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27 May 2015

Dear sir or madam,

This response was prepared by Citizens Advice. Citizens Advice has statutory responsibilities to represent the interests of energy consumers in Great Britain and welcomes the opportunity to respond to DECC's consultation on new Smart Energy Code Content and related amendments.

Q1 Do you have any comments on the additions to the Reported List of Service Provider Performance Measures (Annex E)? Do you have any comments on the revised legal drafting in Section H13 and the proposal to incorporate Section H13 into the SEC towards the end of 2015?

We agree with the additions to the performance measures. However, as well as being thorough, reporting should be easy to find and to interpret. We see this as an issue across the regulated sector, so we hope that thought will be given to how to ensure that the DCC's reports deliver the 'transparency' to 'SEC parties and other key stakeholders' mentioned in the consultation. We would like to see a requirement that the DCC's reports should be quick to find online and not require excessive specialist or contextual knowledge to understand them.

Q2 Do you have any comments on the proposal for the Secretary of State to formally identify the initial Reported List of Service Provider Performance Measures?

We agree with this proposal, but have concerns about the DCC's ability to alter the measures it reports on under H13.2 of the SEC. The DCC is required to consult other parties on this, but given the likely asymmetry of time and information in the DCC's favour on these issues, this may not be a sufficient check. It is a particular concern that the DCC is only required to give 'due consideration to' any consultation responses. It should be bound by them.

We have no comments on Q3.

Q4 Do you agree with our proposal to limit DCC's liabilities in all cases to £1 million when breaching confidentiality of sensitive information and to consequentially amend confidentiality markings? Please provide a rationale for your response.

On the assumption that liabilities would be in proportion to damages, we do not agree with the proposal to limit these liabilities. We opposed the two-tier system of confidentiality in our response to the consultation on stage 4 SEC content on the grounds that it could both restrict consumers' ability to share their data and reduce standards of data protection. In the proposed system, however, the differentiation between the two tiers should at least mean that liabilities from loss of 'confidential' information will be less than from 'classified'. If this is not the case and liabilities from 'confidential' information exceed £1m, this might suggest that the data should have received a more secure label in the first place, and the full liability should be paid.

Q5 Do you agree that Parties should nominate to the DCC individuals eligible to receive sensitive information marked as 'classified' to be able to receive such information? Please provide a rationale for your response.

Limiting the flow of data to named individuals seems a sensible precaution to avoid accidental breaches or misuse of data. However, there seems to be an oversight in the proposed drafting in that it specifies that only named individuals can receive marked data from the DCC, but sets no limits on how they subsequently pass it on within their organisation. In a number of other areas where companies require sensitive consumer data for a specific purpose, ringfencing the use of that data within the company has proved an effective compromise. We would like to see this approach adopted here.

We have no comments on Q6.

Q7 In relation to the proposed licence condition requiring suppliers to take all reasonable steps to secure systems used to communicate with DCC enrolled meters, do you agree with the proposed approach and legal drafting?

Only requiring 'all reasonable steps' might not set up a high or consistent enough standard for security. In particular, it might be worth requiring that security solutions are consistent with interoperability and interchangeability between equipment and software. Security should not be made an excuse for proprietary solutions.

On a separate point, we have heard a particular security concern around abandoned meters, which this might be an opportunity to address. We understand that obtaining a smart meter from an abandoned building or similar

could be an easy way to identify vulnerabilities, so we would ask security experts to consider whether this risk is real and has been adequately dealt with.

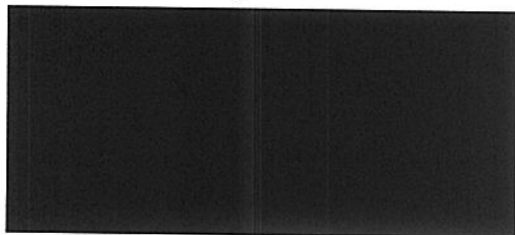
Q8 Do you have any comments on the scope for further amendments to each Implementation Due Date and Implementation Milestone Criteria?

In our response to the consultation on Ofgem's assessment of the DCC's reported costs in its first year, we expressed a concern that it was too easy for the DCC to earn back any penalties for missing Implementation Milestones by meeting future ones. The approach to future amendments should not allow the DCC to rely on having any mistakes written off, or for the schedule to be reset an unlimited number of times.

Q9 Do you have any comments on the amendments to the definition of 'Baseline Margin Implementation Total'?

This seems a reasonable approach, though we would welcome clarification that the BMIT has been reduced by a penalty to reflect non-completion, rather than simply moving the goalposts.

Yours sincerely,



Patron HRH The Princess Royal

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