



Department  
of Energy &  
Climate Change

# Smart Metering Implementation Programme

A Consultation on New Smart Energy Code Content and Related Supply  
Licence Amendments – July 2015

16 July 2015



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# General information

## **Purpose of this document:**

This document sets out the Government's consultation on additional Smart Energy Code content and related matters.

**Issued:** 16 July 2015    **Closes:** 1 September 2015

## **Consultation responses and other enquiries related to this consultation to:**

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Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

## **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:**

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An electronic version can be found at:

<https://www.gov.uk/government/consultations/consultation-on-new-smart-energy-code-content-and-related-licence-amendments-july-2015>

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.

## **Confidentiality and data protection:**

DECC intends to publish the individual responses to this consultation on its website and you should therefore let us know if you are not content for the response or any part of it to be published. We will not publish people's personal names, addresses or other contact details. If you indicate that you do not want your response published we will not publish it automatically but it could still be subject to information requests as detailed below.

Further, information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

If you do not want your individual response to be published on the website, or to otherwise be treated as confidential please say so clearly in writing when you send your response to the consultation. For the purposes of considering access to information requests it would be helpful if you could explain to us why you regard the information you

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**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

## 1.1 The Smart Energy Code

1. The Smart Energy Code (SEC) is a new 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, based on when the legal content is required to support the delivery of the programme.
2. This is primarily a consultation on new legal drafting for incorporation into the Gas and Electricity Supply Licences (Chapter 3) and the Smart Energy Code (Chapters 4-11). Draft legal text as revised by the proposals set out in this consultation is published in parallel with this document. In most cases the content of this consultation is further developing or refining existing areas of the SEC. The principal new material is covered in Chapter 10, concerning the approach to activating the SEC Panel's role in the modifications process.

## 1.2 July 2015 SEC Consultation

3. **Chapter 2** provides a general introduction and a more detailed summary of the main content of the consultation. The principal areas covered in this document are described further below.
  - **Chapter 3:** DCC Enrolment Mandate – sets out the proposed obligation for User suppliers to enrol SMETS2-compliant smart meters with the DCC.
  - **Chapter 4:** DCC Enrolment and Communications Services – sets out the proposed content of the subsidiary documents dealing with Service Request Processing and Inventory, Enrolment and Withdrawal Procedures (i.e. the detailed content previously in Sections H4,5&6) as well as a number of consequential changes to other SEC Sections.
  - **Chapter 5:** SEC amendments to support testing - sets out proposed changes to the SEC to reflect the maturing development of the testing arrangements that are required under the SEC to prove the DCC's systems work as intended, as well as the testing services that the DCC will make available to Testing Participants during transition
  - **Chapter 6:** Public Key Infrastructure (PKI) – sets out the proposed policy and legal drafting governing how the SMKI Recovery Procedure will be managed, and how liabilities will be distributed in SMKI Recovery Procedure scenarios. Additionally, it sets out SEC amendments such as securing DCC communications with non-gateway suppliers, usage of live Certificates for testing, technical changes to the Certificate Policies, and other miscellaneous changes.
  - **Chapter 7:** Security Independence Requirements – sets out proposed amendments to the Section G and Section I obligations relating to the independence of the organisation procured by the SEC Panel to perform security and privacy assessments at Users.

- **Chapter 8:** Communication Hubs – sets out further obligations relating to the installation, maintenance and removal of Communications Hubs. Clarification is also provided on the consequences of any delay in the initial delivery of Communications Hubs by the DCC.
  - **Chapter 9:** Incident Management – sets out how new categories of Party can access Incident data and the merger of the two Incident Management Policies into a common document
  - **Chapter 10:** Further Activation of the SEC Modification Process – sets out proposed policy and legal drafting governing when and how the enduring process for SEC Parties and the Authority to modify the SEC (set out in Section D) will be further activated using a phased approach.
  - **Chapter 11:** Miscellaneous – sets out a number of proposed miscellaneous changes to the SEC including: additional detail proposed to the scope of the Threshold Anomaly Detection Procedures; further drafting to provide affected Supplier Parties or the DCC with the ability to appeal (to Ofgem) SEC Panel decisions relating to device non-compliance with the Technical Specifications and any associated remedial plan; further consequential SEC changes to allow the future inclusion of technical specifications into the SEC.
4. Chapters 5 and 9 both include references to the Non Gateway Interface. As indicated in previous publications, we are proceeding on the assumption that the Non Gateway Interface can be delivered cost-effectively. There is some indication that the cost may in fact be prohibitive; if that is so, we will evaluate our approach and any alternatives accordingly.
  5. There are a number of references throughout the document to 'DCC Live'. This is not a defined regulatory term in the SEC, but is being widely used as a reference point in joint industry planning. For that purpose DCC Live is taken to mean the point at which the DCC: has completed SIT and Interface Testing; can support the install and commissioning of SMETS2 meters; is operational and able to provide enrolment and communication services; has delivered Communications Hubs to suppliers, as per orders; and meets operational readiness criteria as approved by the SEC Panel. The DCC plan approved by the Secretary of State on 5 March 2015 targets DCC Live for April 2016, with six months contingency held by the programme.

## 2 Introduction

### 2.1 A new industry Code

6. 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 the need for 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.
7. On 23 September 2013, a new licensed entity, the Data and Communications Company (DCC), was established. Together with its sub-contractors, the Data Service Provider (DSP), Communications Service Providers (CSPs) and others, the DCC will provide a Smart Meter communications service by which Suppliers, Network Parties and others can communicate remotely with Smart Meters in Great Britain.
8. The Smart Energy Code (SEC) is a new industry code created through 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.
9. The DCC, Suppliers and Network Parties are required by their licences to become a party to the SEC and comply with its provisions. Other bodies who wish to use the DCC's services, such as energy efficiency and energy service companies, will also need to become a party to the SEC and comply with its provisions.
10. Consistent with other 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, and is regulated by Ofgem. The initial content is being introduced to the Code by the Secretary of State and the full powers of the Panel to modify the SEC are not yet operative. The Government's thinking on the "switching on" of the modifications process and the associated legal drafting form part of this consultation.

### 2.2 Content of this consultation

11. This is primarily a consultation on new legal drafting, which in many cases follows on from previous policy consultations or previous Smart Energy Code and other Licence Condition consultations. The sections of new draft legal text which are the subject of this consultation are described in detail in Chapters 3 to 11 of this document.

### 2.3 Structure of each section

12. In general the sections of this consultation covering the above topics are split into four parts as follows:
  - the first part ('**Description of the Issue**') sets out the policy approach which provides the basis for the proposed legal text. We reference previous consultations where appropriate;

- the second part (**‘Translation into Detailed Requirements’**) summarises how each policy approach has been translated into the proposed legal requirements for consultation;
  - the third part (**‘Legal Text’**) cross-references the proposed approach to the appropriate draft legal text of the SEC for ease of reference; and
  - the fourth part (**‘Consultation Questions’**) sets out the questions inviting a response. A number of sections include a general question inviting views on the proposed legal text for the SEC. In addition, some sections include additional questions seeking views on specific topics. **Annex A** includes the list of consultation questions asked throughout this document.
13. **Annex B** (published together with this document) sets out the SEC legal text proposed in this consultation as it would look combined with all the SEC drafting most recently published, either text published for consultation (if not yet concluded) or text on which the Government has concluded (where this has been published). Changes are marked up against the most recent published version of the SEC, which includes the most recent text from previous consultations and conclusions as background text. The version published at **Annex B** alongside this consultation should therefore not be read as the latest ‘in legal effect’ version of the SEC.
  14. **Annex C** sets out how the proposed text would look once incorporated into the Gas and Electricity Supply Licences.
  15. **Annex D** sets out the associated changes proposed to be made to the Communications Hub Installation and Maintenance Support Materials (see Chapter 8 for further detail).
  16. Every effort has been made to ensure that the explanatory text in the main body of this consultation document reflects the legal drafting included in **Annexes B, C and D**. We have sought to ensure that the explanatory text provides a clear and simplified overview of our proposals. However, the legal drafting should be treated as the definitive text. Where SEC defined terms are used in this consultation document, they are capitalised.
  17. The broad requirements reflected in this consultation are not new, and fall within the overall costs and benefits for the Smart Metering Implementation Programme considered in the Impact Assessment published in January 2014<sup>1</sup>.

## 2.4 The future

18. It is intended that the Government response covering the areas included in this consultation will be published by the end of 2015. The timing will continue to support the delivery of the DCC’s services in line with the revised plan that was approved by the Secretary of State on 5 March 2015<sup>2</sup>. It is expected that a number of known further issues will be consulted on in future. There may also be further requirements that become evident during transition to the DCC’s communication services going live, for example in the course of testing. In addition, further procedural and technical material will be incorporated as subsidiary documents to the SEC following the separate process that has been established for those.

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<sup>1</sup> <https://www.gov.uk/government/publications/smart-meter-roll-out-for-the-domestic-and-small-and-medium-non-domestic-sectors-gb-impact-assessment>

<sup>2</sup> See: [www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-03-05/HCWS345/](http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-03-05/HCWS345/)

# 3 DCC Enrolment Mandate

## Description of the Issue

19. It has been longstanding smart metering policy that the communication of data to and from smart metering equipment in the domestic sector should be managed centrally by the DCC<sup>3</sup>. DECC has previously consulted upon, and concluded, that a regulatory obligation upon suppliers to enrol SMETS2-compliant smart metering systems installed at domestic premises into the DCC should be introduced<sup>4</sup>.
20. We remain of the view that DCC should be the sole provider of remote communications services for SMETS2-compliant metering systems in the domestic sector and that in order to achieve this it is appropriate to require suppliers to enrol smart metering systems at such premises with the DCC, and that upon the enrolment, for the DCC communications services to be the sole remote communications services for those smart metering systems. The enrolment of these metering systems into the DCC is important for smart metering benefits realisation and helping to ensure a positive consumer experience, particularly upon change of supplier.
21. This chapter therefore consults on proposed legal drafting to introduce a supplier duty into the enduring regulatory framework requiring a Supplier, once it is qualified as a DCC User, to enrol such smart metering systems with the DCC and preventing it from utilising other remote communications services in relation to such smart metering systems once enrolled. It seeks views on whether the obligations should come into effect when the DCC's enrolment [and communication] services are first available.

## Translation into Detailed Requirements

22. The proposed legal drafting for the enrolment licence condition to be inserted into gas and electricity supply licences is set out in full in **Annex C**.
23. The enrolment duty would require suppliers which are DCC Users to take all reasonable steps to commission Smart Meters that form part of a SMETS2s-compliant smart metering system at domestic premises, pursuant to the arrangements for doing so under the Smart Energy Code, and to ensure that once commissioned, no other arrangements for remote communications<sup>5</sup> are in place<sup>6</sup>.

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<sup>3</sup> See for example:

- i) Response to Prospectus Consultation Overview Document, March 2011: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/42742/1475-smart-metering-imp-response-overview.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/42742/1475-smart-metering-imp-response-overview.pdf)
- ii) A consultation on a draft Statutory Instrument the Electricity and Gas (Prohibition of Communications Activities) Order 2012, February 2012: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/43076/4345-smart-metering-implementation-programme-a-consult.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/43076/4345-smart-metering-implementation-programme-a-consult.pdf)

<sup>4</sup> See Stage 1 of the Smart Energy Code – Government Response and Consultation on a Draft Legal Text dated 8 November 2012: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/43075/6908-stage-1-smart-energy-code-cons.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/43075/6908-stage-1-smart-energy-code-cons.pdf) and *Stage 1 of the Smart Energy Code – Government response and supplementary consultation on updated draft legal text dated 29 April 2013*: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/193074/20130424\\_Stage\\_1\\_SEC\\_Response\\_and\\_Consultation\\_on\\_Updated\\_legal\\_text.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/193074/20130424_Stage_1_SEC_Response_and_Consultation_on_Updated_legal_text.pdf)

<sup>5</sup> In terms of the provision of a smart meter communications service the Electricity and Gas (Smart Meters Licensable Activity) Order 2012 makes it necessary to hold a licence for the provision of a smart meter communication service to each domestic supplier.

24. The proposed enrolment obligations would only apply to suppliers which are DCC Users to ensure that it does not have the potential effect of requiring them to enrol those meters prior to having the capability to do so, or to become DCC Users. It should also be noted that DECC is considering stakeholder responses to the Rollout Strategy consultation which proposed that all suppliers should become DCC Users within twelve months of DCC Live, and that large suppliers should be obliged to install a de-minimis number of SMETS2 meters six months after DCC Live<sup>7</sup>.
25. If DECC, following consideration of stakeholder evidence, ultimately determines that it would be appropriate to introduce an enrolment mandate as consulted upon, consideration will be given to whether European Commission notification is required by the Technical Standards and Regulations Directive.

#### Timing for Introduction

26. Our view is that in light of the benefits set out in paragraph 2, the obligation should come into effect when DCC enrolment services become available. The proposed licence condition has been drafted on this basis.

#### Exclusions

27. The proposed licence condition in this consultation does not apply in relation to smart metering systems installed in non-domestic premises, the policy for which is being considered separately.

#### **Legal Text**

##### Summary of new Provisions

##### **New Electricity and Gas Supply Licence Condition**

From the date the Enrolment Service first becomes available, a licensee which is a DCC User will be required to take all reasonable steps to commission a Smart Metering System that includes a DCC provided Communications Hub installed at a domestic premises, and ensure that no other arrangements are in place for remote communications with that device.

#### **Consultation Questions**

##### DCC Enrolment Mandate

- |    |   |
|----|---|
| Q1 | Do you agree with the legal drafting of the proposed amendment to the electricity and gas supply licence conditions? Please provide a rationale for your views. |
|----|---|

<sup>6</sup> This is proposed to be a 'all reasonable steps' obligation in recognition of that there may be circumstances outside a Supplier's control that might prevent enrolment in particular scenarios – such as temporary loss of Wide Area Network connectivity or coverage. Please also note that Section H5 of the SEC provides that a Smart Metering System is considered to be "Enrolled" when, in the case of electricity, an Electricity Smart Meter is Commissioned and in the case of gas, both a Gas Smart Meter and associated Gas Proxy Function are Commissioned.

<sup>7</sup> Specifically, the latter obligation consulted upon was for de-minimis obligation for all large suppliers to install, commission and enrol 1,500 SMETS 2 meters or 0.025% of total meter points (whichever is the lower) within six months of DCC Live.

Q2

Do you agree that this legal duty should take effect when DCC's enrolment services are first available?

Please provide rationale for your views.

## 4 DCC Enrolment and Communication Services

### 4.1 Service Request Processing and Inventory Enrolment and Withdrawal Procedures

#### Description of the Issue

28. In the November 2014 Consultation we set out proposals to move some of the detailed technical text previously included in Sections H4, 5 & 6 into subsidiary documents. Following favourable consultation responses on this proposal, in March 2015, we concluded on this approach and the amended content of Sections H4, 5 & 6 required to facilitate this change.
29. We have now developed draft versions of the two subsidiary documents that it is proposed will sit under each of Sections H4, and H5 & H6, being the Service Request Processing Document and the Inventory Enrolment and Withdrawal Procedures.
30. The essential content of these documents largely remains the same as the previous Sections H4, 5 & 6 from which they were originally developed, although a number of changes have been made for the following principal reasons:
- to align with GB Companion Specification (GBCS) version 0.8.1;
  - to align with DCC systems' functionality where appropriate to do so; and
  - to make a number of corrections and clarifications.
19. Near-final versions of these two subsidiary documents were shared with the Technical & Business Design Group (TBDG) in May 2015 and two more detailed working sessions were held on 2<sup>nd</sup> and 4<sup>th</sup> June. There was general agreement to the content of the documents in these sessions although some detailed corrections and clarifications did arise from the review and we are grateful to those who took part in this process. We are seeking views from stakeholders in general through this consultation.

#### Translation into Detailed Requirements

##### *Service Request Processing Document*

20. The Service Request Processing Document sets out obligations on the DCC and Users in relation to the processing of Service Requests and Signed Pre-Commands. The principal changes proposed in this document, as compared to the previous version of section H4 that included the equivalent obligations, are:
- The obligations on Users in relation to Service Requests have been modified to clarify that a change of security credentials on change of supplier may be carried out in relation to Devices with an SMI Status of 'suspended' (clause 2.1(b));
  - A number of changes have been made to the processing of firmware upgrades in order to reflect updates made to GBCS in version 0.8.1 (clauses 2.2 and 5.1);
  - The obligations on Users and the DCC to retain evidence of compliance with the checks that they have proposed in relation to firmware upgrades have been removed and more generally incorporated into Section G of the SEC;

- The DCC's obligations in processing Service Requests have been amended slightly as follows:
  - it has been clarified that Update Firmware and Change of Supplier (CoS) Update Security Credentials Service Requests will be processed in relation to suspended devices even though they are non-critical;
  - the Smart Metering Inventory status of 'whitelisted' has been added (clause 6.1(c));
  - in clauses 6.1 and 7.1 we have included a requirement for DCC to ensure that the user role from which a Service Request or Signed Pre-Command is being submitted is an eligible user role for a request of that type;
  - the precise nature of the registration data checks required to be made by DCC have been clarified for general non-critical service requests and for CoS Update Security Credentials Service Requests (clauses 6.1(f) and 6.1(g));
  - clause 6.1(k) clarifies that Update HAN Device Log service requests may be sent by any Responsible Supplier for an associated MPxN (i.e. either the gas or the electricity supplier where a single Communications Hub Function forms part of two Smart Metering Systems in a dual fuel premises);
  - clause 6.2 includes provisions which permit either Responsible Supplier for a Smart Metering System that shares a Communications Hub Function to either join a Gas Smart Meter to a Gas Proxy Function or to restore the GPF Device Log, so that, for example the electricity supplier may restore the HAN connection of gas devices if it replaces a Communications Hub;
  - the structure of the document has been changed in clause 6.4(a) to seek to add clarity by introducing separate clauses (12 and 13) on application of Threshold Anomaly Detection and Sending Commands to Devices),
- The checks in clause 8.1(b)(iii) have been clarified to require the DCC to check that the User IDs in any Organisation Certificates included within a CoS Update Security Credentials Service Request and the User ID of the User submitting the request are all associated with the same User;
- Clause 8.1(b)(iv)(A) clarifies that the MPAN or MPRN included within a CoS Update Security Credentials Service Request maps to the same Party as the User ID within the Organisation Certificates within the request;
- Clause 10.1 places new obligations on a Supplier that has replaced a Communications Hub to require it to re-establish the HANs of any Smart Metering Systems that included the Communications Hub Function that has been replaced;
- Clause 11.1(b) requires the DCC to include the Gas Smart Meter's Key Agreement Certificate in a Command to join a PPMID to a Gas Smart Meter;
- Clause 12.1 requires the DCC to apply Threshold Anomaly Detection wherever an Anomaly Detection Threshold has been set (this links to permissions and obligations on DCC and Users in Section G in relation to setting these thresholds)
- Clause 13.1 clarifies that the DCC should only apply a Message Authentication Code after it has applied Threshold Anomaly Detection;
- Clause 15.2 requires DCC to send Responses and Alerts from Devices to all Remote Parties or Supplementary Remote Parties;
- Clause 16.1 has been expanded to provide more detail on DCC's obligations relating to Non-Device Service Requests;
- Clause 17.1 includes a link to Section O to provide for DCC's treatment of CoS Update Security Credentials Service Requests originating from the NGI Party; and

- Clause 18.1 places a new obligation on Parties to cooperate to resolve incidents in circumstances where that Party's security credentials have been erroneously placed on a Device.

### *Inventory Enrolment and Withdrawal Procedures*

21. The Inventory Enrolment and Withdrawal Procedures supplement Sections H5 and H6. The principal changes made in this document, as compared to the previous version of H5 and H6 that included the equivalent obligations, are:

- Clause 2.6 clarifies that any User can add a Device to the Smart Metering Inventory provided that it is on the Certified Products List (CPL), although the requirement to be on the CPL does not apply to Type 2 devices;
- Clause 2.7 clarifies that DCC may only communicate with Devices listed in the Smart Metering Inventory;
- Clause 2.8 requires that any Communications Hub Function or Gas Proxy Function in the inventory must form part of a Communications Hub that has been provided by DCC;
- Clause 3.2 sets out the options for which Certificates may make up a Device's Device Security Credentials prior to Commissioning (or delivery in the case of Communications Hubs), this provides a number of different options in the Supplier and Network Operator trust anchor cells.
- Clause 4.3 recognises the new interstitial status of 'whitelisted';
- Clause 5 sets out revised arrangements in relation to Post-Commissioning obligations which now provides for the DCC to monitor commands sent to Devices and report on whether or not there is evidence that the security-related Post Commissioning obligations have been carried out. These provisions represent the outcome of extensive discussions on how these matters should and can be dealt with. Given the proposed monitoring arrangements it is now proposed to remove the previously proposed clauses in Section M (M2.7 and M2.8 of the most recently concluded upon SEC version refers). This existing drafting would allow Parties suffering losses from any breach that arose from a failure to carry out the Post-Commissioning Obligations to recover their costs without limitation.

## Legal Text

### Summary of new SEC Provisions

#### Changes to Section H4,5&6

- New Subsidiary Documents under Sections H4, H5 and H6.

## Consultation Questions

### DCC Enrolment and Communication Services

Q3 Do you have any comments on the proposed drafting in these new subsidiary documents?

Q4 Do you have any specific comments on the proposed revised approach to dealing with Post-Commissioning Obligations including the proposal to delete Sections M2.7 and M2.8?

## 4.2 Consent for joining and un-joining Consumer Access Devices

### Description of the Issue

22. In the November 2014 response document<sup>8</sup> the Government concluded upon changes to the SEC to require Users to gain the consent of consumers before joining or unjoining Consumer Access Devices (CADs) to Smart Metering Systems. The requirement to gain such consent did not extend to Suppliers (acting in the capacity as such) and in the November response we went on to state that:

*“119. Similar provisions will apply in licence conditions to Suppliers for customers where they are the registered Supplier. We intend to update supply licence conditions to place requirements on Suppliers to only issue commands to set-up pairing or unpairing of a CAD when they have the consent of the relevant energy consumer (with the exception of IHDs provided at install).”*

23. It was originally proposed to deal with such matters in supply licences because existing arrangements dealing with suppliers’ access to consumption data are included in licence conditions. On considering further how to implement these additional provisions, we have reached the view that it would be simpler to implement these requirements through modifications to the SEC rather than through conditions of supply licences. Such an approach would not only conveniently deal with such matters in the same place in a single document, but is also easier to implement legally since the concepts of “join” and “unjoin” have already been established in the SEC. It is also the case that suppliers are required by licence condition to comply with the SEC and that consequently these SEC provisions would be capable of being enforced via the licence if necessary.

24. We are therefore proposing changes to Section I of the SEC to give effect to these arrangements.

### Translation into Detailed Requirements

25. The implementation of this proposal requires a relatively minor change to Section I requiring suppliers also to gain the consent of the consumer prior to joining or unjoining any Type 2 device other than for the purpose of complying with an obligation under its licence. The exception referring to obligations under licences has been added in order not to require suppliers to seek additional consent where they are joining Type 2 devices in accordance with requirements of their licence (e.g. IHDs).

### Legal Text

#### Summary of new SEC Provisions

Summary of new SEC Provisions	
<b>SEC Section I Change</b>	<ul style="list-style-type: none"><li>• Change to I1.3(a).</li></ul>



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<sup>8</sup> Government response to consultation on: Stage 4 Smart Energy Code (SEC) content (Part A) and Transitional arrangements in the Smart Energy Code (SEC), and Consultation on additional SEC content.

## Consultation Questions

### Consent for joining and un-joining Consumer Access Devices

Q5	Do you have any comments on the proposed approach?
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## 4.3 Consequential Changes to Sections F2, G, M2 and A

### Description of the Issue

26. As part of the review of the detail of the arrangements relating to Service Request processing and inventory, enrolment and withdrawal procedures, we have reviewed associated SEC sections and identified a number of proposed changes.

### Translation into Detailed Requirements

#### Section F2

27. Section F2 deals with the Certified Products List (CPL). We have reviewed this section in detail and propose a number changes in order to:

- align with GBCS V0.8.1;
- align with changes to sections H4&5; and
- make a number of corrections and clarifications.

28. The changes proposed include:

- changes to the information required to be held on the CPL;
- clarification of the process for addition of Device Models to the CPL, including how hashes are associated with Device Models;
- the detail of how Assurance Certificates are handled.

29. In line with previous decisions to move the detailed and technical process matters in Sections H4, 5 and 6 into subsidiary documents, it is also proposed to do the same with the equivalent provisions in F2. Consequently, in addition to making the changes identified above, we have developed an additional subsidiary document (the CPL Requirements Document) containing the technical matters that were previously within F2 and a shortened F2 setting out the relevant higher level obligations applying to the CPL.

#### Section G

30. We have made proposed changes to Section G in order to:

- extend the requirements on DCC to separate various systems in light of the development of the Non-Gateway Interface (NGI), in particular requiring the NGI systems to be separated from DSP systems but not from the Transitional Change of Supplier (TCOS) systems (G2.21);
- we have also clarified that the NGI and TCOS systems can rely on centrally (DSP) held links between MPxNs and Party Details, MPxNs and Devices and Party Details and User IDs (G2.21);
- clarify that G3.9 applies to all Users, not just Supplier Parties;

- change G6.3 and G6.6 to reflect the fact that Threshold Anomaly Detection should apply not to Service Requests that contain encrypted data, but to Service Requests whose Service Responses contain encrypted data.

**Section M**

31. As explained in paragraph 21 above, we have proposed removing the drafting in Sections M2.7 and M2.8 in light of the revised approach to dealing with post commissioning obligations.

**Section A**

32. We propose a number of consequential changes to Section A which include:

- making more generic a number of security-related process definitions, such as “Check Cryptographic Protection” and “Digital Signature” to reflect the use of these concepts across Public Key Infrastructures other than just SMKI;
- clarifying that the concept of Device Model applies to a Communications Hub as a whole and not the separate Device components (Communications Hub Function and Gas Proxy Function);
- clarifies a number of definitions used in relation to firmware upgrades and the Certified Products List (for example Manufacturer Release Notes);
- added the status of “whitelisted” to the list of possible statuses in the Smart Metering Inventory;
- made a number of other detailed technical changes to complement the detailed changes made to the Service Request Processing Document and Inventory Enrolment and Withdrawal Procedures.

**Legal Text**

<b>Summary of new SEC Provisions</b>	
<b>Changes to SEC</b>	We have created the CPL Requirements Document, made changes to F2, G2.21, G3.9, G6.3, G6.6, deleted M2.7 and M2.8 and made a number of changes to the definitions in Section A (please see change marked Section A for such purposes).

**Consultation Questions**

<b>Consequential Changes to Sections F2, G, M2 and A</b>	
Q6	Do you have any comments on the proposed drafting changes to Sections F2, G, M2 and A?
Q7	Do you agree with the proposal to move some of the technical details in F2 into a subsidiary document in line with the approach taken in relation to Sections H4,5 &6?

## 5 SEC amendments to support Smart Metering Testing

### Description of the Issue

33. The DCC and other stakeholders have continued to develop and refine their proposals for testing elements of the end-to-end Smart Metering System. We have considered the extent to which it may be necessary to introduce some amendments to the SEC to support these refinements. Accordingly, this chapter sets out changes we propose to make to the SEC.

### Testing the Non-Gateway Interface

34. We recognise that those suppliers who are not yet DCC Users may need to test the Non-Gateway Interface to satisfy themselves that they can comply with their obligations to transfer the relevant security certificates on to meters and other devices that they may inherit as part of the change of supplier process. Following discussions with the DCC, we see merit in including requirements in the SEC that would enable these Non-Gateway Suppliers to be able to test that they can use the Non-Gateway Interface, if they wish. We do not propose to require Non-Gateway Suppliers to undertake these tests.

### Testing against the correct version of the SEC – the Testing Objectives

35. Section T of the SEC sets out the transitional arrangements for testing the DCC Systems, including three ‘testing objectives’ for the different types of testing that are required. These are summarised below:

- **The SIT Objective** (Systems Integration Testing): to demonstrate that the DCC and the component parts of the DCC Systems together with selected Communications Hubs interoperate with each other and with the Registration Data Providers (RDP) Systems;
- **The IT Objective** (Interface Testing): to demonstrate that the DCC and the DCC Systems together with selected Communications Hubs interoperate with User Systems and Non-Gateway Supplier Systems; and,
- **The SRT Objective** (SMKI and Repository Testing): to demonstrate that the DCC and the DCC Systems interoperate with each other and with Systems of Parties to the extent necessary in order that the DCC is capable of complying with its SMKI obligations.

36. For each of the objectives above, the SEC requires that they are demonstrated to the extent necessary that the obligations in the relevant sections of the SEC are capable of being met by the relevant Parties and RDPs.

37. When we introduced the testing objectives into the SEC, we specified that they should be construed by reference to SEC sections contained in the most recent Government conclusion/consultation document published at that time. This was enshrined in the following SEC text:

*“the decision or consultation document concerning the intended future content of those Sections most recently published by the Secretary of State prior to the date on*

*which this Section TX.3 comes into force (regardless of whether the content of those documents has yet been incorporated into this Code, or whether those Sections are stated to not yet apply under Section X (Transition))”;*

38. Because there have been changes and additions to various sections of the SEC that have a bearing on testing, we now propose amending the SEC to state that the testing objectives should be construed by reference to the SEC sections most recently published prior to the point that this SEC amendment takes effect (i.e. that instead of relying on the relevant sections of the SEC as they were in 2014, we expect the testing objectives to be considered against the sections of the SEC that exist at the point this amended text takes effect, which is likely to be October/November 2015).

#### Supporting activity clarifying how the Testing Objectives are construed

39. Section T2.3(b) (and corresponding provisions in Sections T3.3(b) and T5.3(b)) note that the Testing objectives should also be construed by reference to, ‘...any document regarding technical or procedural requirements which support those Sections which is published from time to time by the Secretary of State’. The intent of these provisions was to enable to Secretary of State to refer to any of the relevant requirements that are set out in draft versions of the SEC Subsidiary Documents as part of the suite of requirements that needs to be proven during testing, recognising that some will be under the transitional governance of the ‘Technical Business Design Group’ (TBDG), and not yet incorporated into the SEC. Stakeholders will wish to note that we intend to publish this list of requirements shortly and have been developing a document for this purpose, which will be used to define the detailed requirements against which SIT, IT and SRT should be undertaken.

#### Clarifications relating to device and user system testing

40. In our March Conclusions document on proposed changes to the SEC,<sup>[1]</sup> we noted that, based on the emerging design of the DCC’s testing services, it may not be possible for the DCC to provide a remote testing service to Testing Participants who were not SEC Parties who wished to test devices (in accordance with the requirements in Section H14.31 (a) of the SEC). We noted that the DCC and industry should consider the impact of this issue and the merits of an alternative approach.
41. Since that time, the DCC has consulted with industry on its proposals for the technical requirements for Testing Participants in the End-to-End Testing Stage and concluded that it will not offer a testing service for Testing Participants to test devices against the DCC Systems and Communications Hubs where that Testing Participant is not a SEC Party. This proposal is not consistent with the SEC, as currently drafted which requires that ‘Any Manufacturer (whether or not a Party) is eligible to undertake those Device and User System Tests described in Section H14.31(a)’.
42. We recognise that at the time the SEC drafting was laid which established this requirement, the precise nature of the DCC’s testing offering was not known and nor were the technical requirements and associated costs for organisations to become SEC Parties. In light of this, we are considering whether we should amend the SEC to reflect the DCC’s plans, such that in order to test devices, Testing Participants will need to become SEC Parties. The reasons for considering the change include that:
- The costs of becoming a SEC Party and establishing a DCC Gateway Connection are now clearer, and initial findings do not suggest that they would be prohibitive;

- The DCC will continue to offer a service of GBCS Interface Testing (GIT) for Industry (GFI), which enables Testing Participants to test devices in accordance with the requirements defined in the GBCS. This does involve connecting to DCC Systems and so does not require a Testing Participant to become a SEC Party; and
  - Informal feedback from the meter manufacturer community suggests that they do not oppose an amendment to the SEC to reflect the DCC's proposals.
43. Furthermore, the DCC has stated that maintaining the requirement for the DCC to provide testing service to non SEC Parties would mean diverting resources away from preparing for DCC's live-operations, which could in turn affect DCC's readiness and cause a delay to DCC live.
44. We seek stakeholders' views on these proposals, as well as any further information from prospective Testing Participants who are planning to test devices against the DCC as to how they intend to undertake this testing (for example whether they intend to become a SEC Party themselves, or rely on a SEC Party to facilitate their device testing). Based on responses, we will consider whether there is merit in removing the obligation on the DCC to offer this testing service to non-SEC parties from the SEC on a permanent basis, or otherwise temporarily to reduce the risk of impacting on DCC's readiness for live operations. We have not developed legal drafting to support these changes at this stage, but will do so as necessary to support our conclusions.
45. Finally, we propose making two small changes to the legal text in the SEC to remove any potential for ambiguity relating to testing, by:
- amending the way we describe a Testing Participant's connection to the WAN for the purposes of testing, recognising that Testing Participants will not connect to the SM WAN, as defined in the SEC<sup>9</sup> but rather to a separate test WAN which is distinct from the actual SM WAN that the DCC will use; and
  - adding a reference that Systems in Section H14.31 may include a simulation of those Systems (rather than the actual Systems as defined in the SEC), recognising that testing is not always undertaken against the same systems which are used for live operations.

## **Translation into Detailed Requirements**

### Testing the Non-Gateway Interface

46. Changes to Section H14 including a new paragraph (H14.36A), describing the requirement for the DCC to offer this testing capability, which is newly defined in Section A as 'Non Gateway Interface Tests' and captured as part of the Testing Services described in H14.1. We have additionally amended Section O which requires that Non-Gateway Suppliers, where choosing to carry out Non Gateway Interface Tests, should do so in accordance with the general rules covering Testing Services in Section H14.

### Testing against the correct version of the SEC – the Testing Objectives

47. We propose including changes to Sections T2.3(a), T3.3(a) and T5.3(a) to update the reference to the version of the SEC against which the testing objectives should be construed.

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<sup>9</sup> The SM WAN is defined by reference to Communications Hub Functions in the SEC, which in turn is defined as a device that has been or is intended to be installed at a premises.

## Clarifications relating to device and user system testing

48. Based on our conclusions regarding the requirements for device testing against DCC systems, we will consider whether and how we amend the SEC to support this. Changes reflecting the fact that testing may be undertaken against simulations of the SM WAN and of SEC defined Systems are included in Section H14.

## Legal Text

### Summary of new SEC Provisions

<b>Changes to Section H</b>	<ul style="list-style-type: none"><li>• Section H14 has been amended to include references to Non-Gateway Interface Testing</li><li>• Section H14 has been amended to refer to the use of simulations of systems rather than live systems during testing.</li><li>• Section H14 has been amended to refer to the use of a simulation of the SM WAN rather than the SM WAN during testing.</li></ul>
<b>Changes to Section O</b>	<ul style="list-style-type: none"><li>• Section O1.10 has been added to clarify the requirement for the DCC to offer Non-Gateway Interface Testing in accordance with new requirements in H14.</li></ul>
<b>Changes to Section T</b>	<ul style="list-style-type: none"><li>• Sections T 2.3(a), 3.3(a), 5.3(a) have been amended to include a reference to the most up to date relevant sections of the SEC, as opposed to those published in 2014.</li><li>• Section T6.4(c) has been consequentially amended to refer to a simulation of the SM WAN.</li></ul>

## Consultation Questions

### SEC amendments to support Smart Metering Testing

Q8	Do you support the proposed changes to Section T to ensure that the testing objectives reflect a more up to date version of the SEC?
Q9	Do you agree with the proposal that the DCC should offer a testing service for prospective Non-Gateway Suppliers?
Q10	Do you intend to test only Devices (and not User Systems) against the DCC Systems? If so, how and when do you intend to do this? Is it your intention to: become a SEC Party and establish a DCC Gateway Connection; rely on other parties to interact with the DCC for the purposes of testing Devices; or another means (e.g. direct connection without being a SEC Party)?

## 6 Public Key Infrastructure

### Description of the Issue

49. We noted in the 'March 2015 Smart Energy Code Government response'<sup>10</sup> our intention to consult further on Public Key Infrastructure-related Smart Energy Code content (Smart Metering Key Infrastructure (SMKI), Infrastructure Key Infrastructure (IKI), and DCC Key Infrastructure (DCCKI)). This chapter includes clarifications on:

- The role of SMKI Policy Management Authority (PMA) in relation to the SMKI Recovery Procedure;
- The allocation of liabilities in SMKI Recovery Procedure scenarios;
- Expanding the scope of Infrastructure Key Infrastructure;
- The SMKI Certificate Policies;
- DCC's obligations relating to DCCKI;
- Allowing the DCC to become an Eligible Subscriber for certain SMKI Organisation Certificates;
- The obligation for Network Operators to establish their SMKI Organisation Certificates by DCC Live;
- Miscellaneous changes to the PKI content.

### Description of the Issue

#### SMKI PMA and SMKI Recovery Procedure decisions

50. The SMKI Recovery Procedure is a process that supports the re-establishment of the security of devices (meters, communications hubs, etc.) following the event of the (suspected) Compromise of one or more SMKI Certificates held on them.

51. The detail of the SMKI Recovery Procedures has been developed by the DCC within the draft of the SMKI Recovery Procedure document and upon which they are currently consulting<sup>11</sup>. This draft includes proposed roles for the SMKI PMA (e.g. such as assigning individuals with Recovery Key Custodian roles). In discussions with the Transitional PMA Group (TPMAG), the TPMAG proposed that the SMKI PMA should decide on whether or not to run the SMKI Recovery Procedure where this would involve the use of the Recovery or Contingency Private Keys.

52. We agree with this proposal, and have developed SEC drafting that enables the SMKI PMA to take such decisions. However, we consider it important that the factors and/or criteria upon which the SMKI PMA makes a decision on whether or not to run these aspects of the SMKI Recovery Procedure are as transparent as possible to SEC Parties, and that such criteria must be consulted upon with SEC Parties. We believe this a necessary step, as SEC Parties may be affected by the SMKI PMA's decision (e.g. where the SMKI PMA decides not to run the SMKI Recovery Procedure, SEC Parties may face device replacement costs – see "SMKI Recovery Procedure Liabilities" below).

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/416392/15\\_03\\_24\\_March\\_2015\\_SE\\_C\\_Government\\_Response\\_Document\\_final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/416392/15_03_24_March_2015_SE_C_Government_Response_Document_final.pdf)

<sup>11</sup> <http://www.smartdcc.co.uk/consultations/dcc-consultations/smki-recovery-procedure/>

53. The drafting therefore requires the SMKI PMA to draft and consult upon a document entitled the “SMKI Recovery Procedure Guidance” where it sets out these factors and/or criteria (to the extent that it can) that it proposes it should take into account in making decisions of this nature. Once this document has been concluded upon, the SMKI PMA shall act in accordance with this document. Equally, Parties and other relevant bodies (e.g. the Security Sub-Committee) must promptly provide the SMKI PMA with information and assistance as may be required by the SMKI PMA for the purposes of making the decision of whether or not to run the SMKI Recovery Procedure using the Recovery or Contingency keys. We have considered two options for dealing with change management of the SMKI Recovery Procedure Guidance document. Either, the document may be modified as determined by the SMKI PMA (following consultation by them), or the document could be made a SEC Subsidiary Document and therefore be subject to the standard SEC modification process. We are inviting views on which change management process is preferable in relation to this document.
54. The SMKI Recovery Procedure clarifies how Recovery and Contingency Keys are constructed for use. These enable the recovery of Organisation or Device Certificates from compromise. For example, such use involves the bringing together of multiple “Key Custodians” each holding part of such a key. Whilst ideally SEC Parties will voluntarily nominate Key Custodians, to ensure that there will be a sufficient number of Key Custodians as specified in the SMKI Recovery Procedure to support the arrangements, we propose that where necessary, the SMKI PMA may require any Party to nominate individuals for this. Consequently, Parties are then required to nominate such individuals where requested by the SMKI PMA. We are inviting views on whether such a solution is appropriate.

#### SMKI Recovery Procedure Liabilities

55. Depending on a variety of factors it may set out in the SMKI Recovery Procedure Guidance Document, the SMKI PMA may decide not to use the Recovery or Contingency keys even though a compromise has occurred. Further, even where it is decided to run the recovery procedures, it is possible that they may not work as planned for some devices. Currently, if it is decided not to run the SMKI Recovery Procedure (or it fails) suppliers may have to replace compromised devices even in circumstances in which they themselves have not breached the SEC or did not cause the compromise in the first instance. Due to the consideration that the costs of running the SMKI Recovery Procedure are likely lower than the potentially high costs of unrecovered Certificate Compromise, and without wishing to pre-judge decisions of the PMA on such matters, we anticipate there being a relatively low probability of the SMKI Recovery Procedure intentionally not being run unless only a few devices are affected by a compromise (although this may vary in the specific circumstances of the case and in line with the SMKI PMA’s decision making process to be specified in the SMKI Recovery Procedure Guidance Document).
56. Based on the existing SEC liability regime, in the event of a SEC breach, the breaching SEC Party may be liable for up to £1 million of physical damages per incident (or series of related incidents). However, the definition of “physical damage” currently excludes the cost of replacing devices with compromised certificates. This is a current loophole that the proposed legal text would fix, and we propose to retain the cap on liability that currently applies. We consider such a cap appropriate as it aligns with general limitation of liability policy

concluded upon as part of SEC1<sup>12</sup>, which itself aligns to standard industry practice. This would mean that the SEC limitation of liability provisions would be consistent.

57. Since the decision of whether or not to run the SMKI Recovery Procedure is not directly in the supplier's control, and such cost (for both running the recovery procedure and replacing devices) may be significant, and that whether the procedures operate satisfactorily is largely outside their control, it is considered that the current cost allocation and liability arrangements are "unfair" and inconsistent with the general SEC liability provisions.

58. We have therefore developed further policy with regards to liability for costs associated with the SMKI Recovery Procedure. We have sought the view of the Transitional PMA Group (TPMAG) and have received general support for our proposals. The costs considered in this policy include:

- a) The central DCC costs of running recovery (including reimbursement of costs of recovery key custodians); and
- b) Costs of replacement of the device if recovery fails or is not used – (this includes the costs of procuring a replacement device and installing it in place of the affected device).

59. The following is proposed:

- The costs of a) and b) listed above should be capable of being socialised (subject to the compromising Party being potentially liable for up to £1 million), only to the extent that such costs have been reasonably incurred in relation to any particular compromise or suspected compromise. This means that where a Party's compromise or suspected compromise has caused Recovery Costs to be incurred, each Party may recover their Recovery Costs from the DCC. We consider the socialisation of Recovery Costs appropriate as Parties who did not breach the SEC have no control over being affected by the compromise. Due to the potentially high costs of unrecovered compromise and this lack of control, we consider an industry-wide allocation of Recovery Costs to be the fairest approach.
- In the first instance, the DCC will determine if claims are reasonable, while in the second instance the Panel may do so as well (either through its own motion or by referral) and both may require independent audit if appropriate). The SEC Panel may also determine arrangements for agreeing a timetable for cost recovery if appropriate (i.e. if costs are high).
- In line with the general liability provisions, we believe that it is not necessary to define a monetary threshold below which Parties cannot recover their Recovery Costs from the DCC (*de minimis* claims). This is based on the argument that the administrative burden of claiming such low damages would deter Parties from seeking them.
- It will be deemed that the Party who has caused the compromise or suspected compromise has breached the SEC, and such Party may be liable for a maximum of £1 million of Recovery Costs, unless they can demonstrate otherwise. The burden of proof over whether a SEC breach has not occurred following a compromise is placed on the compromising Party. The SEC Panel will determine whether there is sufficient evidence to prove a SEC breach has not occurred. Such decision will be capable of being appealed to the Gas and Electricity Markets Authority.

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<sup>12</sup> <https://www.gov.uk/government/consultations/smart-energy-code-stage-1>

### Infrastructure Key Infrastructure and NGI/TAD communications

60. In February of this year, the DCC suggested that IKI credentials should be used for the purpose of signing files sent to the DCC in respect of the Non-Gateway Interface (NGI) and Threshold Anomaly Detection (TAD). We have expanded upon the legal drafting in the SEC to provide for this capability.

### SMKI Organisation and Device Certificate Policies

61. As indicated in our SEC March 2015 conclusions document<sup>13</sup> (paragraph 74), the DCC suggested to us two detailed technical amendments to the Organisation Certificate Policy. One such suggestion related to changing the obligation on the Organisation Certificate Authority to not issue a Certificate if that Certificate contains the same Public Key as a Public Key contained in any other Certificate issued by it. The DCC queried whether it was justified investing in the systems to perform these checks given the low security benefits, and that it was not supported by the technical service provider's solution at that time. To provide for this check would mean additional cost and delay to delivery for a low security benefit. Rather than explicitly requiring the DCC to check that Public Keys have already been distributed as part of another Certificate in each, we have updated both Certificate Policies to state that the DCC must not intentionally issue Certificates with Public Keys that were contained in any other Certificate issued by it. At the same time, we have made changes to Section L that Subscribers shall not submit Certificate Signing Requests for the issue of Certificates that contain the same Public Keys which that Subscriber knows to be contained in other Certificates.

62. The DCC's second suggestion related to correcting a technical term used within Annex B of the Organisation Certificate Policy. We have reviewed both SMKI Certificate Policies with the objective of ensuring technical robustness. The result of this review has been to make changes to align a number of terms used in places within the Organisation and Device Certificate Policies to the terms used within IETF RFC 5280 (the standard specification for Public Key Infrastructures used in the SEC). We have adopted an approach of using a different font that allows for the easy identification of the RFC 5280 terms within the SMKI Certificate Policies to provide greater clarity. We have also introduced minor amendments to both SMKI Certificate Policies (with minor consequential changes to Section L) to enhance and ensure technical correctness.

### DCC and signing Registration Data

63. As approved by the SMKI PMA, Registration Data provided to the DCC by Registration Data Providers (RDP) is to be signed using an SMKI key. Since the Registration Data Interface is a two-way interface, the DCC also has to sign Registration Data sent to RDPs using Private Keys associated with SMKI Organisation Certificates.

64. For this purpose, we do not consider that it would be good practice to issue the DCC with Certificates with a Role Code of 'other', as such type of Certificate is recognisable by a Device and would introduce the risk that it could be used for end-to-end communications.

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/416392/15\\_03\\_24\\_March\\_2015\\_SEC\\_Government\\_Response\\_Document\\_final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/416392/15_03_24_March_2015_SEC_Government_Response_Document_final.pdf)

65. We therefore propose that the DCC can become an Eligible Subscriber for Organisation Certificates with Role Codes that are not reserved for GB Companion Specification (GBCS) use.

Network Operators and establishment of SMKI Organisation Certificates

66. We concluded in the SEC4A<sup>14</sup> response document in November 2014 on the principle of obliging Network Operators to establish their Organisation Certificates prior to the commencement of Enrolment Services by the DCC (DCC Live), so that they are available to suppliers to place on devices following installation and commissioning. We included in the SEC legal draft text that supports this requirement.

Miscellaneous changes to PKI content

67. We have made minor changes to the permitted scope of the SMKI and Repository Codes of Connection in light of further information on the actual proposed content of these documents.

68. To allow for administrative ease, we have expanded the scope of the SMKI Registration Authority Policies and Procedures (RAPP) in Section L to also allow it to include the means by which the DCC will verify the identity and authorisation of individuals in relation to DCCKI. This would have the effect that where Parties attend the DCC's premises to obtain such authorisation for SMKI purposes, they can obtain authorisation for DCCKI purposes at the same time, avoiding the need for two trips.

69. Following our continuous review of Section L13 (DCC Key Infrastructure) to ensure consistency with the technical solution proposed for DCCKI, we have made a number of minor amendments to the drafting. These amendments clarify which documents the DCC will be required to place in the DCCKI Repository, and to specify that the SMKI PMA need not be able to require documents to be placed in the DCCKI Repository. In addition and for the same reasons, we lifted the restriction on the purpose for which the DCCKI Repository may be accessed. Lastly, we further specified that the DCCKI PMA Function must approve the DCCKI Certification Practice statement (in alignment with the equivalent SMKI drafting).

70. The DCC's last round of testing (Operational Acceptance Testing, OAT) is conducted to give assurance before live operations. Its purpose is to test that systems and services that will be used in a live running environment actually work on a pre-production version of the live environment. The DCC has designed the production environment for live running to only issue live SMKI Certificates. The DCC wishes to use this same production environment as a pre-production environment for OAT, which we consider sensible and prudent. Therefore this means the DCC will be using live SMKI certificates for testing. This is contrary to the current drafting of H14.11 (drafted before the conception of OAT), which prohibits such usage of live Certificates for testing. To allow the DCC to conduct OAT, we have amended the drafting in H14.11 to allow for the usage of live Certificates during testing to the extent, and subject to any conditions imposed by, the SMKI PMA.

71. Section L8.7 currently obliges Authorised Subscribers (in accordance with the Device Certificate Policy) to send to the DCC a forecast of the number of Certificate Signing Requests that the Authorised Subscriber will send in each of the next 8 months. L8.7 defines that such forecasts be send by the 15<sup>th</sup> working day of the months March, June, September

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/375586/SEC\\_4A\\_and\\_transitional\\_arrangements\\_government\\_response.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/375586/SEC_4A_and_transitional_arrangements_government_response.pdf)

and December. If Parties become Authorised Subscribers after the 15<sup>th</sup> working day of December 2015, they do not have to forecast until the 15<sup>th</sup> working day of March 2016. Since live Certificates can first be issued from 4<sup>th</sup> January 2016, the DCC may be issuing with no forecast during this period. Therefore, due to lack of forecasts, there is a risk that the DCC may not be able to properly plan its operations for managing orders for live Certificates for this period of transition. We therefore propose to amend Section L8.7 to state that, in addition to the original provision, an Authorised Subscriber as well needs to forecast as soon as reasonably practicable after having become an Authorised Subscriber.

## **Translation into Detailed Requirements**

### *SMKI PMA and SMKI Recovery Procedure decisions*

72. We have specified in the legal text that the SMKI PMA should develop a document titled the “SMKI Recovery Key Guidance”, which may set out the factors that the SMKI PMA may take into account when deciding whether or not to require the use of the Recovery or Contingency Key, and any other factors the SMKI PMA considers necessary for the purposes of making decisions. The SMKI PMA may also set out any weighing of priority given to such factors, and any criteria it employs when assessing these factors.
73. After the SMKI PMA has produced a draft of the SMKI Recovery Key Guidance, it will be obliged to consult on its content with the DCC, the Security Sub-Committee (SSC), Parties, the Secretary of State and any other persons it considers necessary. Where it wishes to make subsequent amendments to the document, it must consult these bodies prior to making such changes. The initial document and each subsequent document must then be published by the SMKI PMA.
74. Prior to making any decision on whether or not to require the use of the SMKI Recovery Key or Contingency Key the SMKI PMA will act in accordance with the SMKI Recovery Key Guidance. It may also request assistance and information from the DCC, the SSC, or Parties when it reasonably considers it appropriate for the purposes of making this, or any future, decision. These bodies would have to provide promptly such information or assistance. Provision is made for recovery of Parties’ costs associated with supporting the PMA in such matters from the DCC.
75. We have also expanded on the scope of the content of the SMKI Recovery Procedure to detail steps to be taken by the DCC, Parties, and RDPs regarding the provision of information and evidence to the SMKI PMA.

### *SMKI Recovery Procedure Liabilities*

76. To define rules around SMKI Recovery Procedure liabilities it is necessary to define terms such as “Recovery Event”, and “Recovery Costs”. We have defined ‘Recovery Event’ to refer to a situation where the DCC has notified the SMKI PMA that a Relevant Private Key has been Compromised (or is suspected to have been Compromised), and the SMKI PMA has decided on whether or not to require the use of the Recovery Key or Contingency Key. ‘Recovery Costs’ are defined as being those costs that are reasonably incurred by any Party in consequence of a Recovery Event, and that would not otherwise have been incurred. These include direct costs associated with the use of the SMKI Recovery Key or Contingency Key and, where neither has been used or has been used unsuccessfully, the costs of replacing “Relevant Devices” or the SMKI Organisation Certificates or OCA Certificates held on them.

77. “Relevant Devices” in this section refers to such devices which are commissioned immediately prior to the recovery event (i.e. excluding those in transit or in warehouses) and hold on them SMKI Organisation Certificates or OCA Certificates that are (or are suspected of being) Compromised, and such (suspected) Compromise gave rise to the Recovery Event.
78. The draft specifies that where any Party incurs Recovery Costs, it may submit to the DCC a request to be reimbursed for these costs, provided it notifies the DCC within three months of the Recovery Event of its intention to do so. It must also notify the DCC within three months of when it ceases to incur Recovery Costs of the total amount that it requests to be recompensed. This notification must include evidence of such amount, as the DCC or the Panel may reasonably require. We envisage that evidence may include a report of an independent auditor verifying that the amount requested is fair and accurate.
79. The DCC shall then, if satisfied that the amount requested is adequately supported by the evidence, pay the requesting Party that amount. Where it is not satisfied with the evidence, the Panel will determine whether it is adequately evidenced and whether the DCC shall be liable to pay the requesting Party the full or partial amount, or may refuse to pay any amount. Where the amount requested is material, the Panel may (following consultation with the DCC and the Authority) decide on the dates and, where it considers appropriate, the instalments for payments.
80. Where a Recovery Event occurs, a Relevant Subscriber (a Subscriber for those SMKI Organisation or OCA Certificates that are (or are suspected of being) Compromised and gave rise to the Recovery Event) will be deemed to be in breach of specific provisions in the SEC. Under Section M2 of the SEC (Limitations of Liability), the DCC may recover up to £1 million of the Recovery Costs it incurs from such breaching Party. The Relevant Subscriber will not be deemed to be in breach only if it can demonstrate to the Panel to its reasonable satisfaction that it did not breach the SEC within three months of the date of the Recovery Event. The Panel’s final decision of whether a breach occurred may be appealable to the Authority.

#### Infrastructure Key Infrastructure and NGI/TAD communications

81. To provide for this capability in the SEC, we have expanded on the definition of Infrastructure Key Infrastructure, to specify that its purpose includes authenticating communications over the Non-Gateway Interface (NGI) between Supplier Parties and the DCC, and Users and the DCC in relation to Threshold Anomaly Detection (TAD). In addition, we have also made changes to Section L that allow Parties and RDPs to become Subscribers for IKI Certificates without having to become Subscribers for SMKI. This allows for additional flexibility regarding NGI- and TAD-related communications.

#### SMKI Certificate Policies

82. We have amended the Certificate Policies to make it easier to identify expressions that have meaning ascribed to them in IETF RFC 5280. These expressions now appear in different font and are accompanied by the descriptor ‘field’, ‘type’, or ‘extension’.
83. We have corrected the statement within the Certificate Policies that the Certificate Policies have been registered with the Internet Address Naming Authority.
84. We have modified a provision in light of recent changes to the SEC to state that the SMKI RAPP must make provision to ensure that each Eligible Subscriber has one or more

Organisation ID or RDP ID that is EUI-64 compliant and has been allocated to the Eligible Subscriber in accordance with Section B (DCC, User and RDP Identifiers).

85. We have now specified that the OCA may not Issue any Certificate containing a Public Key where it is aware that the Public Key is the same as the Public Key contained in any other Certificate that was previously Issued by it, except in the case of an OCA Root Certificate in so far as it contains a different Contingency Key. This exception now also applies in relation to not allowing Certificate Modification. The effect of this exception for the Root Certificate means that if it is necessary to replace the Contingency Private Key (for example if it is Compromised, or if the symmetric key used to encrypt the Contingency Public Key is Compromised) it is not also necessary to replace the Root Private Key.
86. We have corrected the provisions regarding Key Sizes to point to the GB Companion Specification for further information. Finally, we have corrected Annex B of the Certificate Policies to be in line with IETF RFC 5280.

#### DCC and signing Registration Data

87. We have specified in Section L3 (SMKI Service) that the DCC can, in addition to acting in its pre-specified roles (Root, Recovery, Issuing Authority, Access Control Broker, etc.) become a Subscriber for Organisation Certificates if the Remote Party Role in the 'OrganizationalUnitName' field of the Certificate is not one in relation to which a Device may require processing in accordance with the GBCS. The DCC can use these Certificates to sign Registration Data.

#### Network Operators and establishment of SMKI Organisation Certificates

88. We have included in Section X new text that obliges Network Operators to establish their Organisation Certificates prior to the commencement of Enrolment Services by the DCC. This supports the policy we have concluded upon within the SEC4A<sup>15</sup> Government response document in November 2014.

#### Miscellaneous changes to PKI content

89. In relation to setting usage limits on the SMKI Service Interface, we have expanded the scope of the SMKI Code of Connection and the SMKI Repository Code of Connection.
90. In line with the rationale stated in paragraph 67 of this document, we have expanded the scope of the SMKI RAPP so that it may also make provision for the means by which the DCC may verify the identity and authorisation of individuals and Parties for the purposes of the DCCKI Services.
91. We have deleted from the DCCKI legal drafting the requirement for the DCC to apply access controls to limit access to the DCCKI Repository, as access controls are not considered to necessary for the security of the solution. Furthermore, we specified in more detail which documents must be placed in the DCCKI Repository and require that the DCCKI PMA Function must approve the DCCKI Certificate Practice Statement.
92. To allow the DCC to complete Operational Acceptance Testing, we have amended Section H14.11 to state that live Certificates may be used for testing purposes to the extent of, and under conditions imposed by, the SMKI PMA.

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/375586/SEC\\_4A\\_and\\_transitional\\_arrangements\\_government\\_response.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/375586/SEC_4A_and_transitional_arrangements_government_response.pdf)

93. We have amended provision L8.7 to state that Authorised Subscribers in accordance with the Device Certificate Policy must as soon as reasonably practicable after having become an Authorised Subscriber submit a forecast to the DCC of the number of Certificate Signing Requests it will send to the DCC in the next 8 months. This is to mitigate the risk that, due to the planning timetable and the current drafting of provision L8.7, DCC may not be able to properly plan its operations for managing orders for live Certificates following their first availability on 4<sup>th</sup> January 2016.

## Legal Text

### Summary of new SEC Provisions

<b>Changes to Section A</b>	<ul style="list-style-type: none"> <li>We have expanded the definition of Infrastructure Key Infrastructure to specify that it also authenticates communications between Non-Gateway Suppliers and the DCC, and Users and the DCC in relation to Threshold Anomaly Detection.</li> <li>We have added definitions of Recovery Costs, Recovery Event, Relevant Device, Relevant Subscriber, and SMKI Recovery Key Guidance to mean those as defined in Section L10.</li> <li>We have amended the definition of DCCKICA, DCCKICA Certificate, Root DCCKI Certificate, and also amended the definition of Compromise and RDP Systems as a consequential change. We also added the definition of DCCKI Infrastructure Certificate, EIIDCCKICA Certificate and corrected the definition of DCCKI PMA.</li> </ul>
<b>Changes to Section H</b>	<ul style="list-style-type: none"> <li>We have amended Section H14.11 to imply that live Certificates may be used for testing purposes to the extent of, and under conditions imposed by, the SMKI PMA.</li> </ul>
<b>Changes to Section L</b>	<ul style="list-style-type: none"> <li>We have added to the SMKI PMA duties in L1.17 to specify that it decides in accordance with the SMKI Recovery Key Guidance, whether or not to require the use of the Recovery Private Key or Contingency Private Key.</li> <li>We specified in L3.18 that the DCC may subscribe to Organisation Certificates with a value in the OrganizationalUnitName field that does not correspond to a Remote Party Role to which a Device may require to undertake processing in accordance with the GBCS.</li> <li>We have added to the scope of the SMKI Code of Connection and the SMKI Repository Code of Connection so that it may now specify limits on the use of the SMKI Service Interface.</li> <li>We have amended the requirements as to what needs to be stored on the SMKI Repository so that the latest version of the IKI CRL and the IKI ARL do not need to be placed on the SMKI Repository.</li> <li>We have added clarity to L7.1 and L7.6 so that it now states that Parties or RDPs can become Authorised Subscribers for IKI Certificates alone.</li> </ul>

	<ul style="list-style-type: none"> <li>• We have amended provision L8.7 to state that Authorised Subscribers in accordance with the Device Certificate Policy must as soon as reasonably practicable after having become an Authorised Subscriber submit a forecast to the DCC of the number of Certificate Signing Requests it will send to the DCC.</li> <li>• We have expanded the scope of the SMKI RAPP in L9.5 so that it may now make provision for the means by which the identity and authorisation of individuals and Parties may be verified for the purposes of the DCCKI Services.</li> <li>• In L9, we have proposed that the SMKI Recovery Key Guidance is to become a SEC Subsidiary Document. In L10.13 we proposed that PMA will regularly keep this document under review and consult upon changes. We will conclude on either option in line with respondents' views.</li> <li>• The scope of the SMKI Recovery Procedures (L10.1 and L10.2) has been expanded to also allow for procedures relating to the use of the Recovery Private Key and Contingency Private Key where this has been required in accordance of a SMKI PMA decision. Additionally, it may now also specify the coordination of the submission of CSRs by Eligible Subscribers following the replacement of any OCA Certificate.</li> <li>• We have added to the obligations in relation to the SMKI Recovery Procedure, to make provision for the relevant processes as defined in the SMKI Recovery Procedure.</li> <li>• We have drafted new provisions (L10.9-L10.13) in this Section to define the scope, obligations, and document development in relation to the SMKI Recovery Key Guidance document.</li> <li>• We have added new provisions governing the allocation of Recovery Costs and relating liabilities in the event of Compromise or suspected Compromise in line with the process described in this document.</li> <li>• We have introduced provision L11.4 to support relating changes to the Certificate Policies, to specify that Eligible Subscribers may not submit a Certificate Signing Requests for the issue of Certificates that contain the same Public Keys which that Subscriber knows to be contained in other Certificates.</li> <li>• L10.7 now includes clarifications in relation to IKI Certificates in line with the relating provisions for SMKI Certificates.</li> <li>• L13.7 has been corrected to accurately reflect terms used in the DCCKI Document Set. L13.22 has been deleted as it is no longer considered necessary. We also added to L13.38,40,41 and 54 to specify that the DCCKI CPS is approved by the DCCKI PMA Function.</li> </ul>
<p><b>Changes to Section M</b></p>	<ul style="list-style-type: none"> <li>• M2.6 b) has been amended to limit liabilities in Recovery Event scenarios to £1m. Sub-paragraph c) has been added to allow the DCC to recover up to £1m from the breaching</li> </ul>

	Party that gave rise to the Recovery Event.
<b>Changes to Section X</b>	<ul style="list-style-type: none"> <li>We inserted Section X1.11 to require Network Operators to establish their Organisation Certificates prior to the commencement of Enrolment Services by the DCC.</li> </ul>
<b>Changes to Appendix A and B</b>	<ul style="list-style-type: none"> <li>In Parts 1 we have specified a new provision that identifies words and expressions whose meaning is ascribed in IETF RFC 5280 through different formatting.</li> <li>We've also corrected the statement that the Certificate Policies have been registered with the Internet Address Naming Authority.</li> <li>We corrected in Appendix B Part 3 the provision governing the authentication of organisation identity, to reflect recent SEC changes made in March 2015.</li> <li>We specified in Parts 4 that the SMKI RAPP shall only provide for the establishment of an enrolment process and maintenance of enrolment lists where this is applicable.</li> <li>We amended in Appendix A Part 4 the provision governing circumstances for revocation, to be subject to the SMKI Recovery Procedure.</li> <li>In Parts 4 of both Appendices we have specified that the DCC (acting as OCA) shall not issue a Certificate containing keys it is aware have been issued as part of other Certificates before.</li> <li>Throughout Parts 1 and 6, and Annexes A and B of both Appendices, we have made a number of changes to ensure technical correctness.</li> <li>Throughout Appendix B we have corrected provisions to also extent to RDPs, where this previously has been overlooked by previous consultations and conclusions.</li> </ul>

## Consultation Questions

Public Key Infrastructure	
Q11	Do you agree with the proposals, and associated legal drafting in relation to the SMKI Recovery Procedure Guidance document? Please provide a rationale for your view.
Q12	Do you agree with the proposed drafting on how changes to the SMKI Recovery Key Guidance are managed, or do you think it should be a SEC Subsidiary Document and open to the SEC modification process? Please provide a rationale for your response.
Q13	Do you agree with the proposals, and associated legal drafting in relation to the SMKI Recovery Procedure Liabilities? Please provide a rationale for your view.
Q14	Do you agree with the proposals, and associated legal drafting to use IKI for communications over the NGI and in relation to TAD? Please provide a

	rationale for your view.
Q15	Do you agree that it is necessary for the PMA to be able to require Parties to nominate Key Custodians? Please provide a rationale for your response.
Q16	Do you agree with the proposals, and associated legal drafting to make clarificatory changes to the SMKI Certificate Policies? Please provide a rationale for your view.
Q17	Do you agree with the proposals, and associated legal drafting to allow the DCC to become an Eligible Subscriber for certain SMKI Organisation Certificates for the purpose of signing Registration Data? Please provide a rationale for your view.
Q18	Do you agree with the legal drafting to oblige Network Operators to establish their Organisation Certificates prior to DCC Live? Please provide a rationale for your view.
Q19	Do you agree with the proposal and legal drafting in relation to the miscellaneous changes to the PKI content? Please provide a rationale for your view.

# 7 Security Independence Requirements

## Description of the Issue

94. In the SEC 4 Consultation, published on 30 June 2015, we detailed our proposals for SEC security and privacy assurance arrangements. Under the proposals, we confirmed in our 17 November 2014 Consultation Response, a Competent Independent Organisation (CIO) will be procured by the SEC Panel to complete an assessment of each User's compliance with the SEC security and privacy obligations. Recognising the potential for economies of scale, and the likely benefits of assessment consistency between Users, we also set out our policy intention for the CIO to be a single organisation.
95. It was anticipated that the CIO may have, or have had, existing contracts in place with energy industry participants. Where this is the case we proposed that the CIO would need to demonstrate to the SEC Panel that they are capable of acting independently of any past, existing (or future) contract it may have with a User. The detail of our policy intention is outlined within the SEC 4 Consultation document<sup>16</sup>. In reviewing the current SEC text we have determined that the drafting does not completely reflect our original policy intention and therefore some minor changes to the drafting are proposed.
96. We have worked with the SEC Panel (acting via SECAS) to ensure our policy intention is fully understood and is in line with industry expectations. This has been confirmed by SECAS, and that this drafting change will have no impact on the procurement of the CIO. To reinforce the SEC Panel role in enforcing these arrangements, and to provide the power to act in cases where independence requirements cannot be met, we have determined that a change to Section X is required. Under the proposed amendments, the SEC Panel will have the capability to appoint another person to perform the role of CIO, only to the extent necessary to ensure the independence requirements can be met.

## Translation into Detailed Requirements

### Section G / Section I

97. Minor amendments have been made to ensure the SEC Panel is ultimately responsible for determining whether the CIO can demonstrate independence from any other existing or future contract with a User.

### Section X

98. A new clause has been added to provide the SEC Panel with the capability to appoint another person as CIO. This capability can only be used in the case where the SEC Panel consider that independence obligations cannot be met.

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<sup>16</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/329306/SEC4\\_-\\_Consultation\\_Document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/329306/SEC4_-_Consultation_Document.pdf)

## Legal Text

### Summary of new SEC Provisions

<b>Changes to Section G and I</b>	<ul style="list-style-type: none"><li>• Section G8.7 – G8.10 have been amended.</li><li>• Section I2.1, I2.4 - I2.7 have been amended.</li></ul>
<b>Changes to Section [Y]</b>	<ul style="list-style-type: none"><li>• Section X3.4 (a) (ii) has been added.</li></ul>






## Consultation Questions

### Security Independence Requirements

Q20

Do you have any comments on the proposed drafting regarding the CIO independence requirements?

## 8 Communications Hubs

### 8.1 Re-use of previously installed Communication Hubs

#### Description of the Issue

99. The SEC 4 consultation proposed that any installed Communications Hub which is removed by an energy Supplier must be returned to the DCC to allow it to carry out secure disposal or reconditioning. Some energy Suppliers responded that they should be permitted to redeploy any Communications Hubs that they had removed if no fault was found by them on subsequent inspection as this would avoid unnecessary costs associated with returning them to the DCC. In the Part A response to the SEC Stage 4 consultation<sup>17</sup> we stated that we were considering whether there was any scope for the re-use of Communications Hubs in these circumstances.

100. We have found, following engagement with stakeholders, that there is scope for re-use of Communications Hubs which have previously been installed and commissioned and are not defective, but that this should be subject to two conditions. Firstly, where the Gas Proxy Function within a Communications Hub holds the security credentials of a particular Gas Network Party, the Communications Hub should only be re-used in premises connected to the same Gas Network Party's transportation network. This is because re-connection of re-used Communications Hubs to premises connected to different Gas Transporter networks would require the replacement of the previous Gas Transporter's security credentials with the current Gas Transporter's credentials, and we do not propose at this stage to develop rules and business processes to support this.

101. The second condition for the re-use of a Communications Hub we have identified is that any energy consumption data which has been recorded on its Gas Proxy Function must be deleted prior to it being installed in another premises so that the private data of the old consumer is not available to be viewed by the new consumer.

102. The Government believes that permitting Suppliers to re-use Communications Hubs, subject to the conditions set out above, will be more cost effective than requiring all Communications Hubs that have been removed from premises to be returned to the DCC. Suppliers would still be required to return Communications Hubs to the DCC where requested to do so by the DCC or where the Communications Hubs are considered to be damaged or faulty by the Supplier.

#### Translation into Detailed Requirements

103. We propose to enable the re-use of Communications Hubs and attach conditions to their re-use as set out above. We also propose an amendment to the SEC to require the Communications Hub's device status to be set to 'pending' following its removal if the

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<sup>17</sup> Government response to consultation on: Stage 4 Smart Energy Code (SEC) content (Part A) and Transitional arrangements in the Smart Energy Code (SEC), and Consultation on additional SEC content: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/375586/SEC\\_4A\\_and\\_transitional\\_arrangements\\_government\\_response.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/375586/SEC_4A_and_transitional_arrangements_government_response.pdf)

Supplier does not intend to return it to the DCC, in order to allow its status to be clearly identified. Consequential changes are proposed to the SEC to clarify responsibility for risk of loss or destruction for Communications Hubs that are to be re-used, and to require a Supplier to return to the DCC any Communications Hubs which they have removed but not yet returned to the DCC, where that Supplier ceases to be a SEC Party. A consequential change to the Charging Methodology is proposed to ensure that a Supplier becomes liable for the monthly 'CH stock level charge' for each device that is retained by a Supplier for future re-installation. It should be noted that the Supplier will be liable for the 'CH stock level charge' even where a Supplier uses a Meter Operator or Meter Asset Manager to perform the removal to avoid introducing further complexity of tracking the transfer of Communications Hubs between SEC Parties while being held in stock. We invite views on additional processes which we propose to incorporate into the CHISM (as set out in **Annex D**) which a Supplier would be required to undertake following the removal of any Communications Hub which it intends to install at another premises.

## Legal Text

### Summary of new SEC Provisions

<b>Changes to Section F</b>	<p>F7.3 and F7.4 are amended to assign risk of loss, destruction of, or damage to Communications Hub where they are removed and not returned to the DCC by the removing Supplier.</p> <p>F8.6 sets out that a Supplier can re-use a Communications hub at another premises subject to certain conditions.</p> <p>F8.7 is amended to require any Supplier that ceases to be a Party to return any Communications Hub that it has removed from any premises to the DCC.</p>
<b>Changes to Section K</b>	<p>K7.5 is amended to require that a Supplier which removes a Communications Hub for re-use will pay a stock level charge for it until the time that it is installed at another premises.</p>

## Consultation Question

### Re-use of previously installed Communications Hubs

Q21	<p>Do you agree with the proposals, and associated legal drafting (including the proposed changes to the CHISM at Annex D), which would permit Suppliers to re-use Communications Hubs that they have removed from consumer premises in certain circumstances?</p>
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## 8.2 Obligation for Energy Suppliers to engage with DCC queries on compliance with the Communications Hub Support Materials

### Description of the Issue

104. The DCC proposed in its response to the SEC Stage 4 consultation<sup>18</sup> that obligations should be placed on SEC Parties to enable it to conduct reasonable audits of their compliance with the processes set out in the Communications Hub Support Materials (CHSMs) so that it can be confident that installation and maintenance activity is being carried out effectively. In the Part A response to the SEC 4 consultation we provided a preliminary view of the DCC's proposal. We outlined that the SEC could provide for a process in which the DCC could request permission to conduct reasonable audit visits at consumer premises, with permission to proceed with a visit being subject to agreement by the SEC Panel and the relevant supplier gaining the consent of the consumer at the relevant premises. We stated that we would explore the issue further.
105. Since the SEC 4 consultation, the DCC has further clarified that it believes that this obligation is necessary largely for the purposes of the operation of the performance measures in its contracts with its Communications Services Providers (CSPs) on connectivity of Communications Hubs with the SM WAN and accuracy of the SM WAN coverage database. As the CSPs are relieved of these performance measures where failure to achieve them occurs as a consequence of a Supplier not having followed the processes set out in the CHSMs, the CSPs, and therefore the DCC, needs to have a means of investigating where it considers that there may not have been compliance with the CHSMs.
106. The DCC has clarified that its audit proposal could take the form of an obligation in the SEC for an energy supplier to respond to any reasonable request from it for information concerning compliance with the CHSMs. It would also like a mechanism which allows it to visit consumer premises to establish whether installations were carried out in compliance with the CHSMs where it has good cause to believe that there has been non-compliance. We agree with these proposals as they will enable the DCC to obtain evidence where they have reason to believe that their performance is being affected by the failure of Suppliers to comply with the CHSMs. As the DCC's CSP contracts are subject to compliance with the CHSMs by Suppliers, it follows that the DCC should be able to establish if there has been compliance. Furthermore, these proposals would enable evidence to be gathered for the purpose of a SEC modification proposal where existing processes were found to require improvement. We believe that where Suppliers have reason to believe that the DCC is not complying with the support materials, they should similarly be able to request evidence of SEC compliance from the DCC. We therefore also propose an obligation on the DCC to respond to any reasonable request from Suppliers for information concerning compliance with the CHSMs.

### Translation into detailed requirements

107. We propose an obligation on suppliers to respond to reasonable requests from the DCC for information relating to their compliance with the support materials, and a reciprocal obligation on the DCC to respond to reasonable requests from Suppliers on the DCC's

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<sup>18</sup> A Consultation on New Smart Energy Code Content (Stage 4) and consequential/ associated changes to licence conditions: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/329306/SEC4\\_-\\_Consultation\\_Document.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/329306/SEC4_-_Consultation_Document.pdf)

compliance with the support materials. Our proposed SEC drafting provides for clear conditions for a DCC visit to consumer premises. In view of the potential impact of site visits on consumers and their Suppliers, we propose that the DCC may request access to a premises from the responsible Supplier Party. Where the Supplier Party does not consent to a visit, the DCC will be able to refer the matter to the SEC Panel which will determine whether a visit is reasonably necessary. Where the SEC Panel determines in favour of a visit, the Supplier Party shall take all reasonable steps to obtain the consent of the consumer to the visit. If the consumer's consent is not obtained, the DCC will not be permitted to proceed with the visit. The Supplier will be free to arrange for its own representatives to also be in attendance at any visit by the DCC to a premises. The detailed procedure to be followed by the DCC and the Supplier for arranging a visit to premises in these circumstances would need to be set out in the Communications Hub Installation and Maintenance Support Materials (CHIMSM). The DCC has prepared such a procedure and we invite comments on this process, as set out in **Annex D** which we propose to incorporate into the CHIMSM.

## Legal Text

### Summary of new SEC Provisions

#### Changes to Section F

F7.11 requires the DCC to reply to any reasonable request from a Supplier for information pertaining to compliance by the DCC with the CH Support Materials.

F7.12 requires Suppliers to reply to any reasonable request from the DCC for information pertaining to compliance by that Supplier Party with the CH Support Materials.

F7.13 to 7.15 sets out a process in which the DCC can request access to a premises where a Communications Hub is installed from the Lead Supplier for the Communications Hub. Where the Lead Supplier refuses to consent to this access, the DCC may refer the matter to the SEC Panel. Any access is subject to the consent of the energy consumer at the premises.

F7.16 to F17 sets out that where the DCC is given consent to visit a premises, it does so following the procedures set out in the SEC, acting as a contractor of the Supplier and in accordance with other specified requirements.

## Consultation Questions

### Obligation for Energy Suppliers to engage with DCC queries on compliance with the Communications Hub Support Materials

Q22	Do you agree with the proposal, and associated legal drafting, for an obligation for Supplier Parties to respond to any to any reasonable request from the DCC for information pertaining to compliance with the CH Support Materials and for a reciprocal obligation to be placed on the DCC?
Q23	Do you agree with the proposals, and associated legal drafting (including the proposed changes to the CHIMSM at Annex D), relating to visits by the DCC to consumer premises?

## 8.3 Failure of Parties to accept delivery of Communications Hubs

### Description of the Issue

108. We concluded in the Part A Response to the SEC 4 consultation that Parties will have a right to cancel consignments of Communications Hubs up to within 48 hours of the Delivery Date, but that where they choose to do so they will be liable for any associated reasonable costs and expenses incurred by DCC as a result of the cancellation. We believe that it is necessary to supplement this requirement with an obligation for Parties to reimburse the DCC for reasonable costs where the DCC is unable to deliver Communications Hubs due to a breach of the SEC by the Party (for example, if the Supplier's warehouse was not open at the time that the delivery was due). This would allow the DCC to recover the costs from any de-facto cancellation of a delivery that results from a Party failing to enable a scheduled delivery to be made.

### Translation into detailed requirements

109. A Party will be liable for all reasonable costs and expenses incurred by the DCC as a result of a delivery of Communications Hubs being prevented from taking place in accordance with the SEC, in respect of a valid order, due to a breach of the SEC by that Party. The DCC will notify the party of these costs as soon as reasonably practical after the event and will be included in the next invoice to be produced by the DCC.

### Legal Text

#### Summary of new SEC Provisions

<b>Changes to Section F</b>	F6.18 requires that a Party will be liable to reimburse the DCC for all reasonable costs and expenses incurred where that Party prevents the DCC from making a delivery of Communications Hubs to it in accordance with the SEC.
<b>Changes to Section M</b>	M2.6 is consequentially amended to include these costs as a loss for which recovery is permitted.

### Consultation Questions

#### Failure of Parties to accept delivery of Communications Hubs

Q24	Do you agree with the proposal, and associated legal drafting, for Parties to be liable for all reasonable costs and expenses incurred by the DCC as a result of a delivery of Communications Hubs being prevented from taking place in accordance with the SEC, due to a breach of the SEC by that Party?
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## 8.4 Initial deliveries of Communications Hubs

### Description of the Issue

110. The existing drafting for Section F of the SEC has provisions to address circumstances in which there are delays in shipping Communications Hubs (i.e. F6.13 requires the DCC to fulfil the delivery as soon as reasonably practicable thereafter and also the DCC needs to set out the date for a 'catch-up' delivery in F6.14). In this context, we have explored whether the provisions in the SEC related to Communications Hub Forecasts, orders and deliveries need to be varied for a transitional period in the early days of DCC operations should it arise that Communications Hubs that have been ordered are not available by the agreed delivery date.
111. Should the DCC be delayed in delivering ordered Communications Hubs we consider it appropriate that the DCC should be required to deliver them as soon as reasonably practicable after the date on which delivery was due. We therefore think that the current SEC drafting is adequate for this purpose. We would expect the DCC to follow the existing approach set out in SEC drafting which requires them to fulfil missing deliveries as soon as reasonably practicable and provide guidance to SEC Parties as to when matters will be resolved. Finally, as set out in the letter dated 30 April 2015 that brought Section F5 into effect<sup>19</sup>, a Party would be responsible for DCC charges and their own storage costs prior to their utilisation where Communications Hubs are delivered in March 2016 (based on the initial forecasts and orders) and DCC Live, if this occurs at an alternative date to April 2016.

## 8.5 Consequential changes to the SEC for alignment with the Communications Hub Support Materials

112. The DCC's consultation draft of the CHIMSM included a requirement on the DCC to resolve any SM WAN coverage incident within 90 days of being requested to do so where the SM WAN coverage database had indicated (in any time during the 30 days in advance of installation), that the premises would be within the Coverage Area. The DCC's consultation also proposed that the requirement would also apply where the Coverage Database subsequently shows the Installation Location as lying within the Coverage Area. This obligation was supported by respondents to the DCC's consultation and by DECC.
113. We consider that this requirement should be more closely aligned with the obligations on CSPs in the DCC's contracts for resolution of SM WAN coverage incidents (which requires resolution 99% of the time), and that it is more appropriate for inclusion in the main body of the SEC (rather than in the CHIMSM) as the obligation will represent a fundamental performance requirement in relation to the Communications Hub commissioning process. We propose that within 90 days of being notified by a Supplier that a Communications Hub does not connect to the SM WAN at a premises, where the SM WAN Coverage Database

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<sup>19</sup> Designation and direction in respect of transitional arrangements for communications hub forecasting and ordering:  
[www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/secretary-of-state-variations/20150430-designation-of-f5-of-the-sec75ad9fadf26d69b4bb96ff0000a6837f.pdf?sfvrsn=7](http://www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/secretary-of-state-variations/20150430-designation-of-f5-of-the-sec75ad9fadf26d69b4bb96ff0000a6837f.pdf?sfvrsn=7)

indicates that coverage is available (at any time during the 30 days prior to the date of its installation), the DCC must:

- either confirm to the Supplier that SM WAN coverage is available or provide reasons why the SM WAN is unavailable; and
- ensure that SM WAN coverage is made available to at least 99% of the Communications Hubs in respect of which these incidents are raised in each calendar quarter, except where DCC access to the premises is necessary to resolve the coverage issue, and the consent of the consumer for DCC access cannot be obtained.

114. We also propose that the same obligation on the DCC should apply where a Communications Hub had been installed at a premises which did not connect to the SM WAN in an area which the SM WAN Coverage Database indicated did not have coverage at the time of installation but is subsequently updated to indicate that coverage is available.

### **Communications Hub fault diagnosis**

115. We proposed in the SEC 4 consultation that any fault diagnosis to be performed on Communications Hubs that had been returned to the DCC would be undertaken in accordance with a process to be described in a SEC subsidiary document called the Communications Hub Fault Diagnosis Document. The DCC has since decided that it is more appropriate to include this process within the CHIMSM, instead of as a separate subsidiary document, as it is relatively simple and does not warrant the creation of a separate subsidiary document.

### **DCC policy on acceptance or rejection of non-compliant orders**

116. The SEC 4 consultation set out that the DCC would make available on the Communications Hub Ordering System (CHOS) a policy that would describe the circumstances in which it would accept, in whole or in part, or reject orders of Communications Hubs which fail to comply with the requirements that are set out in the SEC. The DCC has stated that rather than making this policy available via the CHOS, it would be more appropriate for this policy to be accessed via the DCC website where other DCC documents are made available.

### **Structure of Communications Hub Support Materials**

117. When the SEC 4 consultation was published it was envisaged that the Communications Hub Support Materials would comprise three separate documents on handover, installation and maintenance. The DCC have since decided that installation and maintenance can be covered by a single document in view of the close relationship of the respective subject matter. Therefore references to the 'Communications Hub Installation Support Materials' and 'Communications Hub Maintenance Support Materials' will be replaced with 'Communications Hub Installation and Maintenance Support Materials' (CHIMSM).

### **Test Communications Hubs**

118. We confirmed in the SEC 4 consultation that separate ordering, charging and other arrangements will apply in relation to Test Communications Hubs as they will be used for different purposes to standard Communication Hubs. Test Communications Hubs will not therefore be included in the scope of the Communications Hub Support Materials and the legal drafting on which we consulted in SEC 4 will be amended to reflect this. We will also clarify in the SEC that Test Communication Hubs will not be ordered through the CHOS.

Section F10 provides information on ordering, delivery and returns of Test Communication Hubs and we consider that additional support materials on Test Communications Hubs are not necessary. Additionally the only aspects of the Communications Hub fault diagnosis procedure set out in the CHIMSM that will be applicable to Test Communications Hubs are the undertaking of physical and electronic analysis so changes have been made in F10 to reflect this.

119. In March 2015 we concluded on our proposed requirements for the provisions of Communications Hubs for the purposes of testing, and SEC drafting in Section F10 which set this out. We noted at this time, that we would introduce the new text in Section F10 at a later stage with some minor amendments to reflect our consultation conclusions. These included changing the legal text to:

- extend the warranty period to six months;
- extend the delivery period to 18 weeks; and
- provide for payment after rather than before delivery.

120. These amendments have been incorporated into the other changes that we are proposing for Section F10 in this consultation document and will be laid at the same time.

**Incident Management Policy in relation to Communications Hubs**

121. The SEC 4 consultation drafting required that a User should seek to resolve an Incident via the Self-Service Interface or a Service Request, prior to raising it as an Incident. In developing the CHIMSM, further checks have been identified which the Supplier should undertake before raising an incident in relation to a Communications Hub, including verification of the Communications Hub Identifier and whether planned maintenance is being carried out. These checks will be set out in the CHIMSM and the SEC will require that they are undertaken where required by the CHIMSM.

**SEC Party accounts for ordering Communications Hubs**

122. The SEC requires that the DCC will make the CHOS available to Parties but does not currently indicate any limit on the number of accounts that can be created. In view of the costs associated with creating accounts, the DCC have recommended that four accounts per Region are provided free of charge, however should a Party require more, these can be provided subject to the payment of any additional charges. The CHHSM will therefore specify that four accounts per Region can be requested without attracting a charge. Recognising that Parties may require more accounts than are permitted by this limit, we will also amend the SEC to give them the right to request additional accounts for a new explicit charge.

**Legal Text**

Summary of new SEC Provisions	
<b>Changes to Section A</b>	Definition of ‘CH Fault Diagnosis Document’ removed. Definitions of ‘CH Installation Support Materials’ and ‘CH Maintenance Support Materials’ removed and replaced with ‘CH Installation and Maintenance Support Materials’.

<b>Changes to Section F</b>	<p>F5.18 amended to require the DCC to make its policy on acceptance of non-compliant orders of Communications Hubs available on its website.</p> <p>F5.23 gives the DCC the right to limit the number of accounts which parties can use to access the CH Ordering System and allows it to charge parities for any additional accounts.</p> <p>F7.18 and F7.19 place obligations on the DCC to respond to incidents where a Communications Hub does not connect to the SM WAN.</p> <p>F10.6 Reference to CH Ordering System as the means of ordering Test Communications Hubs removed.</p> <p>F10.8 References to CH Handover Support materials removed in relation to Test Communications Hubs; warranty period extended to six months; delivery period extended to 18 weeks; and payment to be post-delivery rather than pre-delivery.</p> <p>F10.9 Reference to CH fault diagnosis process removed and instead reference made to physical and electronic analysis (as set out in the CHISM) of Test Communications Hubs.</p>
<b>Changes to Section H</b>	<p>H8.16 is amended to allow all categories of DCC user access to the SM WAN coverage database via the SSI.</p>

### Consultation Questions

#### Consequential changes to the SEC for alignment with the Communications Hub Support Materials

Q25	Do you agree with the proposals and associated legal drafting for the consequential changes to the SEC arising from the Communications Hub Support Materials?
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## 8.6 Miscellaneous Communications Hub issues

### Definition of Region

123. Great Britain is divided into three Regions for the purposes of Communications Hub deployment: North, Central and South. Energy Suppliers need to be certain of the Region in which any premises is located for the installation of Communications Hubs as different service providers are responsible for managing smart meter communications in different Regions. The definition of the term Region in the version of the SEC currently in force requires the DCC to define regions by publishing their boundaries:

*“each of the geographical regions of Great Britain that are subject to different DCC Service Provider Contracts, the exact boundaries of which will be as published by the DCC (or the Panel on behalf of the DCC) from time to time.”*

124. In some cases it may be difficult for a Party to determine the Region into which a premises falls by reference to published boundaries, particularly where located close to a

regional boundary. We propose that the DCC should make available to all Parties a document which clearly allocates each full UK postcode to a Region. We understand that the allocation of postcodes to Regions would be based as closely as reasonably possible on DNO distribution areas. Where a Party is unable to identify the postcode for a premises, for example in the case of a new development which has not yet been assigned a postcode, the DCC would be required to confirm its Region on application. We also propose that a premises should not be transferred from one Region to another due to the administrative costs that this would impose on Suppliers.

125. We therefore propose to amend the definition of Region as follows:

*“each of the regions of Great Britain that are subject to different DCC Service Provider Contracts, and the region into which a premises (or future potential premises) falls shall be:*

*(a) identified insofar as reasonable practicable in a document published by the DCC (or the Panel on behalf of the DCC) from time to time; or*

*(b) where a premises (or future potential premises) is not so identified, confirmed by the DCC on application of any Party.*

*and once a premises has been identified by the DCC as being in a particular region, the DCC shall not identify that premises as being in a different region.”*

### **Information requirements to use WAN Variant Communications Hubs on the SM WAN coverage Database**

126. We propose to amend the obligation on the DCC to make available on the SM WAN coverage Database any requirements for a particular WAN Variant Communications Hub to be used in a given area, such that this information is made available at least 8 months in advance of the date from which the SM WAN is expected to be available in that location. The DCC believe that there is not significant demand for this information to be made available earlier and that the costs of doing so would be disproportionate to any benefits.

### **Access to the SM WAN Coverage Database via the Self-Service Interface**

127. The SEC currently requires the DCC to make the SM WAN Coverage database accessible to those DCC Users which are Supplier Parties and Registered Supplier Agents (RSAs) on the Self-Service Interface (SSI) from the time that the Secretary of State requires the DCC to make the SSI available. We will amend this requirement such that the SM WAN Coverage database will be available to all categories of DCC User via the SSI, in line with our approach for access to the SM WAN Coverage database via the Communications Hub Ordering System which allows all Parties to access it.

### **Service Requests for the return of Communications Hubs by Registered Supplier Agents**

128. Service Requests are specified in the existing versions of the DCC User Interface Services Schedule (UISS) and the DCC User Interface Specification (DUIS) which will be utilised where Supplier Parties (which are DCC Users) return Communications Hubs to the DCC for ‘fault’ and ‘no fault’ returns. Consequently Supplier Parties are specified as Eligible Users for these Service Requests. We will amend the UISS (which will require a consequential change to the DUIS) such that RSAs are also Eligible Users for these Service Requests, as we have already confirmed that they will have the right to return Communications Hubs and may be required to do so by the DCC in certain circumstances.

## Permission of a Party to interfere with a Communications Hub

129. The SEC currently does not permit Parties to interfere with a Communications Hub unless where expressly required to do so. We propose to make an amendment to enable Parties to interfere with Communications Hubs in circumstances where this is necessary to allow them to exercise specified permitted rights (for example, their right to remove a Communications Hub).

### Legal Text

#### Summary of new SEC Provisions

<b>Changes to Section A</b>	The definition of Region is amended to ensure that the Region into which a premises falls can be clearly identified and that the DCC will not change the Region to which a premises was originally allocated.
<b>Changes to Section F</b>	F4.6 is amended such that Parties can interfere with Communications Hubs where the SEC expressly permits them to do so.
<b>Changes to Section H</b>	H8.16 is amended such that the SM WAN Coverage Database will indicate any requirements to use particular WAN Variant Communications Hubs in a location at least 8 months in advance of the date from which the SM WAN is expected to be available in that location. It is also amended to allow all categories of DCC user access to the SM WAN coverage database via the SSI.

### Consultation Questions

#### Miscellaneous Communications Hub issues

Q26	Do you agree with the proposals as described under the heading of “Miscellaneous Communications Hub issues” above and the associated legal drafting?
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# 9 Incident Management

## 9.1 Incident Management

### Description of the Issue

130. An incident is an event which causes or may cause an interruption to, or reduction in quality or security of, the delivery of a service. The approach to Incident Management for DCC Services was set out in the SEC2<sup>20</sup> consultation (Chapter 5) with minor modifications consulted on at SEC4<sup>21</sup> (Section 7.6). Work by the DCC to develop the underpinning detail of the incident management process, and changes to other aspects of Smart Metering have resulted in the need for further changes to the Incident Management process set out in Section H of the SEC.
131. In the drafting consulted upon in SEC2 and SEC4, Section H9 provided an approach for the reporting and resolution of Incidents associated with the provision of DCC Services and Section E2.12 provided an approach to dealing with Incidents with Registration Data. To underpin these approaches, the DCC was required to produce an Incident Management Policy and a Registration Data Incident Management Policy.
132. As the detail has been developed for these underpinning documents, it has become apparent that the approach developed for general Incidents was also appropriate for the purposes of managing Registration Data Incidents. It is therefore sensible that these documents be merged into a single Incident Management Policy and a draft of this Incident Management Policy has recently been presented to the Smart Metering Programme's Technical and Business Design Group. Structural changes therefore need to be made to the SEC drafting:
- a. To amend the definition of Incidents so that Registration Data Incidents are no longer excluded
  - b. To remove the references in Section E to a separate Registration Data Incident Management Policy, and
  - c. To define responsibility for resolving Incidents across the Registration Data Interface in H9 (where responsibility for resolving other types of Incidents is already defined).
133. New capacities in which SEC parties may act have been introduced into the SEC since the approach to Incident Management was first set out, such as Eligible Non Gateway Suppliers and Authorised Subscribers for Certificates. The Incident Management process therefore requires expansion to accommodate SEC parties acting in these capacities and a new concept of 'Incident Parties' has been introduced to recognise these various categories of SEC Party and RDPs.

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<sup>20</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/251280/A\\_Consultation\\_on\\_New\\_Smart\\_Energy\\_Code\\_Content\\_-\\_SEC2.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/251280/A_Consultation_on_New_Smart_Energy_Code_Content_-_SEC2.pdf)

<sup>21</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/329306/SEC4\\_-\\_Consultation\\_Document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/329306/SEC4_-_Consultation_Document.pdf)

134. In the SEC2 and SEC4A Government response documents it was assumed that Incidents would only be raised by Users, all of whom would have access to the Self Service Interface. Parties acting in the new types of capacity may not and need not be Users and therefore will not be able to access the Incident Management Log through the Self Service Interface. Provision therefore needs to be made in the SEC to enable Incident related communications in these instances to go via the Service Desk. As access to Incidents is no longer solely via the SSI, the text describing entitlements to access Incident data has been moved from H8 (the SSI Section) to H9.
135. In the resolution of Major Incidents, the SEC currently requires the DCC to assist Users and Users to assist each other. It has been recognised that when the DCC is responsible for resolving a Major Incident, the DCC may require assistance in the investigation and resolution of the Incident. A reciprocal obligation to help the DCC in the resolution of Major Incidents has been added to address this. References to Users have been replaced here with references to Incident Parties, to recognise the broader group of parties to which the Incident Management process now applies.

### Translation into Detailed Requirements

136. The Registration Data Incident Management Policy will be deleted from the SEC. Some of the contents of the draft of that document which was prepared by the DCC are now covered generically in the Incident Management Policy. The remaining content was more suited to the interface specification (for example error conditions and data refreshes) and has therefore been moved to the Registration Data Interface Documents. Changes have been made to the definition of Incident and Section E to reflect this.
137. The list of role types that can raise Incidents will be expanded to now include Users, Eligible Non Gateway Suppliers, Registration Data Providers, DCC Gateway Parties and Authorised Subscribers (collectively known as Incident Parties).
138. Detailed changes are required to accommodate these new role types and the way that they will gain access to Incident data via the Service Desk.

### Legal Text

Summary of new SEC Provisions	
<b>Changes to Section A</b>	<ul style="list-style-type: none"> <li>• Definition of Incident amended to remove exclusion of Registration Data Incidents.</li> <li>• Definition of Incident Party added.</li> <li>• Registration Data Incident Management Policy deleted.</li> </ul>
<b>Changes to Section E2</b>	<ul style="list-style-type: none"> <li>• Replacement of reference to Registration Data Incident Management Policy by Registration Documents for Registration Data Refreshes.</li> </ul>
<b>Changes to Section H8.16</b>	<ul style="list-style-type: none"> <li>• Deletion of rules for access to Incident Management Log which have been moved to H9.4.</li> </ul>

<b>Changes to Section H9</b>	<ul style="list-style-type: none"> <li>• Replacement of Users by Incident Parties in the raising and resolution of Incidents.</li> <li>• Assignment of responsibility for resolution of Incidents with Registration Data to DCC or Registration Data Provider.</li> <li>• Assignment of responsibility for resolution of Incidents with the Non Gateway Interface to DCC or Eligible Non Gateway Supplier.</li> <li>• Inclusion of rules for access to Incidents within the Incident Management Log (moved from H8.16).</li> <li>• Provision for access to information held in the Incident Management Log either through the Self Service Interface or by contacting the Service Desk.</li> <li>• Addition of obligation on Incident Parties to assist DCC in resolving Major Incidents.</li> </ul>
<b>Changes to Section X2 and X7</b>	<ul style="list-style-type: none"> <li>• Removal of obligations to produce draft documents at X2.4(g) as this work has already been done and were the text to be left in it would require consequential amendment as it refers to the Registration Data Incident Management Policy which is now being deleted from Section A.</li> <li>• X7 Removal of references to Registration Data Incident Management Policy.</li> </ul>

## Consultation Questions

<b>Incident Management</b>	
<b>Q27</b>	Do you agree with the proposed changes to Incident Management? Please provide a rationale for your views.

## 9.2 Interaction with Error Handling Strategy

### Description of the Issue

139. DECC has been considering the most recent version of the Error Handling Strategy in light of the drafting of the Incident Management Policy (IMP). This most recent version of the Error Handling Strategy essentially places obligations on users to undertake checks on their systems when they receive error messages prior to escalating matters to DCC. Very similar text is included in the Incident Management Policy which, in Section 2.1.2, requires Users to undertake checks on their own systems and to follow self-help material prior to raising an Incident.

140. In light of this, it is proposed that, rather than being a formal SEC subsidiary document, the Error Handling Strategy might be better dealt with as part of the “self-help material” referred to in the IMP which would be made available to Users by the DCC.

141. The benefits of this approach would be that there would be greater flexibility in making changes to the Error Handling Strategy in response to new information on how to deal with errors without the need to follow the more formal SEC modifications process.

142. To give effect to these arrangements we propose the following:

- a. The deletion of the existing text in Section H3.21 which states that : *'The DCC and each User shall each comply with the applicable sections of the Error Handling Strategy'*
- b. A change to the IMP to require DCC to take into account views of Users when updating the Error Handling Strategy – this is to provide a degree of influence over the content for those users wishing this
- c. Making it clear that the Error Handling Strategy forms part of the self-help material
- d. Updating the definition of Error Handling Strategy accordingly.

## Legal Text

Summary of new SEC Provisions	
It is proposed that the following changes to legal text be made at a later date:	
<b>Future Changes to Section A</b>	<ul style="list-style-type: none"> <li>Amendment to Section A regarding the definition of the Error Handling Strategy such that it is no longer a Subsidiary Document.</li> </ul>
<b>Future Changes to Section H</b>	<ul style="list-style-type: none"> <li>Amendment to Section H3.21 to delete the existing text which currently states that: <i>"The DCC and each User shall each comply with the applicable sections of the Error Handling Strategy"</i>.</li> </ul>

## Consultation Questions

Governance of Error Handling Strategy	
Q28	Do you agree with the proposed approach to provide a more flexible governance for the Error Handling Strategy, set out above?

# 10 Further Activation of the SEC Modification Process

## Description of the Issue

143. Section D of the SEC sets out the enduring mechanism by which the Code can be varied. In the enduring regime, all variations will need to commence with a Modification Proposal made in accordance with Section D. To date, while the Code is being established, only some of the enduring regime modification paths have been activated. Section D has been varied by Section X2.3 so that only Modification Proposals that are either an Urgent Proposal or a Fast-Track Modification may be raised.
144. Most variations to date have been made by the Secretary of State using powers under the Energy Act 2008, in consultation with the SEC Panel, Parties and the Authority.
145. Section D is also varied by Section X2.3 such that the Secretary of State is entitled to direct the Panel to cancel or suspend any Modification Proposal. This is to minimise the risk of a variation disrupting Programme milestones, including for DCC Live<sup>22</sup>, conflicting with any Secretary of State variation of the Code using powers under the Energy Act 2008 or otherwise negatively impacting the Programme's benefits case.
146. With DCC Live and the main smart meter installation phase approaching, the Government considers the time is now right to consult on the further activation of Section D. The Government wishes to transition to the enduring regime as soon as is consistent with achieving Completion of Implementation promptly and efficiently. This will require a robust handover process that involves capability building of the enduring governance arrangements, residual Government leadership to assist the swift resolution of urgent transitional delivery issues and role clarity during the transition.
147. As part of this, the Government wishes, as soon as practicable, to give Parties the opportunity to contribute directly to the specification of requirements for future releases of IT updates, procedures and processes beyond DCC Live. The appropriate lead time between Parties raising a Modification Proposal to specify such requirements and its implementation (to be determined in accordance with the Panel Release Management Policy<sup>23</sup>) could be significant.
148. The Government therefore proposes to further activate parts of the enduring Party-led modification paths in Section D, subject to the variations detailed below, by allowing Parties to also raise Path 2 and Path 3 Modification Proposals (Urgent Proposals can already be raised). We will do this by laying before Parliament in the autumn the proposed SEC amendments to the existing variation to Section D detailed below. We anticipate that the Secretary of State will make the legal instrument to bring this into effect around the turn of the calendar year.

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<sup>22</sup> See definition set out in paragraph 5, Chapter 1.

<sup>23</sup> Note that where the DCC releases IT updates, procedures and processes in respect of DCC Internal Systems (i.e. those aspects of the DCC Total System for which the specification or design is not set out in the Code) and/or Parse and Correlate Software, it shall do so in accordance with the DCC Release Management Policy)

149. We envisage that the SEC Panel will wish to ready the Change Board and complete the establishment of the Technical Sub Committee and Security Sub Committee in advance of this happening. We also expect that it will wish to adopt a Panel Release Management Policy within this timescale, to guide Parties' specification of implementation dates within Modification Proposals.
150. The Government will continue to establish the content of the Code in advance of DCC Live, through designating subsidiary documents, laying outstanding main body provisions and making any necessary residual variations to them using its powers under the Energy Act 2008.
151. Some variations are likely to be necessary for resolving issues that are identified during testing and early rollout. Where the issue is urgent and needs to be addressed quickly to ensure the timely achievement of DCC Live and other key Programme milestones, then it is likely the Government would expect to make the necessary variation to the SEC itself. In contrast, we would envisage most early Modification Proposals from Parties to be targeted at future releases of IT updates, procedures and processes beyond DCC Live.
152. While this Government leadership role remains and to avoid issues with role clarity and Code version control, the Government proposes to perform the function (that the Authority will subsequently perform in enduring governance) of approving Modification Proposals that are a non-urgent Path 2 Modifications until DCC Services are shown to be sufficiently stable. The Government will also perform associated enduring Authority functions during this time that relate to such approval decisions and their implementation, as listed in the detailed requirements section below. The Authority will continue to perform the functions it already performs, as well as certain new procedural functions that are also listed below.
153. The Government does not consider it proportionate to include a further appeals mechanism to the Competition and Markets Authority (or any other body) in respect of decisions taken by the Secretary of State in the proposed transitional role of approving or rejecting a non-urgent Path 2 Modification. Any amendments that the Secretary of State makes to the Code using her Energy Act 2008 powers is subject to judicial review and the Government considers it appropriate that any decision taken by the Secretary of State to perform her transitional role of approving or rejecting a non-urgent Path 2 Modification is subject to judicial review in the usual way.
154. While temporarily performing the enduring Authority functions detailed below, the Government will continue to be prepared to exercise its existing powers to suspend or cancel Modification Proposals. In particular, this might be necessary if the DCC would otherwise have to prepare multiple, complex impact assessments that divert resource away from the timely achievement of DCC Live and other key Programme milestones. We will also be particularly alert to any Modification Proposal that conflicts with any variations that the Government is making or plans to make using its own powers under the Energy Act 2008.
155. Regarding the timing of when the Government relinquishes these enduring Authority functions, we currently envisage that DCC Services could be shown to be sufficiently stable around six months after DCC Live. The precise date will be confirmed nearer the time following consultation. The Government also proposes to enable non-urgent Path 1 Modifications to be raised from the same time, which enable the Authority to direct the DCC to bring a Modification Proposal or to bring one itself.

156. Finally it is worth recognising that even after this point, the Government will still have the power to vary the Code itself while its powers under the Energy Act 2008 endure, including for the enrolment of SMETS1 meters.

### Translation into Detailed Requirements

157. The Government proposes to enable non-urgent Modification Proposals to be raised that are a Path 2 or Path 3 Modification from the beginning of 2016, subject to the variations described below. However, non-urgent Modification Proposals that are a Path 1 Modification will not be activated until a later date to be directed by the Secretary of State (currently envisaged to be around six months after DCC Live).

158. During the period between Parties being able to raise non-urgent Modification Proposals that are a Path 2 or Path 3 Modification and the date to be directed by the Secretary of State, the Government proposes to perform the following functions related to non-urgent Modification Proposal decisions and implementation:

- a. Approval of Modification Proposals under Section D9.2;
- b. Direction of additional steps necessary for an opinion on a Modification Proposal to be formed under Section D9.3;
- c. Hearing of appeals on Panel Path 3 Modification decisions under Section D9.4; and
- d. Direction of a new implementation timetable at the request of the Panel under Sections D10.5 and D10.6

159. During this period the Authority will continue to or start to perform the following functions:

- e. Determine the correct modification path in relation to Path 2 and Path 3 Modifications under Section D4.1;
- f. Determine disputes under Sections D4.2 – D4.4 relating to Panel decisions to refuse a Modification Proposal, change modification path or relating to the timetable;
- g. Determine whether a Modification Proposal is an Urgent Proposal (and specify any timetable or direct deviations from Section D procedures) under Sections D4.5 – D4.7 and, if it is, to perform the equivalent functions to those of the Secretary of State listed in the paragraph above; and
- h. Determine whether the Panel’s decision to follow the Fast-Track Procedure was appropriate under Section D9.5.

### Legal Text

#### Summary of new SEC Provisions

##### Changes to Section X

- X2.3(a) has been amended to enable a Path 2 or Path 3 Modification to be raised that is not an Urgent Proposal.
- A new X2.3(b) has been inserted to further vary Section D for the Secretary of State to temporarily perform the enduring functions of the Authority related to non-urgent Modification Proposal decisions and implementation that are listed above.

**Consultation Questions****Further Activation of the SEC Modification Process**

Q29	Do you agree with the proposals in relation to the timing of the further activation of the SEC Modification Process? Please provide a rationale for your response.
Q30	Do you agree with the proposals and legal text in relation to the manner in which the SEC Modification Process is further activated, including the temporary performance of certain enduring Authority functions by the Secretary of State? Please provide a rationale for your response.

# 11 Miscellaneous

## 11.1 Scope of the Threshold Anomaly Detection Procedures document

### Description of the Issues

160. SEC Section G6 outlines the scope of a Threshold Anomaly Detection Procedures document. The document has been developed, and consulted on, by the DCC and is currently being reviewed by DECC. We have identified a divergence between the level of detail included within the DCC developed subsidiary document, and the scope allowable under the SEC.

### Translation into Detailed Requirements

161. The additional detail provided in the subsidiary document includes arrangements for the DCC to provide guidance to Users regarding the appropriateness of the thresholds set, and provision for action to be taken by Users and the DCC in the case where thresholds are exceeded. In both cases we consider this additional detail to be useful to both the DCC and Users, we do not view these arrangements to place an additional burden on either party. We are therefore making a change to the scope of the Threshold Anomaly Detection Procedures document outlined in SEC Section G6.1.

### Summary of new SEC Provisions

<b>Changes to Section G</b>	An update has been made to SEC Section G6.1
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### Scope of the Threshold Anomaly Detection Procedures document

Q31	Do you have any comments on the proposed drafting regarding the scope of the Threshold Anomaly Detection Procedures?
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## 11.2 Appeals of Panel Decisions relating to SMETS non-compliance

### Description of the Issue

162. A number of stakeholders have suggested that the provisions in SEC Section F3 should be amended to provide affected Supplier Parties or the DCC with the ability to appeal (to Ofgem) SEC Panel decisions relating to device non-compliance with the Technical Specifications and any associated remedial plan. We agree that Supplier Parties and the

DCC should have this right of appeal and note that this is consistent with appeal provisions provided elsewhere in the SEC.

### Translation into Detailed Requirements

163. We propose to introduce further drafting in Section F3 to provide affected Supplier Parties or the DCC with the ability to appeal (to Ofgem) SEC Panel decisions relating to device non-compliance with the Technical Specifications and any associated remedial plan.

### Legal Text

#### Summary of new SEC Provisions

<b>Changes to Section F3</b>	Section F3 has been amended to provide affected Supplier Parties or the DCC with the ability to appeal (to Ofgem) SEC Panel decisions relating to device non-compliance with the Technical Specifications and any associated remedial plan.
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### Consultation Questions

#### Appeals of Panel Decisions relating to SMETS non-compliance

Q32	Do you agree with the proposed additional text to F3 to provide affected Supplier Parties or the DCC with the ability to appeal (to Ofgem) SEC Panel decisions relating to device non-compliance with the Technical Specifications and any associated remedial plan?
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## 11.3 Section A Definitions

### Description of the Issue

164. In July 2014 we concluded on amendments to the DCC Licence and Supply Licence conditions<sup>24</sup>, to implement decisions previously announced in the responses to the SMETS 2 consultation<sup>25</sup>, that would require the DCC to provide suppliers with a Communications Hub that is compliant with the Communications Hub Technical Specification (CHTS) and require suppliers to install CHTS-compliant Communications Hubs as part of SMETS 2 installations in domestic premises. The conclusions also contained amendments to the Supply Licences to allow for multiple versions of technical specifications to be valid contemporaneously, and identify these as being part of the SEC.

<sup>24</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/337383/Government\\_response\\_consultation\\_changes\\_equipment\\_installation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/337383/Government_response_consultation_changes_equipment_installation.pdf)

<sup>25</sup> <https://www.gov.uk/government/consultations/smart-metering-equipment-technical-specifications-second-version>

165. In the SEC4 consultation<sup>26</sup> (Chapter 11), we also proposed a consequential change to the SEC. This change was limited to the introduction of a new definition of Device Specification, and an obligation on the SEC Panel to keep reasonably up-to-date and publish on its website a document that details which version of Device Specifications are compatible with other versions of Device Specification. These consequential changes had been proposed to ensure a consistent approach across the DCC and Supply Licences and the SEC.
166. Technical specifications (such as the SMETS and CHTS), will in the future be moved into the SEC and will subsequently be subject to the SEC modification process. Since the SEC4 consultation, we have identified further changes that are necessary to be made to the SEC to allow for such inclusion.
167. Section A (Definitions) contains definitions for devices that are identified in relation to the relevant technical specification (e.g. Electricity Smart Meter). These, and other related definitions need to be amended to allow for the future existence of multiple technical specifications in the SEC.
168. We have also made consequential changes to other definitions, for example the definition of Lead Supplier, to correct errors in the previous definitions or to include consequential changes as a result of changes to the main provisions of the SEC.

### **Translation into Detailed Requirements**

169. In line with the Supply Licence Conditions, we introduced the definitions of Valid. This prepares the SEC to allow for multiple technical specifications of the same type (e.g. SMETS) to be introduced in the SEC.
170. We have amended the definitions of Communications Hub Function, Electricity Smart Meter, Gas Proxy Function, Gas Smart Meter and IHD to define them as those devices that meet the functional capability specified by, and meet the requirement of, a version of the relevant technical specification that was Valid on the date the device was installed.
171. We have made minor changes to the definitions of Device and Device ID to reflect current definitions, and introduced the definition of HAN Connected Auxiliary Load Control Switch (HCALCS) and Pre-Payment Interface Device (PPMID) to prepare the SEC for the future introduction of the HCALCS and PPMID Technical Specifications into the SEC. Similarly, we have added definitions for IHD Technical Specification, PPMID, and HCALCS Technical Specification.
172. Since we have introduced definitions of HCALCS and PPMID, we have amended the definition of Type 1 Device to mean either of these devices. We also propose to amend the meaning of Type 2 Device to mean those devices as defined in the SMETS. Additionally, we introduced the definition of a Type 2 Device (Other) to mean Type 2 devices that are not an IHD.
173. We also simplified the definition of SMETS to point to that document set out in Schedule [X] (to be added to the SEC in the future).

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<sup>26</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/329306/SEC4\\_-\\_Consultation\\_Document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/329306/SEC4_-_Consultation_Document.pdf)

174. We also changed the definition of Device Specification to Technical Specification, as not all Device Specifications captured described device functionality. The previous definition of Technical Specification has consequentially been amended to Technical Code Specification.

175. As outlined above, other minor clarificatory or consequential changes have also been made to Section A definitions. Consequential changes have been made throughout the SEC.

## Legal Text

### Summary of new SEC Provisions

<b>Changes to Section A</b>	<ul style="list-style-type: none"> <li>• In line with the Supply Licence Conditions, we introduced the definitions of Valid.</li> <li>• We have included definitions for HCALCS, PPMID and IHD Technical Specifications.</li> <li>• We have amended the definitions of Communications Hub Function, Electricity Smart Meter, Gas Proxy Function, Gas Smart Meter and IHD to define them as those devices that meet the functional capability specified by, and meet the requirement of, a version of the relevant technical specification that was Valid on the date the device was installed.</li> <li>• We made minor changes to the definitions of Device and Device ID to reflect current definitions, and introduced the definition of HAN Connected Auxiliary Load Control Switch (HCALCS) and Pre-Payment Interface Device (PPMID).</li> <li>• We also simplified the definition of SMETS to point to that document set out in Schedule [X] (to be added to the SEC in the future).</li> <li>• Other miscellaneous clarifications have been made to Section A definitions.</li> </ul>
<b>Changes to Sections C, D, F and H</b>	<ul style="list-style-type: none"> <li>• We have made minor consequential changes to these changes, to ensure that the correct definitions are used and that the policy intents are maintained.</li> </ul>

## Consultation Questions

### Section A Definitions

Q33	Do you agree with the proposal, and associated legal drafting in relation to amending the definitions in preparation for the future introduction of technical specifications into the SEC? Please provide a rationale for your view.
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# 12 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 the consultation 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 (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: Consultation Questions

## DCC Enrolment Mandate – Chapter 3

Q1	Do you agree with the legal drafting of the proposed amendment to the electricity and gas supply licence conditions? Please provide a rationale for your views.
Q2	Do you agree that this legal duty should take effect when DCC's enrolment services are first available? Please provide rationale for your views.

## DCC Enrolment and Communication Services – Chapter 4

Q3	Do you have any comments on the proposed drafting in these new subsidiary documents?
Q4	Do you have any specific comments on the proposed revised approach to dealing with Post-Commissioning Obligations including the proposal to delete Sections M2.7 and M2.8?

## Consent for joining and un-joining Consumer Access Devices – Chapter 4

Q5	Do you have any comments on the proposed approach?
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## Consequential Changes to Sections F2, G, M2 and A – Chapter 4

Q6	Do you have any comments on the proposed drafting changes to Sections F2, G, M2 and A?
Q7	Do you agree with the proposal to move some of the technical details in F2 into a subsidiary document in line with the approach taken in relation to Sections H4,5 &6?

## SEC amendments to support Smart Metering Testing – Chapter 5

Q8	Do you support the proposed changes to Section T to ensure that the testing objectives reflect a more up to date version of the SEC?
Q9	Do you agree with the proposal that the DCC should offer a testing service for prospective Non-Gateway Suppliers?
Q10	Do you intend to test only Devices (and not User Systems) against the DCC Systems? If so, how and when do you intend to do this? Is it your intention to: become a SEC Party and establish a DCC Gateway Connection; rely on other parties to interact with the DCC for the purposes of testing Devices; or another means (e.g. direct connection without being a SEC Party)?

<b>Public Key Infrastructure – Chapter 6</b>	
Q11	Do you agree with the proposals, and associated legal drafting in relation to the SMKI Recovery Procedure Guidance document? Please provide a rationale for your view.
Q12	Do you agree with the proposed drafting on how changes to the SMKI Recovery Key Guidance are managed, or do you think it should be a SEC Subsidiary Document and open to the SEC modification process? Please provide a rationale for your response.
Q13	Do you agree with the proposals, and associated legal drafting in relation to the SMKI Recovery Procedure Liabilities? Please provide a rationale for your view.
Q14	Do you agree with the proposals, and associated legal drafting to use IKI for communications over the NGI and in relation to TAD? Please provide a rationale for your view.
Q15	Do you agree that it is necessary for the PMA to be able to require Parties to nominate Key Custodians? Please provide a rationale for your response.
Q16	Do you agree with the proposals, and associated legal drafting to make clarificatory changes to the SMKI Certificate Policies? Please provide a rationale for your view.
Q17	Do you agree with the proposals, and associated legal drafting to allow the DCC to become an Eligible Subscriber for certain SMKI Organisation Certificates for the purpose of signing Registration Data? Please provide a rationale for your view.
Q18	Do you agree with the legal drafting to oblige Network Operators to establish their Organisation Certificates prior to DCC Live? Please provide a rationale for your view.
Q19	Do you agree with the proposal and legal drafting in relation to the miscellaneous changes to the PKI content? Please provide a rationale for your view.
<b>Security Independence Requirements – Chapter 7</b>	
Q20	Do you have any comments on the proposed drafting regarding the CIO independence requirements?
<b>Re-use of previously installed Communications Hubs – Chapter 8</b>	
Q21	Do you agree with the proposals, and associated legal drafting (including the proposed changes to the CHIMSM at Annex D), which would permit Suppliers to re-use Communications Hubs that they have removed from consumer premises in certain circumstances?
<b>Obligation for Energy Suppliers to engage with DCC queries on compliance with the Communications Hub Support Materials – Chapter 8</b>	

Q22	Do you agree with the proposal, and associated legal drafting, for an obligation for Supplier Parties to respond to any to any reasonable request from the DCC for information pertaining to compliance with the CH Support Materials and for a reciprocal obligation to be placed on the DCC?
Q23	Do you agree with the proposals, and associated legal drafting (including the proposed changes to the CHIMSM at Annex D), relating to visits by the DCC to consumer premises?
<b>Failure of Parties to accept delivery of Communications Hubs – Chapter 8</b>	
Q24	Do you agree with the proposal, and associated legal drafting, for Parties to be liable for all reasonable costs and expenses incurred by the DCC as a result of a delivery of Communications Hubs being prevented from taking place in accordance with the SEC, due to a breach of the SEC by that Party?
<b>Consequential changes to the SEC for alignment with the Communications Hub Support Materials – Chapter 8</b>	
Q25	Do you agree with the proposals and associated legal drafting for the consequential changes to the SEC arising from the Communications Hub Support Materials?
<b>Miscellaneous Communications Hub issues – Chapter 8</b>	
Q26	Do you agree with the proposals as described under the heading of “Miscellaneous Communications Hub issues” above and the associated legal drafting?
<b>Incident Management – Chapter 9</b>	
Q27	Do you agree with the proposed changes to Incident Management? Please provide a rationale for your views.
<b>Governance of Error Handling Strategy – Chapter 9</b>	
Q28	Do you agree with the proposed approach to provide a more flexible governance for the Error Handling Strategy, set out above?
<b>Further Activation of the SEC Modification Process – Chapter 10</b>	
Q29	Do you agree with the proposals in relation to the timing of the further activation of the SEC Modification Process? Please provide a rationale for your response.
Q30	Do you agree with the proposals and legal text in relation to the manner in which the SEC Modification Process is further activated, including the temporary performance of certain enduring Authority functions by the Secretary of State? Please provide a rationale for your response.
<b>Scope of the Threshold Anomaly Detection Procedures document – Chapter 11</b>	

Q31	Do you have any comments on the proposed drafting regarding the scope of the Threshold Anomaly Detection Procedures?
<b>Appeals of Panel Decisions relating to SMETS non-compliance – Chapter 11</b>	
Q32	Do you agree with the proposed additional text to F3 to provide affected Supplier Parties or the DCC with the ability to appeal (to Ofgem) SEC Panel decisions relating to device non-compliance with the Technical Specifications and any associated remedial plan?
<b>Section A Definitions – Chapter 11</b>	
Q33	Do you agree with the proposal, and associated legal drafting in relation to amending the definitions in preparation for the future introduction of technical specifications into the SEC? Please provide a rationale for your view.

## Annex B: Draft SEC Legal Text

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

## Annex C: Draft Supply Licences Text

The associated Gas and Electricity Supply Licence drafting will be published separately alongside this document.

## Annex D: Draft legal text for the Communications Hub Installation and Maintenance Support Materials

The associated Communications Hub Installation and Maintenance Support Materials will be published separately alongside this document.

The above documents can be found on the following webpage:

<https://www.gov.uk/government/consultations/consultation-on-new-smart-energy-code-content-and-related-licence-amendments-july-2015>

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