inherited rather than installed.

3.7: Providing the SMKI Repository

Q9

Do you agree with our proposed approach and text for the SEC with respect to the SMKI Repository? Please provide a rationale for your views.

Yes, in principle. We assume further information will be contained elsewhere to tell us about redundancy and arrangements if the repository is unavailable.

3.8: SMKI Recovery Processes

Q10

Do you agree with our proposed approach and text for the SEC with respect to SMKI Recovery Processes? Please provide a rationale for your views.

Yes, although we await the technical detail of the recovery processes and our responsibilities in a recovery situation. Is the intention that DCC Users define their own recovery processes, or will our responsibilities be to comply with those defined by DCC?

3.9: SMKI Testing

Q11

Do you agree with our proposed approach and text for the SEC with respect to SMKI and Repository Testing? Please provide a rationale for your views.

The proposed approach seems acceptable, but raises a number of questions. Whilst the consultation makes it clear that the approach closely mirrors that for system testing, a short description of scope would be helpful. For example, will SMKI testing cover the full installation process, in particular the need to re-generate the private key at installation (and consequently generate a new certificate) – as per SEC H5.27?

In terms of lead times for live certificates, for low volumes and trial equipment we would expect a lead time of one month, extending to three once install rates increase.

Q12

Where appropriate, when do you consider your organisation will first need to obtain live Device and Organisation certificates to be placed on Devices ordered from manufacturers? This will help to determine when the SMKI Service and SMKI Repository should Go Live. Please provide a rationale for your views.

We expect we will first require live Device and Organisation certificates to allow low volume manufacture to complete for DCC go-live, perhaps along the same timescales as above – in the region of one to three months in advance of DCC go live.

Q13

Do you agree that Large Supplier Parties should be obliged under the SEC to be ready to participate in SMKI and Repository Testing? Please provide a rationale for your views.

Yes. This is consistent with the approach for other areas of testing, and it is appropriate to seek to minimise delay by seeking to ensure that larger suppliers align their own builds with the DCC test regime.

Q14

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? Please provide a rationale for your views.

No, we would prefer a minimum of two. We think it would be prudent to have at least two pass these tests before the stage is considered complete - particularly in light of the obligation for all large suppliers to be ready to participate in this stage. So there is only minimal risk of delay owing to supplier readiness, which is outweighed by the additional comfort gained by more than one supplier succeeding in this important process.

Q15

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? Please provide a rationale for your views.

Yes. The process described in the consultation makes sense to us.

3.10: Other Security Requirements

Q16

Do you agree with our proposed approach and text for the SEC with respect to the Location of System Controls? Please provide a rationale for your views.

Yes. We can support this given that the definition of User Systems is now sufficiently clear.

Q17

Do you agree with our proposed approach and text for the SEC with respect to the Obligations for Cryptographic Material? Please provide a rationale for your views.

We understand the need for a level of pragmatism with regard to the systems of smaller DCC User Parties. However we are not sufficiently clear on the controls that will be put in place to minimise risk of compromise, and whether there will be a need for an iterative appraisal as customer numbers or DCC interactions grow over time. Who will assess the

controls proposed by small suppliers and decide whether they are appropriate? And who will bear the cost of this additional effort?

4: Supplier Nominated Agents

Q18

Do you think that it is important that MOPs / MAMs are able to access DCC services directly? Please provide a rationale for your views.

Whilst it is not essential that MOPs and MAMs are able to access DCC services directly, we can see the rationale for permitting them to do so in certain circumstances. It is important that market participants are able to maximise rollout efficiency, whatever their preferred route. We do not object to a wider usage by SNAs of DCC services where appropriate, as long as the following principles can be met:

- no adverse impact on quality of DCC service;
- no adverse impact on DCC service development and delivery timescales;
- no unfair commercial advantage available to individual parties; and
- no de-prioritisation by DCC of supplier testing activity.

We also think that an extended ability to operate directly through DCC may be beneficial for future smart PEMS arrangements, either through the current provider, or with other third parties.

Q19

Do you have any views on the possible options identified for MOPs / MAMs to access DCC services? Please provide a rationale for your views.

Becoming a DCC User has clear advantages for MOPs and MAMs. But it is not without cost. For some, passing user entry processes will be a significant investment in time and money. With this in mind, it seems right to strike a balance between allowing these parties access to asset inventory information and diagnostics for a particular meter, and permitting the use of extended services for multiple meters with no allotted supplier.

Option 2 strikes this balance well, and will allow MOPs and MAMs the flexibility to operate their chosen business models without incurring undue cost. It is our preferred option of the three proposed.

Option 1 would not seem to overcome the limitations described in the consultation documents.

Option 3 is potentially simpler in legal drafting terms but is an 'all or nothing' approach that may be inappropriate for smaller MOPs or new entrants working initially with a single supplier partner.

Q20

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

We have no further options to propose.

5.1: Testing Phases

Q21

Do you agree with our proposed text for the SEC with respect to Test Phasing, consistent with our decisions on testing arrangements detailed in our recent consultation response? Please provide a rationale for your views.

Yes. This is consistent with our understanding of the proposed testing phases.

Q22

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? Would the consequential removal of the terms 'End-to-End Testing' and 'User Integration Testing' cause confusion or be undesirable, such that we should reinstate this terminology? Please provide a rationale for your views.

Yes. Both stages deliver the same outcomes and are adjacent to each other.

Q23

Do you agree with the proposed approach to include the Projected Operational Service Levels within the SEC? Please provide a rationale for your views.

Yes, we agree with the proposed approach.

5.2: Issue Resolution during Testing

Q24

Do you agree with the need for an issue resolution process in testing? Does the proposed process meet that need? Please provide a rationale for your views.

We remain unconvinced that there is a need to go the service providers directly with testing issues. This is not reflective of the contractual structure and is inconsistent with other arrangements in SEC. We believe it will still be possible to escalate an issue with DCC where necessary, and think that this direct link to service providers may be confusing for smaller parties and distracting for the CSP and DSP.

We would also be interested to see more detail from DCC on what is classed as a defect as opposed to an issue, and expect this to be presented in the relevant test approach documentation.

Q25

Do you agree with our proposed text for the SEC with respect to Issue Resolution? Please provide a rationale for your views.

We agree broadly, although we would note that some smaller parties may find it more convenient to route their issues through DCC rather than approaching the service provider directly. We would expect this approach to be kept under review and open to changes, depending on the DSP's performance, availability and approachability.

6.1: Smart Metering System Requirements

Q26

Do you agree with our proposed text for the SEC with respect to Equipment Testing, and configuration of enrolled Smart Metering Systems? Please provide a rationale for your views.

Yes, in principle. Does DECC have a view on who will determine what is deemed to be good industry practice, in the case of liability for physical damage? Will this be another role for the SEC Panel?

The description of suspension of devices for which the CPA certification has expired suggests notification to affected parties after the event. Would it be preferable to oblige DCC to notify some time in advance? Given the commercial incentive for the supplier to rectify, this might have the effect of limiting the additional work for the DCC associated with large numbers of suspended devices (e.g. clearing down future dated commands). Because we will be notifying in batches, this would also minimise the risk of impact to large numbers of devices at once.