

Smart Metering Implementation  
Programme – Product Delivery  
Department of Energy & Climate Change  
3 Whitehall Place  
London SW1A 1AW

Your ref :  
Our ref :  
Name:  
Phone:  
E-Mail:

24<sup>th</sup> March 2016

Dear SMIP team,

### **New Smart Energy Code content and related Licence Amendments – February 2016**

We welcome the opportunity to respond to this consultation and are cognisant of the requirement to finalise the legal drafting in the SEC prior to DCC Live.

In general we are supportive of most of the proposals made, however we have concerns in respect of the some of the specific proposals made, particularly in terms of addressing non-compliance by the DCC by introducing constraints on supplier rollout plans, which potentially puts wider rollout obligations at risk.

**DCC Approach to Development** - we are concerned about the DCC's continued unilateral approach to system and process development, coupled with a lack of contact with or consideration for the impact that this has for its primary customers and key stakeholders. The proposal in this consultation that suppliers should be limited to one supplier MPID per role per SEC party id in order to address the fact that the DCC has developed a non-SEC compliant solution is a prime illustration of this problem. The impact of this proposal is that suppliers will be unable to roll out smart meters for a portion of their customer base until the DCC has rectified the situation and made its solution compliant. The lack of clear timescales and approach for how and when this will be done mean that it is difficult for suppliers to refine their rollout plans with confidence. This puts suppliers at risk of not being able to meet their enforceable deployment obligations, which is unacceptable.

A further illustration of the problem can be seen in the apparently unilateral decision made by the DCC to ignore industry protocol in respect of the field size for the SMKI Root Authentication Tag, whereby DLMS mandates a 96 bit size, but the DCC has chosen to code to a 128 bit standard instead. There is no evidence that this has gone through industry governance and there is concern that this may impact DLMS certification. Unanimous feedback from manufacturers has been to keep 128 bit field in the Contingency Key and 96 bit on all other certificates but this recommendation has not been accepted.

**Industry Capacity for Change** – the industry is facing an unprecedented level of regulatory and mandatory change over the remainder of this decade. Changes such as DCCR2.0 with the implementation of dual band communications hubs and alternative HAN infrastructure, SMETS1 adoption, centralised registrations, half hourly settlements, and CMA recommendations are making demands on a finite capacity for change within supplier businesses. The complexity of the changes is such that there is limited opportunity for suppliers to do anything other than mandatory change. There must be a coordinated oversight between regulatory bodies such as DECC and Ofgem to ensure that the market and customers are protected.

RWE npower  
2 Princes Way  
Solihull  
West Midlands  
B91 3ES

T  
I

Registered office:  
RWE npower Group plc  
Windmill Hill Business Park  
Whitehill Way  
Swindon  
Wiltshire SN5 8PB

Registered in England  
and Wales no. 8241182

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**Mandatory Provision of pre-UIT** - provision of pre-UIT by the DCC is essential mitigation against the overlapping testing phases of the DCC and the reduced time available to suppliers for UEPT and end to end testing. DCC Live cannot happen unless two suppliers successfully complete UEPT and pre-UIT provides the opportunity to identify and correct defects ahead of the UEPT window opening.

Our response to the individual consultation questions posed can be found in the attached document. If you have any questions, or would like to discuss our response, please do not hesitate to contact me.

This response is not confidential.

Yours sincerely

**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.**

*Yes, we agree with the proposal*

Npower agrees that the proposed legal drafting implements the policy to introduce an Early Rollout Obligation on large suppliers by 17 February 2017.

**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.**

*Yes, we agree.*

We agree that the legal drafting implements the policy to oblige domestic energy suppliers not already bound by the early rollout obligations to become a DCC User up to 12 months after the DCC Live date for their Release 1.3.

We do not at this stage foresee any need for the Secretary of State to intervene but would request that, if this does become necessary, all other industry parties that are affected are consulted at the earliest opportunity and that any impacts to either the Smart Programme in general and supplier systems and processes in particular are taken into account when establishing any new dates.

Although the subject of a forthcoming consultation response we also consider that it is imperative that all energy suppliers must become DCC Users in order to ensure that development and operational complexities and costs are kept to a minimum.

**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.**

*Yes, we agree*

We agree that the legal drafting implements the policy to oblige Distribution Network Operator companies to become a DCC User up to 6 months after the DCC Live date for their Release 1.3.

Again, we do not foresee the need for the Secretary of State to intervene, but would request that all other industry parties are appropriately consulted and that the risks, issues and costs implications that may arise from such a consultation are taken into account when establishing any new dates.

**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.**

*Yes, we agree*

We 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.

**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 agree with caveats. Please see the comments below.*

We support the proposals related to Network Enhancement Plans in principle, but would like more detail to be provided regarding the DCC's scrutiny and delivery tracking of the Network Enhancement Plans. There is a risk that Telefonica could use Network Enhancement Plans to mask failures in their network which would not be properly reported until after the roll out completion deadline has passed.

**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?**

*Yes, we agree.*

We agree with the approach of not modifying the Licence Conditions when a SMETS2 meter churns from a DCC User to a non-DCC User.

We are mindful that DECC has yet to publish the final decision on the consultation on non-domestic opt out of the DCC which closed in May 2015. We are of the view that a SMETS2 meter cannot exist outside of the DCC, as it would mean an enhancement to non-DCC communications hubs and SMSO systems. However, should the DECC decision be to continue to allow non-domestic suppliers to operate SMETS2 meters outside of the DCC, we believe it will be a barrier to supply competition given the onerous obligations in terms of security risk assessments and communications hub changes before the meter could be placed back in the DCC infrastructure. This will drive cost and complexity into the non-domestic change of supplier process and is not in the best interest of customers.

**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.**

Yes, we agree in principle.

We support the principle; however we must take care to ensure that the development of Enduring CoS does not impact the ability of Suppliers to meet their Rollout Obligations. The scale of change the industry faces in the second half of the decade is significant and it is essential that the drive for further change is not at the expense of a successful rollout.

**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.**

*No, we do not agree with the proposal.*

We do not agree with the proposal for suppliers to take reasonable steps to use ECoS from the point at which it becomes available.

The Smart programme is already the largest set of changes to industry processes and systems. Mandating further change during roll-out will be counter-productive and will lead to a risk of missing roll-out targets. We would much rather see the choice to use ECoS being optional until the end of mass roll out with TCoS being phased out without impacting the rollout. We are mindful that previous proposals for ECoS have been deferred on the grounds of the complexity impacting peak rollout

**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.**

*No, we do not agree.*

We do not agree with the principle of suppliers completing the transition to ECoS within six months of the end of Rollout.

Given the length of time it will take to fully define and implement an ECoS system, and given that the proposed start date is dependent on a project outside of the Smart Programme, we would rather see an end date of 12 months after the end of roll-out, or 12 months after the successful implementation of ECoS, whichever is the later.

**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.**

*No, we do not agree.*

We are entering into a critical phase of the programme, namely the implementation and switch on of the DCC system for Live Operations.

This will be a critical time for suppliers and indeed the whole industry, where resources will be needed to ensure that the services can be utilised in order to support the rollout of SMETS2 meters. We envisage that there will be problems in the early days which will mean that all focus should be given to stabilising the new systems and processes.

Secondly there is already a significant degree of change identified for DCC R2.0, including the introduction of dual band communications hubs which are critical for the successful completion of the rollout. This further release, along with the potential for a significant portion of change as part of a remedial R1.4 must be the sole focus for the industry as the rollout volumes ramp up. It should also be noted that DCC is likely to be proposing design and build activity for the adoption and enrolment of SMETS1 meters during 2017. Adoption is critical if the overall rollout is to be a success. Taking into consideration the overall capacity of the industry to absorb and deliver such significant change we feel it more appropriate to start the design work in 2018.

**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?**

*Yes, we agree.*

Npower supports 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. We also support the proposal that this assistance should not be time bound, but should be provided during or after testing.

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

*Yes.*

Npower has the following views on how Additional Support Services should be charged for:

- Npower prefers the "User pays" model, whereby a User requesting assistance may incur direct costs from the DCC. This ensures that those users who require assistance pay for the service required, rather than being cross-subsidised by other users.
- Npower does not support a centralised cost structure, as we believe that this model would penalise Users who have invested in due-diligence within their own design, build and integration activity in order to mitigate, and minimise, their need for additional DCC assistance.



**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.**

*Yes, we agree.*

We agree that the provision of a GFI service and Pre-UEPT service should be made a mandatory requirement upon the DCC.

Pre-UEPT provides an opportunity for Test participants to validate a number of elements (gateway connectivity and DCC KI TLS certificate usage, Service request formulation, Service request response processing, SMKI certificate usage) ahead of the actual UEPT stage and hence de-risk this phase. However, it has to be noted that the success of this service is also determined by the:

- Time available for actual 'Service request' testing – this has now significantly been reduced as the Service request testing now commences 6<sup>th</sup> May, prior to which is limited to connectivity/'ping' testing.
- Number of valid and complete Service request responses supported – only 4 have been confirmed
- Support and turnaround time for any defects

GFI provides a facility for Test participants to test the interoperability of their procured devices against a simulation of the DCC systems and hence provides an opportunity to identify some of the 'End to End' test issues in advance. This facility should be maintained into the future to support 868, Alt HAN and other major changes that may be required to ensure smooth operations with the DCC

**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 on 18 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**

*We do not support the proposed legal drafting, for the reasons detailed below:*

- Section X9 and the provision of the Pre-UEPT service should be effective from 18<sup>th</sup> April 2016, or an earlier date, not 'as soon as possible thereafter'. 1.2 Pre-UEPT is a key test stage to de-risk a number of elements that would be exercised in 1.2 UEPT and hence any delays will reduce the benefits. Note that the availability of the actual Service request testing window has already been reduced by 3 weeks as per the DCC Pre-UEPT guide.

- The GFI service should be provided at least 3 months before the start of End to End testing so that it provides the industry sufficient time to test devices against the simulated DCC systems before commencing End to End testing. If the GFI Service is not provided at least 3 months before the start of End to End testing any benefits related to early testing and finding defects before 'End to End' integration will be lost.
- We do not agree that the GFI and Pre-UEPT (or 'sandpit') service should end when Section X ends. We believe that this should be supported on an enduring basis to support future changes such as 868, Alt HAN, DCC internal system changes, Testing participant Procedural changes, Mods etc.
- X9.2c indicates that H14.4 should not apply to the GFI service. We do not support this since H14.4 relates to 'concurrent' use of the service, which we believe is required for the use of this service.
- X9.2e indicates that sections H14.37 to H14.45, which relate to the Test issue management process, does not apply to GFI services. However, we believe that given that the GFI service is now a mandatory requirement and is a key stage to de-risk a subsequent test stage, these sections relating to Test issue management should also apply to the GFI service.
- X9.3a indicates the 36 SRs that are part of R1.1. We believe that this should be updated to show the SRs that are part of R1.2 and R1.3 that are planned to be provided as part of Pre-UEPT.
- X9.4a (ii) indicates that Service requests/responses, Signed/Pre-commands and alerts may omit Certificates, GBCS payloads, Digital signatures or MACs. This significantly reduces the benefits of the Pre-UEPT services since we will be unable to validate the SMKI functionality, Parse and Correlate or correctly process a Service response.
- X9.4b indicates that H14.4 should not apply to the Pre-UEPT service. We do not support this since H14.4 relates to 'concurrent' use of the service, which we believe is required for the use of this service.
- X9.4b also indicates that H14.11 should not apply to the Pre-UEPT service. We do not support this since H14.11 relates to 'Test Certificates', which will be used for accessing this service. Though Test Participants will obtain their own Organisation certificates from SREPT, the Device certificates required for this testing will need to be provided by DCC.
- X9.4d indicates that sections H14.37 to H14.45, which relate to the Test issue management process, does not apply to Pre-UEPT services. However, we believe that given that the Pre-UEPT service is now a mandatory requirement and is a key stage to de-risk a subsequent test stage, these sections relating to Test issue management should also apply to the service.



**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 believe that the provision of Pre-UEPT services beyond the R1.3 Go live is essential as it is the mitigation against the overlapping test phases and reduced industry testing timescales. We further believe that this service will be needed to facilitate testing of future changes such as 868, Alt HAN, DCC internal system changes, Testing participant Procedural changes, and SEC modifications

We note that this facility was previously to have been provided via a "Testing Sandpit" which would have allowed testing to be completed outside an official test phase.

We believe that the benefits of providing Pre-UEPT services beyond the go-live date for R1.3 Functionality would be:

- Provision of an environment where Testing Participants can test and verify business processes against system process in order to optimise business / systems interactions
- De-risking any Testing Participants internal system changes by early verification against informal sandpit environment
- Allowing the DCC to release future 'next release' code for early testing prior to official 'formal' testing
- De-risking formal test stages and therefore help to maintain go-live dates
- Availability of an informal testing environment will facilitate early integrated testing of these changes when still in development or internal testing stages, thereby de-risking the formal testing stages and Go Live plans.

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

*Yes, we agree in principle and subject to the following comments:*

We support the proposed amendments for additional SIT, Interface Testing and SRT Testing, subject to the following comments being taken into consideration:

T3.36d – where this section makes reference to User Entry Process tests (UEPT), we believe that it should also include section T3.19 to cover the appropriate UEPT requirements for the additional functionality.

T5.32f – as per this section, if the Large Suppliers are required to commence SREPT, we recommend that a minimum 3 month notice period is provided to allow for any preparation and readiness activities to be undertaken.

**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.**

*No, we do not agree.*

We do not agree with the proposed amendments for the length of the End to End Testing Period. It is our firm view that the End to End Testing environment should be supported for 12 months (plus an optional 6 months) following the delivery of the full R1.3 functionality (see T4.15 drafting). On completion of this period, the End to End Testing environment should be retained to support enduring testing requirements.

It must be noted that end to end testing is the only opportunity available to Suppliers to fully 'road test' the equipment that is to be installed in customer premises. It is essential that we have had the opportunity to carry out extensive and comprehensive testing in order to reduce the likelihood of problems being found in production and at installation.

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

*Yes, we agree.*

We support the approach that User Entry Process testing should be carried out in two phases, with the first phase aligned to the DCC R1.2 functionality, completion of which will qualify the Test Participant as a DCC Service User; and the second phase aligned to the DCC R1.3 functionality.

**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.**

*Yes, we agree*

We support the proposed amendments to the relevant versions of the SEC for testing purposes.

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

*Yes, we agree in principle and subject to the following comments:*

We agree with the proposal that the SEC Panel should have a role in assessing whether or not the DCC has met the DCC Live Criteria, and are comfortable with the proposed legal drafting of SEC Clause X1.18. We concur with the view that such an approach will support the overall goal to transition responsibility to enduring governance arrangements.

We note that DECC are proposing within this consultation that the DCC should be responsible for setting the DCC Live Criteria, and that DECC should approve the DCC Live Criteria. We believe that the industry should have a role in reviewing and commenting upon the proposed DCC Live Criteria prior to their approval and our preference would therefore be for these criteria to be consulted upon prior to submission to DECC for approval.

**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 Ofgem, with other disputes following the "normal" path for resolution?**

*We partially agree.*

Whilst we do not disagree with the policy intent that the Authority should be the body that ultimately determines disputes relating to whether or not a User has complied with its obligations under Section G, we are not convinced that the proposed legal drafting will deliver the policy intent and would request that further consideration is given to the proposed legal drafting of G1.8 and G1.9

**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 in principle, subject to the following comments:*

We agree that the DCC should be obliged to undertake suitable testing of any software that is placed onto the Cryptographic Credential Token, and we also agree that the obligations with regard to vulnerability notifications are appropriate.

We have a concern however that the obligations detailed within the proposed legal drafting only apply to the software that is placed onto the token, and not also to any hardware that forms part of the token. As the token stores the Private part of the Key Pair, it is critical that this is protected adequately. If the DCC solution includes the user of hardware to secure this Private Key, which we believe that the solution described by the DCC does, then obligations to protect the hardware to a similar level to the software should also be introduced.

The testing required by the DCC is to ensure that the token meets its "intended purpose". We believe that it is open to interpretation whether that "intended purpose" is merely to authenticate the owner of the token, or if it also includes the implicit requirement to do so in a secure way. Our preference would be for further clarity regarding this matter to be provided within the legal drafting.

**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 agree in principle, subject to the following comments*

We agree that it is appropriate to remove the Manufacturer Release Notes from the CPL, as they may well contain information about security vulnerabilities that have been fixed (and by implication are defects in previous versions).

However, we strongly believe that there must be a mechanism for relevant parties to gain access to Manufacturer Release Notes in order for them to adequately understand the risks that they are currently open with regards to bugs and security defects.

**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?**

*No, we do not agree.*

We do not support either the Policy Intent or the proposed legal drafting with regards to the proposal to include systems used to generate a UTRN within the scope of the definition of "User Systems" for the following reasons:

The Policy Intent is to ensure that the prepayment top-up key is appropriately protected, however as this key is used to generate an SMKI Certificate, we believe that this requirement it is already being met through the legal drafting of part ( e) of the "User Systems" definition.

The generation of the MAC is already required to be performed in a User System by virtue of the inclusion of the drafting "use Secret Key Material" within part (e) of the definition of "User Systems", therefore we do not believe that there is any need to further augment the definition of "User Systems" to capture an additional obligation (as detailed in the proposed new part (g) of the definition) that repeats this requirement.

We do not believe that the proposed policy intent of requiring the system that adds the MAC to the UTRN to be a User System will deliver any security benefit. If the MAC is added to a different UTRN then the MAC check will fail at the meter. The cryptographic nature of the MAC is that it is designed such that it does not need to be appended to the body of the message in a secure environment, clearly demonstrated by the fact that the UTRN will be transmitted in the clear.

It is our firm view that the proposed amendments to the legal drafting of the term "User Systems" is open to interpretation and does not implement the proposed policy intent as detailed within the consultation document. We are of the firm view, for the reasons outlined above, that the proposed amendments are not required.

**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 partially agree. We support the intent, however we do not support the proposed drafting.*

We support the principle of including a definition of Explicit Consent to ensure equality in regulation across Licenced and non-Licenced entities, however we do not support the definition as drafted. We do not believe that it goes far enough to provide specific guidance to establish common standards and mechanisms that could be applied to all consumers, irrespective of the organisations they choose to work with.

Furthermore, we believe that the definition of "Explicit Consent" should be aligned to any definitions or guidance issued by the Information Commissioners Office.

**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.**

*Yes, we agree.*

We 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 being undertaken. The involvement of all potentially impacted parties during the consultation stage should lead to a more efficient and effective change process, and ensure that the implementation of changes and releases is as smooth as possible.

**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.**

*Yes, we agree.*

We support 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. It should be noted however, that where such an approach is followed processes will need to be put in place, by both RDPs and the DCC, to ensure that the action that has been taken has achieved the desired result.

**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.**

*No, we do not agree.*

We do not concur with DECC's view that it is unreasonable to expect the DCC to achieve an 8 Hour Target for Restoration of a User Gateway Connection if the User does not have any back-up arrangements in place. We do not believe that the User's arrangements should have any bearing on the DCC's Target. Energy Companies have obligations to restore supply following a power outage regardless of whether or not the customer has got a back-up generator, and we believe that similar arrangements should exist with regards to the DCC's obligations with regards to a Disaster.

We note that the proposed amendment to the legal drafting of Clause H10.13, makes reference to "the relevant Service Provider Performance Measures". For clarity and



transparency it would be helpful if further detail regarding these (e.g. a cross reference to the relevant Service Provider Performance Measures) were provided.

**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.**

*Yes, we agree.*

We agree with the proposals, and concur that the legal text is appropriate.

**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.**

*Yes, we agree.*

We 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.

**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 it 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.**

*No, we do not agree.*

We do not support the proposals as currently drafted nor do we support the proposal to modify SEC Section H6.6 and IEWP 3.1a

As currently drafted section 4.9 and 4.10 of the IEWP do not indicate whether the inventory status is updated as a result of the Join command. We would be comfortable with the proposed changes should a relevant wording be added to these paragraphs to indicate that the join of a Type 1 device or GPF to a commissioned meter would result in the device status being set to Commissioned in the inventory. This would mean a significant change to our systems and processes should these additions not be made.

Notwithstanding this, the DCC has published a state diagram at the back of DUGIDS that indicated the state of devices based on the commands being sent. This diagram has not been updated for a considerable time and it is a concern that issues of this scale and nature are being identified so late in the development cycle.



**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 response.**

*No, we do not agree.*

We do not agree with the proposals. This is Commissioning functionality and related to security and as such we would question why it should be deferred. It is unacceptable for suppliers to be asked to install and commission meters but not be confident that they are secure. This is yet another example of Supplier obligations not being considered in the round.

**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?**

*Yes, we agree with the proposals.*

We support the proposal to modify the subscriber obligations in relation to Certificate Signing Requests generated by DCC-provided software and the proposal to place an additional obligation on DCC in relation to these. We believe that the proposals clarify the obligations on both the DCC and Eligible Subscribers and that clarity is welcome.

**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?**

*Yes, we agree.*

Yes, we agree with the proposal and have no further comments to offer.

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

*Yes, we agree.*

We support the proposed legal drafting amendments to C3.13, and believe that these proposed amendments are aligned with the arrangements in other industry codes. It would be inappropriate for Panel members to be exposed to the risk of legal action and, were that to be the case, it would undoubtedly deter individuals from volunteering to take up SEC Panel roles.

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

*Yes, we agree.*

We support the proposed changes to E2.1(a) and E2.2(b). The drafting would appear to support the policy intent.

**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?**

*Yes, we agree.*

Yes we support the proposal to remove the first versions of the SMKI Device Certificate Policy, SMKI Organisation Certificate Policy and the SMKI Compliance Policy from the SEC and to then immediately designate and incorporate new versions of these documents as SEC Subsidiary Documents.

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

*No, we do not agree.*

We do not support the proposed legal drafting as the definition does not make it explicit that the Test Communication Hub will support better diagnosis of defects by allowing the facility to better interrogate the messages that are being sent and received over the HAN.

The definition only states that the devices will contain functionality to enable them to be used for testing, which implies only support for test execution and not defect assessment capability. Given the obligations for suppliers to identify comms hubs problems and carry out triage activity prior to reporting problems to the DCC, we see this as an enduring requirement. As such we cannot support the drafting.

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

*Yes, in principle but with the following caveats.*

Reasonable endeavours is a recognised legal term and as such has some meaning and is a term that is extensively used when drafting contracts. Reasonable steps on the other hand does not seem to be as well defined. Therefore it may be reasonable to draw the conclusion that any obligation within the SEC and its subsidiary documents that contains the expression 'reasonable endeavours' could be effectively undermined if amended to read 'reasonable steps'. We therefore seek further clarification that this will not be the case.

Case Law study clearly shows that there is a spectrum of endeavours clauses, with "best endeavours" being more stringent than "reasonable endeavours", for example. Despite the fact they are widely used, there is some uncertainty as to what efforts each different endeavours clause requires. Consideration must be given to prevailing

circumstances, current understanding and the need for the clear intent of the clauses to be made and universally understood. Mass rollout of 50+ million smart meters will undoubtedly raise unforeseen issues that will need to be managed appropriately and we would not want to see the endeavours clauses used to impose unnecessary additional burdens on suppliers.

All Reasonable Steps has already been introduced into the Programme and is being used by Suppliers as the framework to ensure auditability of Suppliers' SMS installations efforts during the mass rollout period of the Programme. We would therefore not wish to see these definition changes having a detrimental impact to suppliers by inadvertently forcing solution design and developments past an economically efficient threshold.

Whilst we understand and support the need to rationalise these terms across the SEC document set it remains a fact that they are still not clearly defined in law and that as such uncertainties will remain. Further consideration may therefore still be required to ensure that any confusion does not persist.

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

*Yes, we agree.*

We support the proposed changes to the Incident Management Policy. These are in-line with previously agreed reviews that have been undertaken by the DCC Service Management Design Forum.