

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

24 March 2016

Dear Sir / Madam,

Consultation on New Smart Energy Code Content and Related Licence Amendments - February 2016

Thank you for the opportunity to respond to the above consultation. Our responses to the consultation questions are in Annex 1 to this letter. We would highlight the following points:

- We welcome the provision for the Secretary of State to extend the end of the Early Rollout Obligation beyond 17 February 2017. In particular, we would hope for timely intervention from the Secretary of State if the scheduled release of DCC R1.3 was to be delayed beyond its planned date of 28 October 2016.
- We are concerned at the proposed relaxation of performance requirements where Network Enhancement Plans are in place, as this seems to represent fundamental change to the CSP contract terms. While we are not unsympathetic to the plight of the CSP in the outlined circumstances, we would suggest that:
 - any such accommodation must be balanced against the needs of suppliers to meet their obligations;
 - the extent of the areas affected needs to be fully exposed; and
 - some form of penalty regime should remain in place.

Should you wish to discuss any aspect of this response please do not hesitate to contact me or

Yours faithfully,

Annex 1

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 offer no objection to the principle of a new licence condition to support the Early Rollout Obligation.

However, we note that the release of DCC R1.2, which is scheduled for August 2016, will probably allow the DCC to meet the Implementation Milestones in its licence; yet R1.2 will only deliver a subset of the functionality suppliers need to allow them to properly operate their meters. As a supplier, we are therefore concerned there is a risk that R1.2 will come to represent the 'finishing line' to the DCC, and we think it is essential that pressure is maintained on the DCC to deliver the additional functionality needed by suppliers and consumers alike.

For this reason, we welcome the provision in proposed SLC54.6 for the Secretary of State to extend the end of the Early Rollout Obligation beyond 17 February 2017. Should the delivery schedule of R1.3 slip appreciably, we would hope for timely intervention from the Secretary of State to ensure suppliers have sufficient time to make any necessary adjustments to their plans to meet this obligation – and for the Secretary of State to put pressure on DCC to avoid the need for this to happen.

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.

Yes, the legal drafting appears to implement the policy set out in the consultation document.

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, the legal drafting appears to implement the policy set out in the consultation document.

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.

Yes, the legal drafting appears to implement the policy set out in the consultation document.

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 recognise the difficulty the CSP for the south and central Regions faces with regard to areas covered by Network Enhancement Plans. However, challenging timescales are very much a feature of the smart metering programme and not least of these is the 2020 implementation deadline. Given the time constraints, suppliers can ill afford wasteful aborted site visits; creating a manifest need for them to be able to rely on accurate forecasts of WAN coverage. Any accommodation for Network Enhancement Plans must, therefore, be

- balanced against the needs of suppliers to meet their own obligations;
- based on a principle that Network Enhancement Plans rarely apply; and
- limited to only very small pockets of customers.

Otherwise such a relaxation of service levels could further threaten the viability of the 2020 deadline.

It is also important that full details of all premises affected by such plans are exposed to suppliers at the earliest possible opportunity.

We are further concerned that this proposed relaxation of performance requirements represents a fundamental departure from the CSP contract terms as we were given to understand them. Therefore, we would suggest it is important that some form of penalty regime remain in place to ensure that the relevant CSP takes all reasonable steps to identify the areas and premises affected, and that it is properly incentivised to meet a clear and agreed timetable for delivering against such plans.

We would wish to see the above principles given effect through the legal drafting.

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 agree that there should be no need to change the energy supply licences to extend the data provision requirements (set out in Supply Licence Conditions 51.12 (Electricity) and 45.8 (Gas)) to specifically cater for the churn of SMETS2 meters from DCC Users to non-DCC Users.

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.

While we have never been persuaded of the case for ECoS, we agree that this proposed approach to its delivery is sensible.

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.

Yes, we think this will provide for greater consistency across the market.

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.

Yes. The exercise to replace all of the TCoS SMKI certificates will doubtless prove to be a major undertaking, but we recognise that the principles of the security trust model effectively require the move to ECoS to be effected as soon as practicable.

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 an industry working group should be established for the purposes of assessing the feasibility of moving from TCoS to ECoS. However, we are less persuaded that this group should be formed within DECC's transitional governance arrangements. This is because we believe the timeframes for delivery of ECoS are less aligned with the other deliverables within the purview of transitional governance. We therefore think it would be more consistent to establish such a working group through SEC governance (i.e. established by the SEC Panel).

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?

Yes, we think it would be beneficial for the DCC to continue to offer to provide support for as long as is necessary. While, for the majority of Users, the need for such support is likely to lapse following a brief period of live operation, it is equally likely that any new market entrants will have similar requirements.

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

We think that levying an explicit charge on the User(s) concerned would be cost reflective and would help to ensure that such a facility is not abused.

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.

Yes, we think that a mandatory requirement will afford Users a clear understanding of the scope of the Pre-UEPT and GFI services that they can expect.

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 agree:

- with the proposal for X9;
- that X9 should cover the Pre-UEPT and GFI services;
- that X9 and its Pre-UEPT provisions should have effect from 18th April 2016; and
- that the latest its GFI provision needs to be in place for is the start of E2E testing.

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.

In our opinion the benefits are that the service (pre-UEPT and GFI) can continue to be used by all DCC Live participants immediately after go-live, and for a period thereafter, in order to de-risk further software and hardware releases to their Smart Metering Infrastructure.

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

In general, we agree with these proposals as this provides the necessary coverage, from a test perspective, that all services in live have been through similar and relevant testing. However, we would be interested in a further explanation of the paragraph:

'Services will not have to be proven again to the extent that they have already been sufficiently proven through earlier testing'.

In particular we would like to know how a decision is made that sufficient testing has already been undertaken.

Additionally, if SRT is required to be re-tested as part of the DECC direction to Large Suppliers, then we would prefer that a reasonable notice period is awarded; this will help to help provide the conditions necessary for a successful outcome.

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 this amendment as it offers the coverage that was intended within the original SEC section.

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 with this amendment as it ensures that no Party can use Service Requests unless it is qualified to use them, thereby helping to maintain the integrity of the system.

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, it seems sensible to capture transitional modifications to enduring functionality within the scope of testing

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 broadly agree with this proposal as it provides for the Users, through their representatives on the SEC Panel, to have some input to the assessment of the DCC's performance against the 'DCC Live Criteria'. However, we would also like to see a further step being added to this process, whereby the Secretary of State must respond to any concerns raised in the SEC Panel's assessment.

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 and the legal drafting.

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?

Yes, we agree that the DCC should be obliged to ensure Tokens are adequately tested before they are issued to Authorised Subscribers. We also think it might help to disambiguate the DCC's requirements in this regard if G2.36 further set out the criteria that might qualify an individual or organisation as having the professional competence to carry out a review of the relevant software code.

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?

Yes. Given the potential for the release notes to offer an adversary means of exploiting device vulnerabilities, we agree with the TSEG recommendation that they should not be

made publicly available. Nonetheless, release notes provide suppliers with essential information and we, therefore, support the principle of proposed Modification SECMP0009, and the removal of release notes from the CPL requirements.

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?

Yes, we agree with the change to the definition of User Systems.

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.

Yes. We think this appears consistent with the EU General Data Protection 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.

Yes.

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.

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.

We recognise the potential for unintended consequences on the DCC arising from the Incident management Policy's reliance on undefined terms, and agree that Recovery Time Objective (RTO) and Recovery Point Objective (RPO) should be replaced with references to H10.13 of the SEC.

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.

Yes, we agree with this pragmatic approach to resolving an anomaly whereby Users would not otherwise be considered permitted to send Service Requests to rectify errors in accordance with the Service Request Processing Document.

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 proposal; however, we are less certain of the legal text. In particular, we are uncertain that 'a Party or RDP' can simply be substituted with 'Authorised Subscriber' in the revised drafting of L3.13 and L3.14, as the person concerned will have ceased to be an Authorised Subscriber in certain circumstances.

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 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 with the proposals to remove the requirement for DCC to modify the SMI Status of a Device in such circumstances; particularly as no alternative means of modifying a status is proposed. Were the supplier to maintain a Device status record on its own systems, these proposals would lead to misalignment with the DCC's record: e.g. a Type 1 Device might have a status of Commissioned on the supplier's system, yet appear merely to be Whitelisted according to the DCC's record.

We are satisfied with the proposed changes to clarify by when suppliers must ensure that the appropriate Device Security Credentials are placed on a Device.

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.

Yes; this is a pragmatic solution to a difficulty the DCC will have in meeting certain post-commissioning reporting obligations set out in the IEWP. However, as an aside, we would highlight that the drafting of clause 5.6(a) might need to be reordered.

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?

Yes, we agree that it is necessary to modify these subscriber obligations to allow for CSRs generated by DCC-provided software.

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?

Yes.

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.

Yes, we agree that SEC Panel Members should be indemnified against any liabilities arising from a breach of contract, where such liabilities were properly incurred in the performance of their duties as a SEC Panel Member.

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

Yes, these seem to represent sensible solutions.

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?

Yes.

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.

Yes, we would support DCC provision of Instrumented Test Communications Hubs.

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?

Yes, we think it is sensible to maintain consistency in the use of terminology throughout the document.

Incident Management Policy

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

Yes, these largely appear to be 'housekeeping' changes, and we welcome the availability of the IMP through the Self Service Interface.

ScottishPower
March 2016