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24 March 2016

**Smart Metering Implementation Programme - A Consultation on New Smart Energy Code Content and Related Licence Amendments**

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

We remain committed to the rollout of smart meters and the benefits that they will deliver to GB. We believe that the DCC is a critical enabler to the mass rollout of smart meters providing a central, secure, national communications infrastructure that enables smart services to be maintained on change of supply. If we are to ensure that the rollout of smart meters is a success and the benefits to GB are delivered, we must ensure that the DCC, Supplier systems and smart metering assets have been fully tested on an end to end basis. This will provide confidence to Suppliers that end to end systems are proven and are able to offer a good customer experience.

As such, we welcome the clarity that has been provided on the additional testing that will be required to support the DCC release strategy. We believe adequate time must be provided to ensure comprehensive testing of DCC and User systems, as well as devices. Ensuring that all major defects and issues are resolved prior to commencing the mass rollout will avoid delays associated with identifying and fixing issues whilst rolling out thousands of meters. Spending more time getting the DCC and supplier systems operational and functioning effectively will result in smart meters being delivered to customers quicker, and avoid cost escalation.

We agree with the proposal that the DCC should provide additional support to Users, and that this support is available in the live environment after testing has completed. This must be combined with appropriate post go-live assurance to manage defects and issues that are likely to occur with a programme of this scale and complexity. These arrangements must include:

- Regular bilateral discussions between Suppliers and DCC to identify issues/defects, agree action plans and prioritisation, and review progress against resolution and deliverables.



This correspondence is a corporate communication issued by EDF Energy plc on behalf of EDF Energy Holdings Limited (Reg. No. 08150185) and its subsidiaries

- An industry wide forum where issues can be shared to ensure the most appropriate cost effective solution is reached and to avoid parties repeating the same mistakes multiple times.

With just over 100 days until DCC is due to go-live, we believe it is imperative that DECC, DCC and Suppliers formalise the post go-live assurance regime. This will allow Suppliers to share experiences of delivering large complex IT releases and ultimately ensure that the DCC and smart meters are delivered quicker and without the reputational damage associated with some IT deliveries.

We remain concerned about the proposal to implement the Enduring Change of Supplier process and the impact that this could have on the customer experience of the switching process. At this stage, we do not believe that the case for change has been made and that alternative options that preserve the security of the end to end smart metering system should be explored. We are concerned that the adoption of the Enduring Change of Supplier arrangements will represent a material risk to the customer experience, incurring substantial additional costs and disrupting rollout at its most intensive period.

Network Enhancement Plans are likely to have a significant impact on 'install and leave'. We remain concerned that these arrangements do not align with DECC's intent for install and leave as set out in the Rollout Strategy Decision. The underlying assumption behind the install and leave policy is that the SM WAN connection will be established with 90 days of the installation visit. This limits the impact on the customer of having a meter that does not deliver full smart functionality. The time required to establish WAN connectivity may be much longer in areas impacted by Network Enhancement Plans. DECC must ensure that their policy decisions on install and leave are aligned with these arrangements. Suppliers will also need to have clear visibility of such plans prior to attempting to install smart meters, so that they can understand whether install and leave is an appropriate approach for their customers.

Our detailed responses are set out in the attachment to this letter. Should you wish to discuss anv of the issues raised in our response or have any queries, please contact

I confirm that this letter and its attachment may be published on DECC's website.

Yours sincerely,

**Attachment**

**Smart Metering Implementation Programme - A Consultation on New Smart Energy Code Content and Related Licence Amendments**

**EDF Energy's response to your questions**

**Early Roll-Out Obligation**

**Q1. Do you agree that the proposed legal drafting implements the policy to introduce an Early Rollout Obligation on large suppliers by 17 February 2017? Please provide a rationale for your views.**

We do not believe that the legal drafting clearly and unambiguously implements the policy intent as stated in the consultation document. We are specifically concerned with the definition on an Energy Smart Metering System, as well as the definition of the Minimum.

The consultation document states that the policy intent is for large suppliers to install, commission and enrol 1,500 SMETS2 meters or 0.025% of total meter points for which it is a relevant supplier (whichever is the lower) by 17 February 2017. Based on the wording used this number would be the total number of gas and/or electricity SMETS 2 meters installed, irrespective of whether those meters were installed on a single or dual fuel basis. In this case a dual fuel installation would count as two SMETS 2 meters.

We do not believe that the definition of an Energy Smart Metering System makes this clear. We are concerned that this could lead Suppliers and Ofgem interpreting the obligations differently. The definition of an Energy Smart Metering System needs to be clarified to ensure that the policy intent is accurately reflected.

As noted above, the intent of the Minimum Number is for this to be 1,500 SMETS2 meters or 0.025% of total meter points. This wording implies that the 0.025% is applied to the total number of gas and electricity metering points combined that the supplier is responsible for. In this case a dual fuel customer would count as two metering points. However, the legal drafting refers to the 0.025% as being in relation to the Licensee's Relevant Energy Premises.

The definition of Licensee's Relevant Energy Premises would imply that a dual fuel customer would be treated as a single premise, which is not in line with the stated policy intent. This is also not consistent with the basis of the 1,500 meter obligation. We believe that the legal drafting needs to be amended to ensure that the 0.025% refers to the total number of meters a supplier is responsible for rather than the number of premises.

The point in time at which the assessment of the 0.025% is made also needs to be clarified in the legal drafting. As currently drafted, we would assume this calculation is made based on the number of meters supplied on 17 February 2017. As a result of churn a supplier's portfolio will change every day. Given the advanced planning activities that are required to install SMETS 2 meters it is not appropriate that the volume of meters that are required to be installed can be subject to fluctuation. The 0.025% should be based on the number of meters that a supplier is responsible for at a point in time. It would seem appropriate that this assessment is made at the time that the supplier is able to start

installing SMETS 2 meters. This would either be when the supplier becomes a DCC User, or when the DCC goes live, whichever is later.

**DCC User Mandate**

**Q2. Do you agree that the proposed legal drafting implements the policy to introduce an obligation for domestic energy suppliers to become DCC users by 17 August 2017 and for new entrants to become a DCC User before supplying gas or electricity? If you disagree please provide a rationale for your views.**

We agree that the legal drafting accurately reflects the policy intent for domestic energy suppliers to become DCC users by 17 August 2017 and for all new entrants after this date to become a DCC User before supplying gas or electricity.

**Q3. Do you agree that the proposed legal drafting implements the policy to introduce an obligation for DNOs to become DCC users by 28 April 2017? If you disagree please provide a rationale for your views.**

We agree that the legal drafting accurately reflects the policy intent for DNOs to become DCC Users by 28 April 2017. DECC's Impact Assessment has identified significant benefits to DNOs resulting from the smart metering rollout. As such, we believe that not only should they be required to be DCC users as soon as possible; but that they should also be required to ensure that customers benefit where the DNO benefits. We would note that the RIIO-ED1 price control settlement has incorporated the costs of DNOs interfacing with and benefitting from the DCC. As such, we believe it is appropriate that customers should realise the benefits from this investment that they have had to fund.

When a DNO becomes a DCC User they will be able to communicate with a DCC enrolled smart meter, and set any configurations appropriately. Given that all DNOs will be DCC Users by 28 April 2017, we continue to question the proposed changes to the Inventory Enrolment and Withdrawal Procedures that would require Suppliers to place DNO configurations onto a meter as part of it being installed and commissioned.

**Special Installation Mesh Communications Hubs**

**Q4. Do you agree with the proposal and associated legal drafting to reflect matters related to the installation and maintenance of Special Installation Mesh Communications Hubs in the SEC? Please provide a rationale for your views.**

We are supportive of the proposal for additional SEC content to cover the installation of Special Mesh Communications Hubs in the Central and South regions to enable the CSP (accompanied by the supplier) to install an external aerial to a consumer's premise.

We believe there need to be strict guidelines in place to manage this complex process. These will need to cover the management of difficult installations, and must minimise the number of situations where the CSP fails to complete the installation, even where they believe that they have taken 'all reasonable steps'. This will avoid the subsequent impact on installation volumes, and enable more customers to access the benefits of smart metering.

These guidelines should provide further detail on the process steps to be followed by the CSP and the installing party, both in regards to installation and maintenance of Special Mesh Communications Hubs. Further clarification is required around the communication process and protocols between the CSP and installing parties, specifically in regards to the appointment process, completion of work and exception handling.

These guidelines should also address potential problem areas which could prevent the aerial from being fitted, or which may result from the installation process. These include:

- Legal issues relating to the installation of external aerials to consumer premises, such as planning consent, liability associated with the Health and Safety at Work Act, and consequential costs resulting from failed installations and damage to customer property.
- A clear definition of the 'reasonable steps' to be taken to install an aerial.
- Installations in Areas of Outstanding Natural Beauty and Listed Buildings.
- Compensation to the customer from failure to conduct the installation in a reasonable and timely fashion.

We note that some of these issues are already being considered by the relevant DCC design forums. We welcome further engagement with the DCC and their service providers to deliver a robust and customer friendly installation process.

**Network Enhancement Plans**

**Q5. Do you agree with the proposal and associated legal drafting to reflect matters related to Network Enhancement Plans in the SEC? Please provide a rationale for your views.**

We have significant concerns regarding the proposal to exempt DCC from establishing WAN connectivity within 90 days where a Network Enhancement Plan is in force. We are especially concerned by the impact that this will have in regards the policy decisions on 'install and leave'. Part of the foundation of this policy decision was the obligation on the DCC to establish WAN connectivity within 90 days of the installation. The relaxation of this obligation raises significant questions about 'install and leave' as an option for suppliers. There is also a risk that CSPs could operate a 'just-in-time' policy which means that resolution could be biased towards the 90 day limit, and that they not incentivised to resolve on an 'as soon as possible' basis.

In order to mitigate the risk of no WAN connection to consumers' premises for a prolonged period of time, suppliers must be provided with full details of all new, amended and existing Network Enhancement Plans. This should not only be in the form of the report detailed in section F7.21 of the new SEC drafting, but should also be available via the SM WAN Coverage Database. Suppliers must be provided with as much information regarding the likelihood of establishing a WAN connection as possible before booking an installation visit. This will enable them to determine whether attempting an installation would be the right thing for their customers.

We are especially concerned about information regarding WAN coverage in a mesh area. The DCC should only state that coverage is available for a premise in an area subject to an NEP when the necessary routes for communication to that premise are live, i.e. in a mesh

area the adjacent premise(s) are live and working. This is the only way to give a level of confidence of coverage in a mesh. These should come within the 90 day rule.

It would lead to a totally unacceptable customer experience if suppliers were to attempt an installation believing that they would be able to establish WAN connectivity, only to find that not only is this not the case, but that such connectivity will not be resolved for some time. In these cases suppliers would not be able to provide customers with accurate information on when they can expect their smart meter to operate correctly. This may also result in unnecessary site visits being required as a result of the lack of WAN connectivity, for example on Change of Tenancy.

**User to non-User churn**

**Q6. Do you agree with our approach that no changes are required to the Supply Licence Conditions as a result of churn of SMETS2 SMSs from DCC Users to non-DCC Users?**

We do not agree with the assertion that no changes are required to the Supply Licence Conditions as a result of churn of SMETS2 SMSs from DCC users to non-users. The consultation states that the option of using a third party to allow continued access to half-hourly consumption data would not be viable in these circumstances, and that an alternative means would need to be used. It also states that the Government consider that sufficient options are available to non-User suppliers that mean that they would not find themselves in breach of this licence requirement.

We require further clarity from the Government on what these options are as this is not clear. If the Supplier is not able to use the DCC, and is not able to use a third party to allow continued access to half-hourly consumption data, there would appear to be no means by which that data could be made available to the customer. In the absence of this clarification, we believe that changes would be required to Supply Licence Conditions 51.12 (Electricity) and 45.8 (Gas) to specifically account for DCC users to non-user churn.

**Enduring Change of Supplier**

**Q7. Do you agree with the 'minded to' position to align the start of the feasibility and design of the ECoS process with the Blueprint phase of CRS with the aim of linking the design and build of the ECoS system with CRS development? Please provide a rationale for your views.**

It would appear to be prudent to align the start of the feasibility and design of the ECoS process with the Blueprint phase of CRS. The implementation of the CRS will mark a significant change to Change of Supplier processes as will ECoS; it will reduce costs and optimise efficiency to make all of the required changes to systems and processes at the same time. This does not necessarily mean that there is dependence between the two sets of changes, just that it would be more cost effective to deliver them as a single set of changes.

We remain concerned about the implementation of the ECoS processes in the form that was discussed in industry workshops in 2012/13. As noted at that time, we are specifically concerned that the proposed processes make the gaining supplier absolutely dependent on the losing supplier to sign the command to place their security credentials onto the

smart meter. This dependence on the losing supplier to 'give up' the meter is absolutely contrary to an underlying principle of the Change of Supplier process, which is that that the gaining Supplier is in control of that process. The risks inherent in this approach were not satisfactorily addressed when this was considered in 2012/13, and it is not clear what might have changed. We do not believe that the implementation of the CRS will address any of these issues.

While we recognise the security risks inherent in the TCoS process, we continue to have significant concerns regarding the proposed ECoS process. We believe that the Government should continue to explore alternative options that preserve the integrity and security of the end to end smart metering system while still enabling an efficient, timely and risk-free Change of Supplier process that delivers the right customer experience. The security risk associated with each option should be evaluated by the relevant security governance groups to ensure that the level of additional mitigation that would be achieved through ECoS can be compared against the operational risk of implementing the ECoS processes.

We would also emphasise the need to revisit the financial impact of implementing ECoS and transitioning from TCoS, noting that this will be an intense period of activity for Service Users and stability of IT platforms and business process will be paramount.

**Q8. Do you agree with the 'minded to' proposal for suppliers to take reasonable steps' to start to use ECoS from the point at which it becomes available? Please provide a rationale for your views.**

The intent of the introduction of ECoS is to mitigate significant risks to security; however, the difference in residual risk between TCoS and ECoS is yet to be supported by a formal risk assessment. Should the implementation of ECoS be required, it would seem sensible to start to use ECoS at the earliest possible opportunity. However, without further information on the detailed design of the ECoS processes it is not clear what 'starting to use ECoS' actually means and what actions would need to be taken by both losing and gaining suppliers as a consequence.

We have significant concerns about any proposals that would require suppliers to operate two processes in parallel for any period longer than necessary for migration. Change of supplier is an already complicated process that occurs in high volumes, and the success of which has a direct impact on the customer experience and their engagement with the switching process. Anything that unnecessarily complicates this process or which could lead to error must be avoided.

In the absence of a detailed design for the ECoS process, it is not clear how the roles and responsibilities of the losing and gaining supplier would differ from the TCoS processes, and how those parties (particularly the gaining supplier) would know which process to follow. We also have concerns about the responsibilities of the losing Supplier, for example in the case where the change of security credentials cannot be enacted due to a communications issue. This may require losing suppliers to need to be able to communicate with a meter after they have ceased to be the Responsible Supplier for that meter, which would require changes to the SEC.

Our preference would therefore be for a single change of supplier process for all meters to be in place at any one time, rather than a gradual phasing in of the TCoS process over time.

**Q9. Do you agree with the principle of suppliers completing the move to ECoS within 6 months of the end of roll out i.e. 2020 or earlier? Please provide a rationale for your views.**

As detailed in our response to question 8, we have significant concerns regarding the concurrent operation of two different changes of supplier processes and the potential impacts that this will have. If this situation cannot be avoided then the period of time for which suppliers need to operate two processes must be minimised as far as possible. The very latest date for completion of the move to ECoS should be within six months of the end of roll out, the intent should be complete the transition as soon as is feasible.

**Q10. Do you agree with the proposal for DECC to establish an industry working group under the transitional arrangements that will subsequently transfer to industry at a point to be agreed as part of the wider transitional arrangements? Please provide a rationale for your views.**

We agree that it would be sensible to establish an industry working group to progress the feasibility, costing, impact analysis and design work for ECoS as soon as possible. As noted above, before progressing with ECoS the security risk associated with both TCoS and ECoS should be evaluated by the relevant security governance group. This is required to ensure that the level of additional mitigation that would be achieved through ECOS can be compared against the operational risk and costs of implementing the ECoS processes.

The proposed industry working group will need to ensure that it has the right mix of expertise, addressing both the security aspects as well as the operational considerations of the change of supplier process. Security is vitally important, but cannot come at the expense of a positive and engaging switching experience for customers. It will need to be ensured that the work of this industry working group is very closely aligned with the work of the Business Process Design User Group that has been established as part of Ofgem's Blueprint phase for the Central Registration Service.

**DCC Additional Support**

**Q11. Do you agree with the proposal to extend the scope of H14.33 to allow the DCC to also provide Testing Participants with assistance with issues related to User Systems and Devices and allowing this assistance to be provided during or after testing?**

We agree with the proposal to extend the scope of H14.33 as described. While User Systems and Devices are not directly the responsibility of the DCC, they will have a significant amount of technical expertise that Testing Participants should be able to access. This will enable the efficient and economical rollout of smart metering, which is in line with the general objectives set out in the DCC licence. It is likely that a number of the issues that arise will have a bearing on DCC design and operational implementation. We would expect DCC to benefit from learnings that they in turn can use to improve the efficiency and robustness of their systems and processes.

**Q12. Do you have any views on how Additional Support services should be charged for?**

We have no specific views in regards to how Additional Support services should be charged for. However, as with all charges related to the DCC, these charges must be shown to be based on the reasonable costs incurred by the DCC in providing Additional Support, be applied in a fair and equitable manner, and be subject to oversight by Ofgem.

**Further Requirements on Testing**

**Q13. Do you agree with the proposal and associated legal drafting to set a mandatory requirement on the DCC to provide a Pre-UEPT service and a GFI service? Please provide a rationale for your views.**

We agree that provision of the Pre-UEPT service and the GFI service will support timely implementation and allow problems to be identified early. Provision of the GFI service will also support device testing in advance of full DCC functionality being made available.

We are concerned that, although GFI is being made available to support R1.3, GFI has not been formally accepted by DECC or Ofgem as acceptable evidence of proving metering equipment Interoperability with the DCC. Provision of such evidence is a SEC obligation placed upon the Energy supplier, and we would encourage DECC and Ofgem to consider use of the GFI as acceptable evidence.

We believe that the requirement to provide the ability to use communication hubs in conjunction with GFI would be of benefit to industry. As noted in the consultation, there is currently no way to test the gas proxy function. On this basis we believe this should be a mandatory requirement for GFI rather than something that is only to be considered for inclusion.

**Q14. Please provide your views on the draft direction for the insertion of a new X9 and the proposal to:**

- **bring the new X9 into effect on18 April 2016 (or as soon as possible thereafter),**
- **require the provision of the Pre-UEPT service from the date that X9 is effective,**
- **require the provision of the GFI service as soon as reasonably practicable, but in any event no later than the start of End-to-End testing,**
- **provide that the Pre-UEPT and GFI service will end when Section X ends, noting that the Secretary of State has the ability to direct an earlier end date?**

**Please provide a rationale for your views.**

The requirement to require the provision of the Pre-UEPT service from the date that X9 is effective is reasonable, especially considering DCC have already issued the milestone target dates For Pre-UEPT to industry. In some cases this service is also being referred to as Pre-UIT rather than Pre-UEPT, consistent terminology needs to be used to avoid confusion for testing participants.

We do not agree with the drafting of sections X9.1 and X9.2b, and specifically the exclusions relating to Communications hubs. A Communications Hub is required to prove specific SMETS2 functionality (GPF), and therefore needs to be included within the scope of this testing. We also have concerns regarding the requirement for DCC to provide GFI testing with effect from as soon as reasonably practicable after Section X9.1 takes effect. Use of the term 'reasonably practicable' creates ambiguity as it is not clear what the DCC might deem as being 'reasonably practicable'. Clear expectations should be set as to when the DCC will provide this service to enable testing participants to incorporate this into their testing plans.

We are also concerned with the use of the term 'reasonable steps' in section X9.2e. As noted elsewhere in this response, we are concerned with how this term might be interpreted by different parties. Where issues occur with the GFI tool there needs to be some formal governance if the Testing Issue Resolution Process is not used.

We would query the omission of 'Certificates, GBCS Payloads, Digital Signatures or Message Authentication Codes that would otherwise be required' in section X9.4(ii). EDF Energy has already queried this in bilateral discussions with the DCC as our built systems and test harnesses will reject non encrypted messages. We believe that given the common tools that may be used across industry that other users will have the same problem.

We believe that GFI should continue to be supported and offered as an enduring service. Potential issues found in later operation will need to be triaged and checked against the original GFI test baseline. A GFI tool will be useful for testing future changes to functionality.

**Q15. What are the benefits of providing Pre-UEPT services beyond the go live date for Release 1.3 functionality? Please provide a rationale for your views.**

We have not been able to identify any benefits related to the provision of Pre-UEPT services beyond the go live date for Release 1.3 functionality. There should be no need for such testing services once a full functionality testing environment is in place.

**Q16. Do you agree with our proposed amendments for additional SIT, Interface Testing and SRT Testing? Please provide a rationale for your views.**

We agree with the proposed amendments for additional SIT, Interface Testing and SRT Testing. Clearly any proposed changes to SIT, Interface Testing and SRT testing must be subject to industry consultation.

Should any additional releases be required between Release 1.3 and Release 2, for example to resolve defects, then they will also need to be robustly tested before

implementation. Additional phases of testing will be required to support any such releases. It must be ensured that sufficient time is allowed for both the DCC and its Users to complete such testing and gain assurance that the release can be implemented.

**Q17. Do you agree with our proposed amendments for the length of the End to End Testing Period? Please provide a rationale for your views.**

We agree with the proposed amendments for the length of the End to End Testing Period. The extension of this testing period would seem to be a prudent approach.

**Q18. Do you agree with our proposed amendments for additional phases of Service Request testing? Please provide a rationale for your views.**

We agree with the proposed amendments for additional phases of Service Request testing. We do, however, believe that the DCC should reject any incorrect Service Requests that a User is not eligible to send, rather than solely placing obligations on Users. The DCC systems should be able to detect and reject live Service Requests that a User is not authorised to send and protect other Users from the incorrect use of DCC communication services.

**Q19. Do you agree with our proposed amendments to the relevant versions of the SEC for testing purposes? Please provide a rationale for your views.**

We agree with proposed amendments to the relevant versions of the SEC for testing purposes. All testing participants need to be able to easily identify the requirements that they need to test against, especially in a transitional period where documents are at different stages and held in various locations.

**SEC Panel and DCC Live Criteria Assessment**

**Q20. Do you agree with the proposal and associated legal drafting? Please provide a rationale for your views.**

We have significant concerns in regards to the proposal and the associated legal drafting. The responsibility of the SEC Panel should be the governance and operation of the Smart Energy Code (SEC). They are not a body of technical experts, not are they required to be. However, the decision they are being asked to make in this case is one of a detailed technical nature.

We believe that the relevant expertise for making this decision resides within the Sub-Committees that are established within the SEC; specifically the Technical Architecture and Business Architecture Sub-Committee, the Security Sub-Committee and the Test Advisory Group (TAG). It should be explicitly stated within the proposed new section X1.118 that the Panel shall seek input from these Sub-Committees when reviewing the DCC's report and creating their report to the Secretary of State.

It is noted within the consultation that the DCC Live Criteria are developed by the DCC and approved by the Secretary of State. We assume that the DCC will consult with its stakeholders as part of this process, but would welcome confirmation that this will be the

case. When considering the DCC Live Criteria it must be ensured that the DCC Live Criteria address security matters, and should not just be based on the achievement of technical testing milestones. This approach would not provide a full picture of the risks posed by the DCC going live.

As an example, the Security Sub Committee will be in a position to assess and formalise a residual security risk level associated with the implementation of the DCC. This will be based on an industry risk assessment, and the security assessment of the DCC by the CIO. This risk level should be used as part of the assessment of whether the DCC can go live. The level of acceptable risk and the process for accepting any risk beyond this level, including identification of the risk owners, needs to be confirmed.

**Security**

**Q21. Do you agree with the proposed approach and legal drafting that seeks to ensure that only disputes associated directly with the issue of compliance with Section G are determined by us, with other disputes following the "normal" path for resolution?**

We agree with the proposed approach to disputes relating to compliance with Section G. It seems sensible that only issues of compliance with Section G should be raised to the Authority. We do not, however, believe that the legal drafting that has been provided is clear; specifically we do not believe that the drafting of Section G1.9 makes it unambiguously clear which matters would be included within the scope of Section 1.8. The legal drafting should be reviewed to ensure that the legal drafting is clear, and also understandable to SEC Parties.

**Q22. In relation to the need for DCC to test and monitor the security of Cryptographic Credential Tokens, do you agree with the proposed approach and legal drafting?**

We agree with the proposed approach and legal drafting. As part of the SMKI, the Cryptographic Credential Tokens form part of the end to end security architecture. They therefore need to be subject to appropriate governance to ensure that they are properly tested, and any vulnerability are identified and properly managed.

**Q23. In relation to the removal of Manufacturer Release Notes from the CPL and the associated requirements for secure storage, do you agree with the proposed approach and legal drafting?**

We have concerns with regard to the proposal to remove the Manufacturer Release Notes from the CPL. These Release Notes are likely to be of vital importance to suppliers when managing the firmware associated with the Devices for which they are responsible. However, we agree that the security risks that are inherent in making these Release Notes publicly available need to be mitigated, and removing them from the CPL is a pragmatic approach. We support the implementation of a Central Firmware Library as the enduring solution for the provision of this information to suppliers.

We are concerned with the legal drafting regarding the secure storage of Manufacturer Release Notes. We agree that such Release Notes should be stored securely where the Responsible Supplier has obtained them from the relevant party. However, the drafting requires that suppliers acquire a copy of the release notes for every Device Model that they are a Responsible Supplier for, including meters they have inherited from other suppliers. While it might be possible to establish the relevant contractual arrangements to obtain the Release Notes for churned in meters, it is not clear why this has been made a mandatory requirement within the SEC. We believe that the legal drafting should be amended to ensure that suppliers store Manufacture Release Notes securely where they obtain them, but not to oblige them to obtain them, or only obtain them where they intend to deploy a firmware update that would require those Release Notes.

**Q24. In relation to the inclusion of systems used to generate a UTRN within the scope of the User System, do you agree with the proposed approach and legal drafting?**

We agree with the proposed approach to include the systems used to generate a UTRN within the scope of the definition of the User System. We believe, however, that the legal drafting needs to be clearer as to what would be included when considering the term 'generating any Unique Transaction Reference Number' as included in the revised definition of User Systems. The consultation document states that 'for the purpose of the SEC drafting the UTRN is considered to be generated at the point at which the supplier Message Authentication Code (MAC) is calculated and applied'. The legal drafting for the SEC should make this clear; we do not believe that this is currently the case.

**Privacy and Explicit Consent**

**Q25. Do you agree with the proposal to include a definition of Explicit Consent and do you have any comments on the proposed drafting? Please provide a rationale for your views.**

We support the inclusion of a definition of Explicit Consent within the SEC. As far as possible, we should be seeking to achieve clarity and avoid subjectivity within the smart metering governance arrangements. This is especially the case when it comes to data privacy.

We are concerned that the definition of Explicit Consent includes terms that can still be interpreted subjectively. We are especially worried about the use of the term 'informed consent'. It is not clear what level of information provision would result in a consumer being informed, or how a Party might be able to demonstrate that a consumer provided 'informed consent'. In order to ensure a consistent interpretation across all parties, we believe that guidance as to the level of information that should be provided would be useful. The provision of such guidance would seem to be in line with Principles based regulation.

**Changes to Section H (DCC Services)**

**Q26. Do you agree with the proposal and associated legal drafting to consult with Parties and Registration Data Providers prior to changes to DCC Internal Systems or the Release Management Strategy? Please provide a rationale for your views.**

We agree with the proposal to oblige the DCC to consult with Parties and Registration Data Providers in regard to changes to DCC Internal Systems. It needs to be ensured that all potentially interested parties have the ability to comment on proposed changes; restricting the scope of any consultation process creates the risk of impacts being missed and subsequent problems arising.

**Q27. Do you agree with the proposed change to remove the requirement on RDPs to raise an Incident where the issue can be resolved by the transmission of an unsolicited registration data refresh file? Please provide a rationale for your views.**

We agree with the propose change to remove the requirement on RDPs to raise an Incident where the issue can be resolved by the transmission of an unsolicited registration data refresh file. This aligns the obligations of the RDPs with those of Users. At the same time we are concerned that not raising an Incident may mean that the underlying cause of the issue is not addressed and that Incidents will continue to occur. This will then have resource impacts on Users, RDPs and the DCC. While we agree such occurrences should not be logged as Incidents, we believe a method for tracking theses occurrences and taking the relevant preventative action should be implemented. This would be in line with the principles of continuous improvement.

**Q28. Do you agree with the proposals and associated legal drafting to the recovery and data loss obligations in regard to a Disaster? Please provide a rationale for your views. Rectifying Errors in Relation to Device Credentials**

We agree with the proposed changes to the recovery and data loss obligations in regard to a Disaster. We do, however, believe that the legal drafting needs to be clearer in regards to the conditions that would enable the DCC to be exempted from the eight hour resolution period. The drafting should be more explicit that the DCC shall only be subject to such as exemption where the procurement of a backup DCC Gateway Connection would have enabled the restoration of DCC services. As an example, this would not be the case where an Incident were associated with the DCC end of the DCC Gateway Connection, and affected both the primary and the backup Gateway Connections.

The current legal drafting is not precise enough, and could enable the DCC to claim exemption from their obligations to restore services on a timely basis inappropriately.

**Rectifying Errors in Relation to Device Credentials**

**Q29. Do you agree with the proposal to clarify that Users are permitted to send the relevant Service Requests? Please provide a rationale for your views.**

We agree with the proposed change clarify that Users are permitted to send Service Requests where they are not an Eligible User in order to rectify errors. In the absence of this clarification Users could find themselves in breach of the SEC as a result of endeavouring to comply with the SEC.

**Panel/IKI Subscribers**

**Q30 Do you agree with the proposal and associated legal drafting to permit SECCo to become a Subscriber for IKI File Signing Certificates for the purposes of Digitally Signing the CPL as set out above? Please provide a rationale for your views.**

We agree with the proposals to permit SECCo to become a Subscriber for IKI File Signing Certificates for the purposes of Digitally Signing the CPL. We also agree that the proposed legal drafting accurately gives effect to that proposals within the Smart Energy Code.

**Status of Associated Devices**

**Q31. Do you agree with the proposals to remove the requirement for DCC to modify the SMI Status of a Device in circumstances where the status of a Device with which is associated changes, and to clarify by when suppliers must ensure that the appropriate Device Security Credentials are placed on a Device? Please provide a rationale for your views.**

We have not identified any issues resulting from the proposal to remove the requirement for DCC to modify the SMI Status of a Device in circumstances where the status of a Device with which it is associated changes. We do, however, believe that such changes should be subject to a proper impact assessment, which includes a review of the related business processes. We believe that the Technical and Business Design Group (or the EEDIS subgroup) would be the right mechanism for raising this issue, rather than this consultation.

We would question why the DCC systems are apparently not capable of applying the original functionality and would appreciate clarity on the reasons for this. This requirement has been in place within the drafts of the IEWP for some time so it is not clear why this is only being addressed at this point. We would also appreciate confirmation within the legal drafting that the steps for commissioning Devices other than Communications Hub Functions set out in sections 4.9 and 4.10 of the IEWP will result in those Devices having a status of 'Commissioned' on the Smart Metering Inventory.

We agree with the proposal to clarify by when suppliers must ensure that the appropriate Device Security Credentials are placed on a Device. We believe the legal drafting related to this proposal is appropriate.

**Post Commissioning Reporting**

**Q32. Do you agree with the proposal to change the reporting obligations on DCC in relation to Devices Commissioned between DCC Live and Release 1.3? Please provide a rationale for your views.**

In the absence of the required functionality delivered by CR 11a V2, we agree that it would be prudent to change the reporting obligations on DCC in relation to Devices Commissioned between DCC Live and Release 1.3. We would, however, question whether the proposal to permanently exempt the DCC from ever analysing the responses between releases 1.2 and 1.3 is appropriate. It is not clear whether, once release 1.3 is implemented, whether it would be possible or cost-effective to re-analyse the responses received in the interim period, which we assume the DCC would have access to for audit purposes. We believe that the feasibility of such an option should be explored if this has not already occurred.

**Subscriber Obligations for certain IKI File Signing Certificates**

**Q33. Do you agree with the proposals to modify the subscriber obligations in relation to Certificate Signing Requests generated by DCC-provided software and to place an additional obligation on DCC in relation to these in Section G?**

We agree with the proposal to modify the subscriber obligations in relation to Certificate Signing Requests generated by DCC-provided software. Where an Eligible Subscriber is reliant on the Cryptographic Credential Token provided by the DCC it is appropriate that the DCC should be held responsible for ensuring that Token delivers the appropriate functionality. We agree that the proposed legal drafting accurately reflects this proposal.

**RDP IDs and DCC Reporting under Section E**

**Q34. Do you agree with the proposal not to make transitional changes to the SEC to deal with these matters and instead to rely upon RDPs and the Panel to work with DCC within the confines of its Systems Capability on a transitional basis?**

We agree that with the principle that short term transitional changes to the SEC should be avoided where possible. We would therefore question why a similar approach to that being proposed for RDPs could not be applied to DCC Users in period until the DCC does enable Users to operate under multiple User IDs. It is not clear that the level of risk associated with Users is significantly higher, and that any risk could not be mitigated through robust communication of the type that will be required for RDPs.

**Miscellaneous Issues and Minor Amendments to Drafting**

**Q35. Do you agree with the proposal legal drafting amendment to C3.13? Please provide a rationale for your view.**

We agree with the proposed legal drafting amendment to C3.13. The proposed level of indemnity would seem to be appropriate, and would align the SEC with other industry codes.

**Q36. Do you agree with the proposed legal drafting amendments to Section E2? Please provide a rationale for your view.**

We agree with the proposed legal drafting amendments to Section E2. This will ensure that the data being provided by the Registration Data Providers is that which is required, which is not the case in the current drafting.

**Changes to provide flexibility to accommodate changes arising during testing**

**Q37. Do you agree with the proposal to remove these documents from the SEC and to re-introduce them (including any enduring changes made using Section X) by designation under Condition 22/Section X5 of the SEC?**

We agree with the proposal to remove the documents listed from the SEC and to re-introduce them by designation under Condition 22/Section X5 of the SEC. As noted in the consultation document, this is a purely mechanistic change that will enable the documents to ne managed through the re-designation process, rather than Section 88.

**Test Communications Hubs**

**Q38. Do you agree with our proposal and legal drafting in relation to Test Communications Hubs? Please provide a rationale for your response.**

We agree with the proposed changes and legal drafting in relation to Test Communications Hubs. The revised legal drafting is set out in such a way that it would reflect the additional functionality that would be provided by Instrumented Test Communications Hubs. At the same time it is not prescriptive about the functionality that is provided by such Test Communications Hubs, enabling such functionality to be amended over time to reflect the needs of Testing Participants without the need to further amend the SEC.

**Consistent terminology on "all reasonable steps"**

**Q39. Do you agree with the proposal and associated legal drafting to align the wording of obligations throughout the SEC?**

We remain concerned regarding the subjective nature of the wording of the obligations in the SEC. While we agree with the proposal to align and simplify the wording of various obligations within the SEC, we believe that further guidance is required in regards to the definition of 'reasonable steps'.

We agree that prescription should be avoided unless it is necessary. Unless a process needs to be defined in order to assure an outcome, parties should be able to innovate in the way that they meet their SEC obligations. We are however concerned that without guidance, parties might incur unreasonable costs while endeavouring to meet their obligations. The burden of these unnecessary costs will then be met by customers.

We would welcome clarity from DECC and Ofgem as to what is unreasonable from a cost, and customer experience perspective. This guidance should providing a ceiling as to the steps that a Supplier should go to in order to meet their obligations, and embrace the ability to innovate within these boundaries.

**Incident Management Policy**

**Q40. Do you agree with the proposed changes to the Incident Management Policy? Please give reasons to support your answer.**

We agree with the proposed changes to the Incident Management Policy. We have been involved in the evolution of the Incident management Policy through engagement with DCC via their Service Management Design Forum, and agree that the changes are sensible and necessary.

**EDF Energy**
**March 2016**