



Response to DECC; Smart Energy Code Stage 4 and consequential / associated changes to licence conditions

General Comments

We are comfortable with the majority of the proposals within this consultation. We are pleased that arrangements for the enrolment and adoption of meters is being formalised in the SEC as previously consulted upon.

We do not agree with the proposals for accepting orders and returning communication hubs. The 5 days proposed to accept an order will not provide enough time for us to carry out quality assurance checks on the product received and we request that this is extended to 10. Also when returning communication hubs our foundation experience has proven that a short time spent carrying out assessment of the return of assets from the field reduces the overall number of "faulty" hubs. We believe these two areas combined will limit the number of potential rejected products and improve overall efficiency for the rollout for our customers.

We are also concerned that there appears to be no obligation in the drafting for the DCC to provide an accurate Wide Area Network (WAN) coverage checker facility. This is important to enable suppliers to accurately forecast deployment volumes and orders for communications hubs. We would struggle to comply with the communication hub forecasting requirements without a coverage checker first being in place.

Work is still ongoing within Data Communication Company (DCC) communication hub design forums and will continue for at least a couple of further months. For example we have had no sight yet to the referenced "communication hub fault diagnosis document" and would need to see this before being able to provide a full answer to the question of early returning of communication hubs.

We agree with the proposals and drafting of arrangements for security and Smart Meter Key Infrastructure (SMKI) issues and the proposals that customers can request to see who has accessed data from their meters. This will provide further assurance and improve levels of trust between customers and the wider industry.

We are concerned with the proposal for sharing results of audits with "Parties Generally." We are comfortable that statutory bodies may see information on request but results should not be shared more widely without first consulting with the supplier so that there is an understanding of whom the other party is, why they would need such results and what they intend to do with these.

We understand the rationale for extending the use of SMKI certificates to "opted out" sites. We can see merit in this approach; however our concerns remain as to how such "opted out" assets will be maintained. We note DECC is to consult further on this issue.

We are disappointed there is no requirement for the DCC to provide a "sandpit" for early testing and or a requirement for the DCC to facilitate connection to a "sandpit". We are very firmly of the view that the provision of a "sandpit" would help mitigate risks for User Integration Testing (UIT) and



Initial Live Operations (ILO) by enabling Users to test elements of functionality and business processes early to get valuable learning.

With regards to the DCC provision of a test repository for the provision of test certificates we understand the rationale behind the proposals but it is not clear to us what the risks of introducing an interim process and then moving to an enduring process involves, once the live test repository is available. We are concerned that the proposals may lead to increased costs and work for suppliers in the second half of 2015 which would be a critical period for supplier testing pre Initial Live Operations (ILO).



Responses to specific Questions;

Communications Hubs

Q1 Do you agree with the requirement for the DCC to consult sec Parties on future tranches of Communications Hubs procurement?

Yes. The outline objectives of the proposals for a consultation in paragraph 38 seem sensible. In addition additional functionality not set out in the Communications Hub Technical Specification would need to be agreed through the appropriate governance of the specification.

Q2 Do you agree with the proposed approach to allow SEC Parties (which will include MOPs) to forecast, order, take delivery and return uninstalled Communications Hubs?

We accept that Meter Operators may in some instances wish to order product directly and be responsible for the return of uninstalled communication hubs. However, any such arrangements would be a matter for individual suppliers to agree with their meter operator service providers.

Communication Hub Support Materials

Q3 Do you agree with the proposed approach and legal drafting in relation to the development of the Communications Hub Support Materials?

Whilst we are comfortable with the general approach and legal drafting, we are concerned that the Communication Hub design forums are still ongoing and that some issues are being raised in the design forum but do not appear to be filtering down and incorporated in revised drafting of the Communications Hub Support Materials.

For example, it is not clear how the items in the communication hub design forum RAID log will be resolved and therefore incorporated into later Communication Hub Support Material drafts. As a result it may be necessary for a further review of the legal drafting when the Communication Hub Support Materials are finally completed.

Communication Hubs Forecasting

Q4 Do you agree with the proposed approach and legal drafting in relation to forecasting of Communication Hubs

No. We are concerned there appears to be no link in the drafting with regards to the provision of a timely and accurate post code Wide Area Network (WAN) coverage checker service by the DCC. We are unable to forecast our deployment plans and communication hub requirements without provision of a suitable coverage checker from DCC and are therefore surprised this obligation appears to be absent. We do not believe it appropriate to place requirements as set out in F5.4 (B)



(iii) to provide communication hub specific quantities for the 10 month, 50% transitional forecast in the absence of an obligation on DCC to provide the WAN coverage checker tool.

Q5 Do you agree that forecasts that are submitted from the tenth month before a delivery month should include the numbers of Device Models to be delivered in that month in each region, and these should be subject to the specified thresholds outlined?

We do not agree that Device Models need to be specified 10 months in advance of delivery. We believe that the point at which we finalise our order for delivery should be the point at which exact Device requirements should be confirmed i.e. point at which order is confirmed.

Communications Hubs Ordering

Q6 Do you agree with the proposed approach and legal drafting in relation to ordering of Communications Hubs?

We are generally comfortable with the approach. However, we would like clarification over any intent that communication hubs ordered for installation in one CSP region could not be used in another i.e. central and southern. This would seem inefficient given that these premises are serviced by the same company using the same technology. To adhere to such a requirement, suppliers will have to devise specific processes to ensure the correct hub is installed. This will add unnecessary additional complexity, inefficiency and cost to the roll out.

Communications Hubs Delivery and Handover

Q7 Do you agree with the proposed approach and legal drafting in relation to delivery and handover of Communications Hubs?

The 5 days proposed to accept an order will not provide enough time for us to carry out quality assurance checks on the product received and we request that this is extended to 10. We require ability and time to carry out quality assurance of communications hubs being provided by the DCC. Based on our foundation experience a key requirement is for an effective inwards quality assurance process. We would like an ability to open a sample of any delivery and power up those devices to simulate installation, and perform basic functionality tests.

In addition we disagree with the process for rejecting communication hubs outside of the delivery rejection period. The proposed process requires suppliers to reject communications hubs and send back to DCC on an individual basis. This would be impractical and costly for suppliers to manage. Suppliers also need an ability to reject a full batch or delivery outside of the delivery rejection period.



Communications Hubs Installation & Maintenance

Q8 Do you agree with the proposed approach and legal drafting in relation to installation and maintenance of Communication Hubs?

We have concerns over the drafting and approach. These should ensure that the DCC should only attend a premise when the supplier is present and that any instructions the supplier provides to the DCC should be adhered to at all times. For example, health and safety requirements of the supplier.

Communications Hubs Removal, Replacement and Returns

Q9 Do you agree with the proposed approach and legal drafting in relation to removal and returns of Communications Hubs?

No. When returning communication hubs our foundation experience has proven that a little time spent carrying out some assessment of the return of assets from the field, reduces the overall number of "faulty" hubs.

We have found value in having a process and ability to undertake initial diagnostics prior to returning communications hubs. This acts as an effective filter for incorrect diagnostic of faults from installers and identification of no fault found incidents.

This will reduce the volume and capacity requirements for DCC/CSP returns processes and facilities and would reduce unnecessary no fault found charges for suppliers, improving overall efficiency of the rollout for customers.

Q10 Do you agree that there should be an obligation for the first installing supplier in dual fuel premises to take all reasonable steps to install Communication Hubs that would work with both the smart meter that it is installing and the smart meter of the other fuel type?

Yes we are comfortable with this approach.



Communications Hubs Returns Categories

Q11 Do you agree with the Governments proposals in relation to the processes to determine the reasons for early return of Communications Hubs?

Similar to concerns expressed in answer to question 9 we require an ability to carry out triage and fault diagnostics to be comfortable that the asset is being returned for a valid reason. We have had no sight yet to the referenced "communication hub fault diagnosis document" and would need to see this before being able to provide a full answer.

Transitional Requirements Communications Hubs Forecasts and Orders

Q12 Do you agree with the proposed approach and legal drafting in relation to the transitional requirements for Communication Hubs forecasts and orders?

Yes we are comfortable with the proposed drafting but we have concerns over the order process as set out in our answer to question 4.

Consequential Changes to the DCC Licence

Q13 Do you agree with our proposed changes to the DCC licence to require the DCC to offer services to non SEC Parties where required to do so under the SEC?

Yes this seems sensible and there could be potential for this to be extended to Smart Metering Device Assurance (SMDA) in the future.

Provision of Communications Hubs for Testing

Q14 Do you agree with the proposed approach and legal drafting in relation to the provision of Communications Hubs for testing?

We have some specific issues with some of the drafting. For example F10.2 (c) states that communication hubs for testing will not be capable of being commissioned. We consider this to be a major constraint for testing, as our Foundation experience has shown that replicating a full end to end process including installing and decommissioning of devices provide valuable learning about the product. Not being able to commission and or de-communication hubs reduces the rigour of the testing regime for E.ON (and potentially other testing organisations e.g. SMDA)

Clause F10.8 (a) state that the obligation on DCC to deliver communication hubs is conditional on the supplier having paid for them. Our internal governance for procurement would prohibit us paying for goods before receipt. This seems to also contradict normal business practise of order, delivery and payment on agreed terms.



F10.8 (g) states that a communications hub believed to be faulty can only be returned up to 28 days post-delivery. This is an unreasonable time limit on the right to return a potentially defective product.

Security Governance

Q15 Do you agree with the legal drafting in relation to Security Governance

Yes, this is consistent with the policy intent.

Security Assurance

Q15a Do you agree with the Governments proposals in relation to security Assurance? In particular on;

- ***The proposal for the SEC Panel to procure a central CIO on an initial basis;***
- ***The proposal for Users to meet the costs of security assessments that are undertaken at their organisation***
- ***The proposal for a three year rolling cycle of security assessments to be used to provide assurance to Users;***
- ***The assessment arrangements proposed by DCC.***

Yes. A centrally procured audit regime should provide some economies of scale and ensure a good level of consistency of results.

Privacy Audits

Q16 Do you agree with our proposed approach and legal text for SEC in relation to Privacy Assessments?

Yes this seems reasonable.

Q17 Do you agree with the specific proposals for undertaking random sample compliance assessments?

Yes this should provide a good level of assurance for wider stakeholders.

Q18 Do you agree with the proposal for Users to meet the costs of the privacy assessments that are undertaken at their organisation?

Yes this is a tried and tested model used in other industry codes.



Q19 what are your views on potential future changes to the SEC to provide for reporting the results of privacy assurance assessments bodies such as Ofgem, DECC, ICO and Parties generally?

We are relatively comfortable with the approach. DECC/Ofgem and other statutory bodies already have powers to ask for information when they need it. We are concerned with the term "Parties generally". We do not agree that results should be shared more widely without first consulting with the supplier so that there is an understanding of who the other party is, why they would need such results and what they intend to do with these.

Consumer Consent for Connecting Consumer Devices

Q20 Do you agree that the proposed legal drafting reflects the position reached in the SMETS2 consultation response that Users should be required to obtain consent and to verify the identity of the energy consumer from whom they have obtained the consent prior to pairing the CAD?

Yes this reflects the policy intent.

Security Requirements

Q21 Do you agree with the proposed updates to the Security Requirements and the associated legal drafting?

Yes, we believe this reflects the intent of the policy. Consideration should also be given to the physical and resilience options of the systems, so that these would not potentially become a single point of failure.

Q22 Do you agree that we should also include in the SEC obligations on the DCC and Users which limit the future dating of commands to 30 days?

Under normal business day to day operations we do not foresee an issue with this proposal. However, ability is required for this to be extended for exceptional circumstances such as a national V.A.T. rate change. This would require all meters to be updated and changed on the same day which may be a challenge to schedule.



Further Restrictions on Parties Eligible to Subscribe for Certain Certificates

Q23 Do you agree with the proposed approach and legal drafting in relation to which parties are eligible to subscribe for specific Organisation Certificates?

Yes this seems sensible.

Requirements on DCC to Establish Certain Certificates to Facilitate Installation

Q24 Do you agree with the proposed approach and legal drafting in relation to the Organisation Certificate the DCC must subscribe for in order to support installation of Devices?

Yes we are comfortable with this approach.

Q25 Do you agree with the proposed approach and legal drafting in relation to the date on which the DCC must start providing live certificates, in particular the proposal to turn off the DCC's response time obligations until Stage 2 Assurance Report (see section 6.6) has been produced?

Yes this seems sensible.

Requirements for Certain Certificates to be placed onto Devices

Q26 Do you agree with the proposed approach for all Network Parties to have established SMKI Organisation certificates?

Yes.

Q27 Do you agree with the proposed approach for Non User Suppliers to have established SMKI Organisation certificates?

Yes.

Q28 Do you agree with the proposed approach and legal drafting in relation to specific SMKI Organisation Certificates placed on specific Devices?

Yes



SMKI Test Certificates

Q29 Do you agree with our proposal to require DCC to provide Test Certificates to Test Participants (who, in the case of non-SEC parties, will have to be bound by an agreement entered into with the DCC) only for the purposes of Test Services and testing pursuant to Section T of the SEC, and to not require DCC to provide a Test Repository? Please provide a rationale for your view.

Whilst we understand the rationale behind the proposals it is not clear to us what the risks of introducing an interim process and then moving to an enduring process involves, once the live test repository is available.

We would like to better understand the nature of the interim solution and how this is different from the enduring solution to better quantify this risk. We are concerned that the proposals may lead to increased costs and work for suppliers in the second half of 2015 which would be a critical period for supplier testing pre ILO.

DCC User Gateway Services Schedule

***Q30 Do you agree with the proposed approach and legal drafting in relation to the DCC User Gateway Services Schedule?
User ID's, DCC IDs and Party Ids***

Yes this is in line with our expectation.

Q31 Do you agree with the proposed approach to centrally procure a EUI-64 Registry Entry?

Yes this is a sensible approach.

Q32 Do you agree with the intention to create a "Party ID", enabling access to the Self Service Interface at a Party Level?

Yes this seems sensible.

Provision and Use of User Gateway Connections

Q33 Do you agree that the proposed legal drafting accurately reflects the process by which the DCC will provide connection to the DCC User Gateway?

At a high level we are comfortable with the process. However we believe this needs to be updated further once arrangements for placing orders, receiving quotations and delivery of equipment is finalised. A process was recently shared by DCC at its July industry day, setting out the turnaround



times between an order being placed and the quote being returned by DCC of 22 working days. It is not clear to us where and how this will be reflected in the SEC.

Q34 Do you agree that the drafting meets the needs of both DCC and its Users in establishing, maintaining and terminating connections? Please provide a rationale for your views and include any supporting evidence.

No. We are concerned that there is no mention of a requirement for the DCC to provide a "sandpit" for early testing and or a requirement for the DCC to facilitate connection to a "sandpit". We are very firmly of the view that the provision of a "sandpit" would help mitigate risks for User Integration Testing (UIT) and Initial Live Operations (ILO) by enabling Users to test elements of functionality and business processes as early as possible.

Processing Service Requests

Q35 Do you agree with the proposed approach and legal drafting in relation to Processing Service Requests?

Yes this seems sensible.

Smart Metering Inventory and Enrolment Services

Q36 Do you agree with the proposed changes to the approach and legal drafting in relation to Smart Metering Inventory and Enrolment Services?

We are comfortable with the proposed approach and drafting, however further review maybe required once DCC has concluded its SMKI consultation.

Problem Management

Q37 Do you agree with the proposed approach and legal drafting in relation to problem management?

We are comfortable with the approach and drafting for incident management but would expect support documentation from the design forums to further outline the approach to problem management further e.g. rules around visibility of issues etc. We are concerned this detail maybe lacking and therefore is not reflected in the SEC as obligations for parties to adhere to.



Service to allow consumers to find out which users have accessed their consumption data

Q38 Do you agree with the proposed approach and legal drafting in facilitating provision of a service to consumers to allow them to find out which Users have accessed consumption data from their meters?

Yes this seems sensible and will assist with the provision of additional assurance to customers who may have concerns over who has access to their data.

Q39 Do you agree with the proposed approach of not requiring any User to offer a transparency service to consumers at this stage?

Yes the proposed approach is sensible.

Definition of a Large/Small Supplier Party for the Purposes of Interface Testing

Q40 Do you agree with the proposal to provide for a date in the SEC when any assessment of whether a supplier is large/small for testing purposes is made? If not, please provide evidence for why this approach would not work and what alternatives should be used.

Yes this is a pragmatic approach.

Registration Data

Q41 Do you agree with the proposed approach and legal drafting in relation to registration data text alignment?

Yes this seems sensible.

Provision of Data for the Central Delivery Body

Q42 Do you agree with the proposed approach and legal drafting in relation to provision of market share information to the CDB including Ofgem determining between the CDB and the DCC?

Yes, this is a pragmatic approach.



Connections between the DCC and RDP's

Q43 Do you agree with the proposed approach to RDP/DCC connections and the associated legal drafting?

Yes this seems sensible.

Q44 Do you agree that Network Parties using the same RDP should be jointly and severally liable for failure of that RDP to comply with provisions relating to the RDP's use of the connection provided to it by the DCC?

Yes.

Explicit Charges for Certain Other Enabling Services

Q45 Do you agree with the proposed approach and legal drafting in relation to provision of Explicit Charges for Certain Other Enabling Services

Yes we are comfortable with the approach and drafting of the Explicit charges.

Q46 Do you agree with broadening the scope of the DCC Licence Condition 20 to include the Other Enabling Services which attract an explicit charge?

Yes we are comfortable with the proposal.

Confidentiality

Q47 Do you agree with the proposed amendments to the legal drafting which introduce a new controlled category of DCC DATA, set out guidelines for types of data which may be marked as confidential or controlled and limit liability for breach of the latter category

Yes, during discussions regarding the implementation of the SEC Phase 1 we raised a concern around the proposals for liabilities. The deviation from the precedence for liabilities used in the other industry Codes seemed unnecessary and likely to create unforeseen negative consequences. It is good to therefore see that the short comings with the original proposal have come to light early and a proposal to rectify the situation had been proposed.

Q48 Do you agree that liability for disclosure of controlled information should be limited to £1 million per event (or series of events) for direct loss?



Yes, this is consistent with the provisions within the other industry codes.

Q49 Do you think that SEC Parties other than the DCC may have a need to mark data "controlled"? if so, please outline what, if any, parameters ought to apply?

We are unsure whether this clause is needed in practice or whether existing safeguards within the DCC Licence is adequate to protect SEC Users. We can see an argument that it might be useful to include this to ensure consistency for all SEC parties.

Q50 Do you agree that liabilities if these controls are breached should be limited to £1 million (excluding consequential losses)?

Yes, if the option outlined in question 49 is introduced then having a harmonised cap on the level of liabilities seems sensible.

SEC Consequential Changes Alignment to DCC and Supply Licences

Q51 Do you agree with the proposed approach and legal drafting in relation to the consequential changes to align the SEC with the proposed changes to the DCC and Supply Licences?

Yes. It will be important for users of smart metering systems to understand what devices are compatible with others. A readily accessible list setting this out is therefore likely to be of interest to many parties. Placing an obligation on the SEC to provide this, likely to be delegated to SECAS and/or the Technical Sub-Committee, is an appropriate way to ensure that this will happen.

Charging Matters

Q52 Do you agree with the proposed approach and legal drafting in relation to the invoicing threshold?

Yes, this seems a sensible suggestion to ensure that unnecessary administrative costs are avoided.

Q53 Do you agree with the proposed approach and legal drafting in relation to the credit cover threshold?

Yes, this seems a sensible suggestion to ensure that unnecessary administrative costs are avoided.

Q54 Do you agree with the proposed approach and legal drafting in relation to scope for an explicit charge related to Services within the DCC User Gateway Services Schedule to zero?



Yes, this will provide clarity to help support the current proposals from the DCC regarding their charging of SEC Parties.

Facilitating Charging for Meters where there is a live supply of energy only

Q55 Do you agree with the proposed amendment to the definition of "Mandated Smart Metering System" ? Views would be welcome whether this change has a material impact?

Yes, we do not believe that this proposal will have a material impact to the costs incurred by SEC Parties during the UITMR stage.

Power Outage Alerts

Q56 Do you agree with the proposed approach and legal drafting regarding power outage alerts?

Yes, the provision of this information may be useful to energy Suppliers in managing their customer's needs.

Proving Testing of Shared Systems

Q57 Do you agree with the proposed approach and legal drafting in relation to the testing of shared systems?

We do not intend to use shared systems. However we understand the rationale behind the proposals and have no specific objections.

Remote Testing and Testing of Services

Q58 Do you consider the costs of remote access to the test SMWAN should be socialised across all Users or charged directly to those test participants who use the service? Please provide an explanation for your answer

We would support the implementation of Option 2 to introduce an explicit charge for Party's wishing to remotely access the SMWAN. Socialisation of costs will not target the appropriate individuals and will potentially lead to higher costs being incurred. The costs for an inefficient process would ultimately be borne by all consumers which does not seem appropriate.

Communication Hub Asset and Maintenance Charging



Q59 Do you agree with the proposed legal drafting in relation to Communications Hub Asset and Maintenance Charges?

Yes we are comfortable with the proposed drafting.

Communication Hubs Charging following removal and/or return

Q60 Do you agree with the proposed legal drafting on Communications Hubs Charging following removal and/or return?

Whilst we understand that the HAN variant Explicit Charge will be reflective of the average cost across the CSP regions and consistent with the uniform charging objective. We remain concerned that in a given region suppliers may be adversely impacted by these charges due to their market share and remain of the view that smearing these costs across all users to be a fair and pragmatic solution. We will continue to work with DECC and Energy UK to understand more about alternative HAN solutions and will seek to provide further clarity on the potential costs differential.

It is not clear to us what service is actually provided with regards to a maintenance charge. We note the comment in para 352 that the "maintenance charges are an order of magnitude lower than the asset related charge....and that a separate charge would be overly complex " and therefore are not sure what is being provided here.

Non Domestic Supplier Opt Out

Q61 Do you have any views on the operation of SMETS2 meters that are opted out of DCC services in light of;

- ***The conclusions on SMKI set out above***
- ***Any other matters, including GBC, that may affect two way communications' with an opted-out meter?***

Whilst we do not fully agree with the approach taken we understand the rationale. There may be some merit in ensuring that meters opted in or out of DCC have installed SMKI device and Organisation certificates. However we still have concerns as to how devices opted out of DCC would be maintained (i.e. firmware upgrades etc) specifically where the meter may be operated with two way communications outside DCC. It is not clear to us, how key recycling and firmware could be maintained by a supplier operating the meter outside DCC.

We note that this will be consulted upon further by DECC.

Requirements on Subscribers and Relying Parties

Q62 Do you agree with the proposed legal text with respect to the DCC's Subscriber and Relying Party obligations and associated liabilities?



Yes we believe this is sensible.

Enrolment of SMETS1 Meters Installed During Foundation

Q63 Do you agree with proposed legal text in relation to the Initial Enrolment Project for SMETS1 meters installed during Foundation?

Yes, this is consistent with DECC's policy intent.

Q64 Does the contents list for the Initial Enrolment Project Feasibility Report (para 401) cover the required issues for the DCC to address? Are there any additional areas which you consider the DCC should be specifically required to include?

Yes, it seems a comprehensive list of issues.

Charging for Foundation Meters

Q65 Do you agree with the proposed legal text in relation to charging arrangements for the ongoing communications costs for Foundation Meters enrolled in the DCC?

Yes, the legal text reflects the policy intent.

USER Supplier to Non-User Supplier Churn

Q66 Do you agree with the proposed approach and legal drafting in relation to User supplier to Non-User supplier churn?

Yes, this seems consistent with the eventual policy proposals in this area from DECC, which themselves seem fair and appropriate.