



Department for
Business, Energy
& Industrial Strategy

SMART METERING IMPLEMENTATION PROGRAMME

Government Response to the September
2016 Smart Energy Code and Licence
Amendments Consultation



12 December 2016

This response can be found on the BEIS section of GOV.UK:
<https://www.gov.uk/beis>

Smart Metering Implementation Programme

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Any enquiries regarding this publication should be sent to us at:
smartmetering@beis.gov.uk

General information

Purpose of this document

This document is a government response on amendments to the Smart Energy Code content, Electricity and Gas Supply Licence Conditions and DCC Licence Conditions.

Issued: 12 December 2016

Enquiries to:

Email: smartmetering@beis.gov.uk

Smart Metering Implementation Programme
Department for Business, Energy and Industrial Strategy
3 Whitehall Place
London, SW1A 2AW
Tel: 0300 068 5325

Territorial extent

This consultation applies to the gas and electricity markets in Great Britain. Responsibility for energy markets in Northern Ireland lies with the Northern Ireland Executive's Department of Enterprise, Trade and Investment.

Additional copies

You may make copies of this document without seeking permission. An electronic version can be found at: <https://www.gov.uk/government/consultations/consultation-on-smart-energy-code-and-licence-amendments-september-2016>.

Other versions of the document in Braille, large print or audio-cassette are available on request. This includes a Welsh version. Please contact us under the above details to request alternative version.

Quality assurance

This consultation has been carried out in accordance with the [Government's Consultation Principles](#).

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

Email: enquiries@beis.gov.uk

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Introduction

The Smart Energy Code

1. Smart meters are the next generation of gas and electricity meters. They offer a range of intelligent functions and provide consumers with more accurate information, bringing an end to estimated billing. Consumers will have near-real time information on their energy consumption to help them control and manage their energy use, save money and reduce emissions.
2. An updated cost-benefit analysis on the smart metering roll-out was published on 10 November 2016¹. This estimated the costs and benefits associated with the GB roll-out of smart meters and forecast a substantial net benefit of £5.7bn over the lifetime of the programme².
3. The Smart Energy Code (SEC) is an industry code and a multiparty contract which sets out the terms for the provision of a smart meter communications service by the Data and Communications Company (DCC), and specifies other provisions to govern the end-to-end management of smart metering. It has been created through the DCC Licence, and it was first designated by government on 23 September 2013, with further content added and refinements made thereafter in consultation with industry.
4. Together with its service providers, the Data Service Provider (DSP) and Communications Service Providers (CSPs), the DCC provides a smart meter communications service for the second generation of smart meters. The DCC offers the means by which Suppliers, Network Operators and others can communicate remotely with those smart meters installed in domestic premises in Great Britain.
5. The DCC, suppliers of energy to domestic and smaller non-domestic customers, and Network Operators are required by their licences to become parties to the SEC and to comply with its provisions. Other bodies who wish to use the DCC's services, such as energy efficiency and energy service companies, or those that require Smart Metering Key Infrastructure (SMKI) Certificates to be placed on smart metering devices, must accede to the SEC in order to do so.
6. Consistent with other energy industry codes, the SEC is self-governed, enabling participants to raise change proposals, debate issues, and resolve disputes without the need for frequent day-to-day regulatory intervention. It is managed by a panel drawn from SEC Parties ('the SEC Panel') and is subject to the regulatory oversight of Ofgem. The SEC Panel is supported in the day to day administration of the SEC by the Smart Energy Code Administrator and Secretariat (SECAS).

¹ <https://www.gov.uk/government/publications/smart-meter-roll-out-gb-cost-benefit-analysis>

² central projections, 2011 prices, discounted to 2016

Responses to the September 2016 Smart Energy Code and Licence Amendments Consultation

7. The government published a Consultation on further Smart Energy Code and Licence Amendments on 22 September 2016³. This consultation covered a variety of proposed modifications to the SEC, Supply Licences and DCC Licence conditions.

The consultation closed on 17 October 2016. The consultation is available on the [BEIS section of GOV.UK](#) and a paper version of the consultation document was available on request. Respondents were invited to submit their comments to smartmetering@beis.gov.uk

8. A total of 19 responses were received ranging across the following sectors:

Sector	Number of responses
Code Administration	1
Comms and Tech (including DCC)	3
Consumer Groups	2
Energy Supplier (large)	6
Energy Supplier (Independent)	5
Other	2
Total	19

9. The following organisations responded to the September 2016 SEC consultation:

British Gas	Information Commissioner's Office	SEC Panel
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³https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/554627/16_09_22_September_2016_SEC_Consultation.pdf

	(ICO)	
Citizens Advice Bureaux	Scottish Power	Smart Meter Assets
DCC	Npower	SSE
Economy Energy	Octopus Energy	Sustainable Blewbury
EDF Energy	Ofgem	Utilita Energy
Eon	Ovo Energy	Good Energy
<i>Plus another interested party</i>		

10. Conclusions on the consultation have been provided in two parts. The initial response to the September 2016 Smart Energy Code and Licence Amendments Consultation⁴ was issued separately on 25 November and concluded on the proposed changes to Section N of the SEC (SMETS1 Meters) which covered requirements to:

- enable the Secretary of State to direct the DCC to undertake further analysis on SMETS1 enrolment, should it be necessary.
- require Supplier Parties to comply with any reasonable requests for information made by the DCC to support its analysis should they wish their meters to remain within the scope of such analysis.

This document concludes on all other remaining consultation questions from the September 2016 and Licence Amendments Consultation.

Implementation of Conclusions

11. The changes to Section N of the SEC (SMETS1 Meters) were laid before Parliament on 25 November 2016, ahead of the remaining changes set out in this response which will be laid before Parliament following publication of this response. Using the procedures in Sections 88 and 89 of the Energy Act 2008, the changes to the SEC, Supply and DCC Licences set out in this publication will be laid before Parliament in parallel to the publication of this document. Subject to no objection being raised in Parliament during the 40 day Parliamentary laying period, and subject to subsequent signature by a Minister these amendments are expected to come into legal force in February 2017. The Section N changes are expected to come into force, in January 2017.

⁴ <https://www.gov.uk/government/consultations/consultation-on-smart-energy-code-and-licence-amendments-september-2016>

12. **Annex A** (attached separately to this document) contains the final concluded legal text associated with this response document, shown as tracked text against the current 'in legal effect' version of the SEC (the tracked text also includes the Section N changes made as part of the separate initial response). The version of the SEC published at Annex A only includes the sections of the SEC affected by this response and the Section N changes mentioned above. Annex A should, therefore, not be read as the latest in legal effect version of the SEC. The 'in legal effect' version can be found on the SEC website⁵.
13. **Annex B** contains the current version of the Gas and Electricity Supply Licence Conditions plus the changes to them set out in this publication, showing the changes as tracked text. **Annex C** contains the current version of the DCC Licence together with the changes to it set out in this publication shown as tracked text.
14. Every effort has been made to ensure that the explanatory text in the main body of this response document reflects the legal drafting included in Annexes A, B and C. We have sought to ensure that the explanatory text in this document provides a clear and simplified overview of final conclusions to the proposals set out in the September 2016 Consultation on further Smart Energy Code and Licence Amendments. However, in the event of any discrepancy the legal text should be treated as the definitive text. Where terms are capitalised in this document they are SEC defined terms.

⁵ <https://www.smartenergycodecompany.co.uk/sec/sec-and-guidance-documents>

1. Changes to the Supply Licence Conditions

1.1 Install and Leave

Summary of Issue under Consideration

The government response to the Smart Metering Rollout Strategy⁶, published in July 2015, set out our intention to provide clarity that a Supplier should be permitted to install and leave SMETS2 smart metering equipment at a premises without establishing a connection to the Smart Meter Wide Area Network (SM WAN) “Install and Leave (I&L)” in two situations:

- Where, having used the DCC’s SM WAN Coverage database, a supplier expects there to be DCC WAN, but during the installation visit the WAN is not available – known as reactive I&L.
- Where the DCC WAN is forecast not to be available at installation, but the SM WAN Coverage database shows it will be available before 2020 and the meter will be for a new connection – known as proactive I&L.

In addition, the September 2016 consultation document proposed extending proactive I&L to replacement meters (as further set out below).

We proposed the following:

Reactive Install & Leave

Suppliers can undertake reactive I&L when they visit a premises within 30 days of having confirmed WAN availability on the SM WAN Coverage Database⁷ and during that visit find that the WAN is not available. If a supplier wishes to continue with the installation, they will be required to install the communications hub and then notify the DCC of the lack of WAN connectivity, as soon as reasonably practicable following the installation visit. This will trigger DCC’s obligations under Section F7.18 of the SEC and in most instances should mean that the customer is without WAN for no more than 90 days from the point of notification to the DCC.

The supplier will no longer have to take ‘all reasonable steps’ to connect the Home Area Network (HAN) during the initial installation, but they may choose to do so. Where the supplier does connect the HAN, government expects the supplier to discharge its relevant In Home Display (IHD) and Smart Metering Installation Code of Practice (SMICoP) obligations as per a standard installation visit. If the HAN was not connected as part of the initial installation, the supplier will be required to take ‘all reasonable steps’ to connect the HAN and discharge the relevant IHD and SMICoP obligations as soon as

⁶ <https://www.gov.uk/government/consultations/smart-metering-rollout-strategy>

⁷ As defined in the Smart Energy Code

reasonably practicable after the Notified Date. This is expected to happen through a second visit. Relevant IHD and SMICoP obligations during I&L installation scenarios not contained in licence conditions will be dealt with through SMICoP. The SMICoP Board have established a working group to consider this matter. .

Proactive Install & Leave

Proactive I&L will apply where a supplier has used the SM WAN Coverage Database and it shows that there is currently no WAN but WAN is forecast to be available before the end of 2020 and a smart meter is installed at the premises for the first time; or the existing meter needs to be replaced because the supplier reasonably believes that it is faulty, unsafe or no longer complies with the applicable requirements of any relevant legislation or licence condition. When undertaking proactive I&L the supplier will not be permitted to connect the HAN and discharge relevant SMICoP and IHD obligations until the WAN is shown as available at the premises on the SM WAN Coverage Database. Once the WAN is available, a supplier must take 'all reasonable steps' to connect the HAN and discharge the relevant IHD and SMICoP obligations in the presence of the relevant individual during an installation visit. As set out above, relevant IHD and SMICoP obligations not contained in licence conditions will be dealt with through SMICoP, and the SMICoP Board has established a working group to consider this matter.

The requirement that the HAN is only connected once the SM WAN is available will require an amendment to existing licence conditions that require that once a smart meter is installed, relevant consumption information should be available to the consumer over the HAN. Provision of relevant consumption information would not be possible if there is no WAN or HAN. Therefore the consultation proposed a derogation from the requirement to provide information. The derogation will only stand until the WAN is available, as indicated by the SM WAN Coverage Database in the case of proactive I&L, or by the Notified Date in the case or reactive I&L.

Government Consideration of Issue

Reactive Install and Leave

15. The majority of respondents agreed that the parts of the Reactive I&L policy to be implemented through licence changes are implemented through the proposed legal drafting.
16. One respondent identified that the proposed drafting of electricity supply licence conditions 41.23 and 42.16 (and the equivalent Gas Supply Licence conditions) make reference to 'establishment of the SM WAN'. The respondent considers this drafting to be inconsistent with wording within the Smart Energy Code (SEC), as references are to 'connecting' to the SM WAN rather than establishing it. The provision of the SM WAN is the responsibility of the Data and Communications Company (DCC). Therefore the supplier does not establish the SM WAN, but rather makes a connection to it. The government agrees with this comment and has amended the drafting accordingly.
17. One respondent questioned whether the definition of 'Install', 'Installed' and 'Installing' contained in standard condition 41.23 of the electricity supply licence, along with standard condition 35.23 of the gas supply licence allows SMICoP

obligations to be discharged in a reactive Install and Leave scenario where only the HAN is connected, i.e. are the SMICoP obligations applicable in the absence of WAN. The government understands that some supplier obligations may be discharged over one or more installation visits, during the period in which the DCC establishes the WAN signal at the property. It is for a supplier to decide to complete or abort the installation of a smart meter in a potential Install & Leave scenario, and to decide the appropriate point in the installation process at which the HAN is connected and relevant SMICoP obligations are discharged in the presence of the occupant, including if a change of supplier or tenant occurs.

18. Other issues raised with regards to SMICoP compliance included a question as to what a supplier should do if a property switches from domestic to non-domestic (or vice-versa) during the 90 day DCC WAN rectification period, as there are differences between the requirements of SMICoP for domestic and micro-business customers. The government notes that this is unlikely to affect a large number of properties. In such circumstances, suppliers are expected to adopt an appropriate response to ensure that relevant SMICoP obligations are discharged in a manner that meets the customer's needs on a case by case basis.
19. One respondent asked government for additional clarity for the scenario where a supplier performs a reactive Install and Leave, forms a HAN and discharges their relevant SMICoP obligations, but the DCC is unable to provide a WAN connection to the property within the expected 90 day SLA period. F7.18 of the SEC requires the DCC to resolve 99% of incidents relating to a lack of WAN coverage within 90 days where SM WAN coverage was previously indicated by the SM WAN Coverage Database as being available, except where a Network Enhancement Plan is in force. For any remaining premises, the DCC will continue to seek to resolve the incident. The government will continue to monitor these arrangements. It remains the supplier's responsibility to provide accurate information to the customer throughout the installation process.
20. The majority of issues raised by respondents were not about the legal text under consultation but issues of detail around the practical implementation of Install and Leave, for example supplier responsibilities on change of supplier (CoS). These issues are currently being resolved through Programme Governance groups, in particular the Technical Business Design Group. The government notes the range of respondents' concerns and is grateful for the cooperation and discussions to date via SMIP's Governance groups, as well as input from Energy UK, which has enabled many of these issues to be resolved. An update outside of this consultation process will be provided and a Technical Design Note for Reactive Install and Leave will be published on the SECAS website in early 2017.

Proactive Install and Leave

21. The majority of respondents agreed that the parts of the proactive Install and Leave policy to be implemented through licence changes are implemented through the proposed legal drafting.
22. One supplier suggested a substitution of the definition of 'Mandatory Replacement Meter' with the definition of 'Replacement Meter' to cover additional circumstances where a meter must be replaced. The government does not agree with this suggestion since this would enable suppliers to replace a meter for any reason under proactive Install and Leave. The government has instead made an

amendment to extend the scope of the definition of Mandatory Replacement Meter to ensure that proactive Install and Leave is also possible where a meter requires replacement to comply with legislation that falls outside the definition of “Metering Legislation”.

23. The government notes that many respondents’ concerns raised in response to question one (reactive Install and Leave) are equally applicable to questions two and three (proactive I&L). As with reactive Install and Leave, technical issues raised for clarification are under discussion via Programme Governance fora and do not affect the legal drafting which implements this policy. The government notes that a Technical Design Note has not yet been developed for proactive Install and Leave scenarios, and suggests industry could lead this process with support from BEIS.
24. A small number of responses asked for a stronger rationale for prohibiting the HAN connection in all proactive scenarios. The approach to connecting and maintaining the HAN⁸, and discharging relevant IHD and SMICoP obligations, differs between reactive and proactive Install and Leave, because under proactive Install and Leave a customer could be without a connection to the WAN for a prolonged period of time, which could be a risk to the customer experience (for example, due to inaccurate information on in home display devices).
25. Government recognises that connecting the HAN in proactive Install and Leave scenarios could benefit suppliers by reducing the time on site for a second visit and allowing a potentially less technically skilled operative to be deployed on the second visit, freeing up more skilled resource for other installations. However, the government considers the potential negative consumer impacts of allowing a HAN to be established to be more significant than the potential benefits of having a HAN without a connection to the WAN. In particular, by not permitting the HAN to be established, data protection issues are avoided which would otherwise arise when there is a change of tenant. In a proactive Install and Leave situation customers could be without WAN for a prolonged period of time, which increases the likelihood of a change of tenant occurring while there is no WAN.
26. The government also notes one supplier’s preference to connect the HAN at the first installation visit and then at a later date provide an IHD to the consumer by post, with access to an explanation by video tutorial once the WAN is connected. While such approaches would reduce supplier costs by discharging remaining obligations without returning to visit the property, the government has serious concerns that such approaches would result in sub-optimal consumer engagement, in addition to data protection issues. Thus Install and Leave policy as proposed remains consistent with the smart metering Consumer Engagement Strategy⁹: the government expects suppliers to discharge their relevant SMICoP obligations in the presence of the occupier or a representative thereof.
27. One supplier flagged the need for limitations to be clearly understood and documented to aid the decision making process as to whether to undertake proactive Install and Leave, as well as the potential to explore synergies with ‘No

⁸ In practice this means joining the ESME, GSME and the IHD to the HAN and establishing and maintaining communications links between the devices

⁹ Smart Meter Consumer Engagement Strategy, December 2012

<https://www.gov.uk/government/consultations/smart-meter-consumer-engagement-strategy>

WAN Ever' solutions. The government is supportive of industry-led solutions that ensure a positive consumer experience. The government notes that industry is leading work on No WAN Ever through a work stream of the Cost Control and Benefits Realisation Group.

28. One supplier commented that using an adaptor service to operate with the DCC does not provide direct access to the Self Service Interface to check WAN availability, and it would be helpful to extend the 30 day validity of the WAN coverage check in order to allow more time to schedule installation visits. BEIS notes that the 30 day validity period is a broader requirement established by the SEC, rather than a specific aspect of Install and Leave policy. Should it consider a change to the SEC to be appropriate, the supplier could raise a SEC Modification Proposal.
29. One supplier asked that proactive Install and Leave for new connections is allowed for premises that are not yet on the SM WAN Coverage database because they do not have a postcode. Installing where there is no WAN is not explicitly prohibited in licence conditions; the supplier would need to demonstrate they had taken 'all reasonable steps' to complete the installation as per standard installation practice. For sites that do not have a postcode, energy suppliers are able to raise an incident with the DCC.

Install and Leave and PPM

30. A minority of respondents continue to raise concerns regarding Install and Leave policy for pre-payment meters. The Rollout Strategy response set out the government's intention to consider further whether to prohibit Install and Leave for PPM customers. The government confirmed in the September 2016 SEC consultation it did not intend to regulate to prevent Install and Leave for PPM customers. This decision recognises that each installation is likely to be different and that in some cases an Install and Leave installation may still deliver certain, albeit limited, benefits for some consumers. In addition, protection for the consumer is provided through existing licence condition 28 of the electricity and gas supply licences which requires the operation of prepayment meters to be safe and reasonably practicable in all the circumstances of the case.
31. The government is not minded to introduce further regulation in this area at present. The government will review this decision if evidence suggests that PPM Install and Leave is leading to a negative consumer experience. Ofgem has issued formal guidance¹⁰ in relation to the interpretation of the 'safe and reasonably practicable' duty.

¹⁰ <https://www.ofgem.gov.uk/ofgem-publications/99781>

Summary of government conclusions and any changes to the consultation legal drafting

Following this consultation, the government intends to implement reactive and proactive Install and Leave policy as proposed in the September 2016 SEC consultation without change to the policy. We will make changes to the legal drafting consulted on to ensure the policy is correctly implemented as set out below. Government:

- a) has amended the legal drafting to reflect that suppliers 'connect' to the SM WAN.
- b) agrees there should be more flexibility to apply proactive Install and Leave in replacement scenarios and the legal drafting has been amended to cover other legal requirements not just those in metering legislation.
- c) will correct a drafting error regarding relevant IHD obligations relating to the establishment of the HAN.
- d) has amended the legal drafting to ensure that the derogation from the requirement to provide relevant consumption information is correctly applied.
- e) has amended the legal drafting to update the definition of 'Notified Date' as the date the licensee receives confirmation from the DCC that the SM WAN is available in respect of the relevant premises.

As previously set out in the consultation document, SMICoP may require amendments in order to allow for the permissibility set out in licence conditions and ensure that consumer interests are safeguarded. We understand that the SMICoP Governance Board is considering Install and Leave scenarios and a working group has been established.

Final Legal Text Affected

SEC/Licence Section	Content
Condition 1 of the Electricity Supply Licence and Gas Supply Licence	New definitions for HAN Date, SM WAN, SM WAN Coverage Database.
Electricity Supply Licence Condition 40 and equivalent changes to Condition 34 of the Gas	40.1, 40.4, 40.9 and 40.12. Amendment to consultation legal text to correct a drafting error regarding relevant IHD obligations relating to the establishment of HAN

<p>Supply Licence</p>	
<p>Electricity Supply Licence Condition 41 and 42 and equivalent changes to Condition 35 and 36 of the Gas Supply Licence conditions</p>	<p>41.23 and 42.16. Amendment to consultation legal text to refer to supplier responsibility to connect to (rather than establish) the SM WAN</p>
<p>Electricity Supply Licence Condition 49 and equivalent changes to Condition 43 of the Gas Supply Licence</p>	<p>49.26. Amendment to consultation legal text to the definition of Mandatory Replacement electricity/gas Meter to cover legislation which falls outside the definition of “Metering Legislation”, and amendment to the consultation legal text to the definition of Notified Date clarify it as the date the licensee receives confirmation from the DCC that the SM WAN is available in respect of the relevant premises.</p>
<p>Electricity Supply Licence Condition 40, 41, 42 and 49 of and equivalent changes to Condition 34, 35, 36 and 43 of the Gas Supply Licence</p>	<p>40.1 changes relating to provision of IHD. 40.18 definition of the relevant period in relation to the HAN date 41.23 clarity on use of words ‘install’, ‘installed’, ‘installing’ for domestic premises 42.16 clarity on use of words ‘install’, ‘installed’, ‘installing’ for Designated Premises</p> <p>Proactive Install and Leave</p> <p>49.8 changes to implement an exception from requirements to establish WAN and HAN where the meter is a new meter or replacing a meter that no longer works and the SM WAN Coverage Database indicates that SM WAN is not currently available but will be available prior to 1 January 2021.</p> <p>49.9 changes indicating that the exception falls away from the date that the WAN becomes available (as indicated by the SM WAN Coverage Database).</p> <p>49.10 changes which restrict when the HAN may be established (the SM WAN Coverage Database must have indicated that WAN coverage will be available at any time in the 30 day period before HAN establishment).</p> <p>49.11 & 49.12 changes which mean that, where the SM Wan Coverage Database indicates that the WAN is available, but at the visit to establish the HAN, it is not, the supplier must inform DCC and must establish the HAN as soon as reasonably practicable after a notification from DCC that the WAN has been established.</p>

	<p>Reactive Install and Leave</p> <p>49.13 changes to implement an exception from requirements to establish WAN and HAN where the licensee has checked the SM WAN Coverage Database and it indicates that SM WAN is available but at the installation visit the SM WAN is not available.</p> <p>49.14 changes to require that the licensee notify the DCC that the SM WAN is not available.</p> <p>49.15&49.16 changes that mean where the HAN has not already been established, once the WAN is available the licensee must take all reasonable steps to establish HAN as soon as reasonably practicable after a notification from DCC that the WAN has been established.</p> <p>49.25 changes regarding IHD requirements.</p> <p>49.26 definition of Applicable Date, Mandatory Replacement Electricity Meter, Metering Legislation, New Electricity Meter, Notified Date and Relevant Period</p>
<p>Electricity Supply Licence Condition 51 and equivalent changes to Condition 45 of the Gas Supply Licence</p>	<p>51.8 Amendments to the legal drafting to ensure that the derogation from the requirement to provide relevant consumption information is correctly applied regarding provision of consumption data to installations with no WAN.</p>

1.2 Maintenance of Smart Metering Systems

Summary of Issue under Consideration

The consultation document proposed some revisions to the standard conditions of electricity and gas supply licences (the ‘Supply Licence Conditions’) to better reflect our policy position on maintenance and replacement of Smart Metering Systems.

We explained that our policy intention was that energy suppliers should take all reasonable steps to maintain a Smart Metering System so that it complies with a version of the SMETS (and where relevant CHTS) that has a current Maintenance Validity Period¹¹. This change was intended to clarify that a component or device (for example, the ESME) forming part of a Smart Metering System installed to meet the requirements of a particular version of SMETS can be replaced as part of future maintenance, with components or devices that comply with that (or a later) version of SMETS, even if the Installation Validity Period of that version (or the later version) of SMETS has expired at the time of the maintenance.

We also added two additional concepts: first, a compatibility requirement, which essentially states that the Technical Specification which the replacement device complies with must be compatible with those met by other devices in the premises. The second was a “no backwards step” requirement, which requires that the replacement device does not meet a “lesser” Technical Specification than that which has previously been in place. We explained that we did not consider this to be a more onerous requirement as the previous drafting required a replacement device to comply with a version of SMETS that was valid on the date of installation of the Smart Metering System and the proposed change simply affords greater flexibility for suppliers to permit them additionally to maintain to a later version.

We proposed changes to supply licence standard conditions 39 (electricity) and 33 (gas) to give effect to these proposals.

¹¹ The period within which a Technical Specification remains valid for maintenance purposes. Please see section 3.5 for a further discussion of the concept of Maintenance Validity Period.

Government consideration of issue

32. We received fourteen responses to these proposals which, with one exception, were all generally supportive of them. Several respondents raised issues of detail.
33. Two respondents suggested that it would not always be possible to meet the “no backwards step” proposal on maintenance. One stated that in some circumstances it would be necessary for a smart meter to be replaced with a dumb one, for example when the industry information relating to the existing installation at a property is incorrect, or in emergency circumstances when the customer is off supply. They also suggested that in some instances a lack of meter availability might lead to the need to install a lesser device in emergency circumstances. The other suggested that the proposals would lead to a requirement for suppliers’ field-forces to keep stocks of every different version of a SMETS metering system that is within their portfolio, which would be inefficient. They suggested that it would be more efficient for suppliers to keep a stock of only the minimum number of hardware versions and then choose, by way of applying a particular firmware, the SMETS version that corresponds with the rest of the metering system.
34. In light of the comments received, we accept that there may be certain exceptional circumstances which arise in which it is appropriate for a supplier to replace an existing smart meter with a meter that does not meet the same or a later version of the SMETS as part of a maintenance activity. As a consequence, we have amended the licence obligations to permit this. The obligation to avoid a backwards step is now written as an “all reasonable steps” obligation rather than as an absolute requirement. We believe that this provides a degree of flexibility for example to allow a device, within reason, to be fitted and then upgraded to meet a specification with an active MVP.
35. One respondent noted that there may be occasions when retrospective changes to devices may need to be enforced through application of Maintenance Validity Periods but were of the view that the proposed legal drafting did not cover this scenario. Another stated that Installation Validity Periods should have a minimum duration of 12 months.
36. We consider that the drafting that we have put forward would be capable of being used to require retrospective changes to devices. Whilst it should be reiterated that we do not anticipate retrospective changes for meters other than in exceptional circumstances, if the code modification to introduce a new version of SMETS was accompanied by the termination of the Maintenance Validity Period of a prior version of SMETS, then devices complying with the prior version would need to be upgraded to comply with a version that has an active Maintenance Validity Period. We expect that in general where a new version of SMETS is introduced, the Installation Validity Period (but not typically the Maintenance Validity Period) of existing versions would be terminated, but that typically at least a year’s notice would be given. This is not however stipulated in the drafting. The appropriate notice period would need to be specified as part of the code modification that introduces the new SMETS version and the appropriate period would need to be determined in the context of the specific modification.

37. Two respondents believed that additional processes were required to cover the exchange of individual Devices where two suppliers are involved. One cited an example in which the electricity supplier exchanges a SMETS1 electricity meter for a SMETS2 meter, which has the effect that the gas meter then fails to communicate.
38. We note that Clause 10.3 of the Service Request Processing Document requires DCC to send an alert to all Responsible Suppliers where a Communications Hub is decommissioned. Furthermore Clause 10.1 requires a supplier that replaces a Communications Hub to take steps to restore the HAN for all Smart Metering Systems at the premises. We do not consider that the licence provisions that deal with maintenance of Smart Metering Systems should place obligations on suppliers to deal with any additional special requirements relating to replacement of devices in households where different suppliers supply different fuels. If any supplier considers that further provisions are needed in the SEC to further deal with such circumstances, they are able to raise a Modification Proposal to progress this.
39. Another stated that if most SMETS1 installations were enrolled into the DCC the residual unenrolled SMETS1 installations would no longer be economically viable to support. They suggested that there would need to be a mechanism to incentivise the current suppliers to replace the meter with the then current SMETS version and to allow the relevant support services to be withdrawn, suggesting that the Maintenance Validity Period process might be used to do this.
40. We are of the view that whether (and if so what) additional provisions might be needed to deal with residual SMETS1 meters that are not enrolled in DCC should be raised at a later date when it is clearer what issues (if any) need to be addressed.
41. One respondent stated that in certain circumstances the existence of an “unusual device” could void the whole maintenance process. They recommended that the term ‘device’ should be clearly defined in terms of the particular technical specifications that must be met by such devices.
42. Other than the obligation to avoid backwards step replacements (which is discussed above) the obligations on suppliers in relation to maintenance of devices have been written as “all reasonable steps” obligations. This recognises that there may be specific circumstances in which it is not reasonable for a supplier to meet some or all of the requirements when undertaking maintenance. As a consequence, we do not believe that an “unusual device” should necessarily void the whole maintenance process, since we have provided a degree of flexibility that permits suppliers to react accordingly when they encounter unexpected circumstances.

Summary of government conclusion and changes to the consultation legal draft

We will amend the licence conditions in accordance with the September 2016 consultation proposals, amended as discussed above (and as described in the Final Legal Text Affected table below).

Final Legal Text Affected

SEC/Licence Section	Content
<p>Licence Condition 39 (Electricity) and 33 (Gas)</p>	<p>Changes to Conditions 39 and 33 relating to maintenance and replacement of Smart Metering Systems. Please note that these changes interact with the changes associated with the management of multiple technical specifications that is discussed in section 3.5 of this document and are discussed further in that section (as are equivalent changes to the DCC Licence Condition 17 in relation to maintenance of Communications Hubs by DCC).</p> <p>In the September consultation, we originally proposed changes to permit suppliers to maintain Smart Metering Systems to any version of SMETS with an active Installation Validity Period whilst also prohibiting any backwards step.</p> <p>In light of the responses to the consultation, we have amended the drafting to require suppliers to take all reasonable steps to avoid a backwards step.</p>

1.3 Simplification of change of supplier information flows

Summary of Issue under Consideration

The consultation document proposed a minor amendment to standard condition 50.3 of electricity supply licences to remove the requirement for the old supplier to send the new supplier the contact details of the relevant MAP if this data is already contained in the information sent to it in respect of the Supplier Transfer in accordance with industry flows such as the Master Registration Agreement (D0150).

Government Consideration of Issue

43. Thirteen responses were received for this question. The majority of responses (eleven) were in favour of changing standard condition 50.3 of electricity supply licences to remove the requirement for the old supplier to send the new supplier the contact details of the relevant MAP if these are available by virtue of the information contained within a data transfer such as the D0150 data flow.
44. Two respondents were not in favour of the proposed change and both , argued it was unnecessary as suppliers can already fulfil the obligation within Electricity Supply Licence condition 50.3 by relying on the D0150 industry data flow. However, the existing supply licence specifically requires the old supplier to provide this information. As the relevant data flows may not be supplied directly by the old supplier, we still believe this change is appropriate so as to allow the old supplier to rely on third party data flows to fulfil this obligation. Additionally, we consider that the proposed change supports wider government policy of reducing unnecessary duplication in regulatory obligations. We will therefore proceed with this amendment.
45. One respondent noted that electricity data flow D0150 is entitled 'Non Half Hourly Meter technical details,' and as smart meters will record data every 30 minutes they queried whether this is the correct data flow to be amended. We have drafted the licence condition in a manner that relieves the outgoing supplier of its obligations if the information is provided under a relevant code, but without reference to a particular data flow.
46. One respondent noted that the Licence Conditions 50 (electricity) and 44 (gas) only apply to Domestic Premises and recommended that the proposed change to the licence condition 50.3 should also apply to Designated Premises. However there is no equivalent obligation to provide a MAP Notice following a change of supplier event at non-Domestic Premises, and hence there is no obligation to relax.

47. One respondent requested clarification on whether this change was being made as part of the faster switching programme. We can confirm that this change is not being made as part of the faster switching programme, which is being carried out by Ofgem, and which is a wider and more comprehensive review of switching. It is instead an incremental change, designed to limit the duplication of information flows, and remove unnecessary regulatory obligations.
48. One respondent commented that the issue (the movement of data associated with change of supplier) should be assessed in its entirety rather than removing one known duplication in isolation as it is important that all relevant parties are aware of change of supplier events. As noted above, the Ofgem faster switching programme will carry out the wider review of processes to support switching of suppliers. However, in the interim, we have made a further minor change to add additional flexibility, which is to enable the obligation to be removed from the old supplier if the alternative data transfer is in accordance with any relevant Industry Code (instead of having to be in accordance with specifically the Supply Point Administration Agreement or Master Registration Agreement).
49. One respondent noted that any review should extend to gas data flows as the issue is more prevalent in gas than in electricity. Although the explanatory text in the consultation document did not state this, our original policy intent was to make this change to both electricity and gas supply licences and indeed the legal text to gas supply licence condition 44.3 that was consulted on includes this change. We confirm that we still intend to make this change to both electricity and gas supply licences. In conjunction with the additional change to the electricity supply licence, we have made the change to Gas Supply Licence Condition 44.3, such that the obligation on the old supplier to send the new supplier the contact details of the relevant MAP information is removed if this information is available by virtue of an alternative transfer of information that is in accordance with a relevant industry code (instead of having to be in accordance with specifically the Supply Point Administration Agreement).

Summary of government conclusion and any changes to the consultation legal drafting

The government will amend the standard conditions 50.3 and 44.3 of electricity and gas supply licences respectively to remove the requirement for the old supplier to send the MAP and contact details to the new supplier if these are available by virtue of the information contained within a data transfer that is in accordance with any industry code.

Final Legal Text Affected

SEC/Licence Section	Content
<p><u>Electricity</u> Supply Licence Condition 50.3</p>	<p>The original consultation consulted on amending Condition 50.3 to remove the requirement for the old supplier to send the new supplier the MAP contact details if these are contained in the information sent to it in respect of the Supplier Transfer in accordance with the Master Registration Agreement. We confirm we intend to make this change.</p> <p>We intend to make a further change to Condition 50.3 which is to enable the obligation to be removed from the old supplier if the alternative data transfer is in accordance with any Industry Code (instead of having to be in accordance specifically with the Master Registration Agreement).</p>
<p><u>Gas</u> Supply Licence Condition 44.3</p>	<p>We will also amend Condition 44.3 to remove the requirement for the old supplier to send the new supplier the MAP contact details if these are contained in the information sent to it in respect of the Supplier Transfer in accordance with the Supply Point Administration Agreement.</p> <p>We intend to make a further change to Condition 44.3 which is to enable the obligation to be removed from the old supplier if the alternative data transfer is in accordance with any industry code (instead of having to be in accordance specifically with the Supply Point Administration Agreement).</p>

2 Changes to the Smart Energy Code - Testing

2.1 Testing required to implement changes to the SEC

Summary of Issue under Consideration

Testing to support Secretary of State SEC variations

The consultation document explained that the testing arrangements defined in Section T of the SEC were drafted to govern the testing of the functionality that is embodied in a specific version of the SEC, prior to the services that provide that functionality going live (i.e. the R1.X series of Releases).

However, the SEC does not include provisions for any testing required as a result of SEC amendments made by the Secretary of State beyond the R1.X series of Releases. The government previously stated that it intends to make amendments to the SEC after DCC Live and that to support the implementation of these changes, testing will be required.

The consultation document proposed amendments to the SEC to provide for testing requirements associated with changes that are made by the Secretary of State using Section 88 or Section X powers that are intended to be implemented after the R1.X series of Releases.

The proposed amendment included a high level requirement on DCC, where directed by the Secretary of State, to identify appropriate testing requirements for each Secretary of State led variation, including testing that would need to be provided by the DCC, in a variation-specific 'SEC Variation Testing Approach Document' (SVTAD).

In developing the SVTAD, DCC would need to comply with any direction by the Secretary of State. The direction can include consultation requirements for the development of the draft SVTAD, an outline of the scope and objectives of the testing, and the essential content of the draft SVTAD. The DCC will be required to comply with any requests by the Secretary of State to re-consult, reconsider or re-submit the draft SVTAD and relevant Parties will be required to comply with the SVTAD if designated by the Secretary of State to the extent that they are required to, or choose to participate in the testing. We proposed to make these amendments in Section X rather than section H, as the

Secretary of State powers to amend the SEC are not enduring.

In addition, a proposed amendment to Section X11.2 will require that where directed by the Secretary of State, the DCC will be required to analyse and report to the Secretary of State on matters relating to the proposed variation, including the extent of changes required to the DCC total system and likely costs associated with the change.

Clarification as to when testing requirements should be considered for SEC Modification Proposals under Section D

The consultation document outlined that Section H14 of the SEC describes the testing services that will be provided on an enduring basis. However, there are no explicit obligations in the SEC to include or develop testing requirements (approach, governance, party involvement) within Modification Proposals, the Refinement Process or the Modification Report. We therefore proposed to clarify SEC requirements relating to testing to support approved Modification Proposals. The proposals would require that where testing would be needed to support its implementation that this is considered and suitable arrangements developed as part of the Modification Proposal.

The proposed SEC amendments will require that:

- For each Modification Proposal the proposer will be required to include a statement of whether, in their opinion, the Modification Proposal will require the DCC to undertake testing of the DCC Total System and/or provide testing services as part of the proposal's implementation.
- The Proposal will be subject to the Refinement Process where testing is likely to be required to support its implementation. Where the Modification Proposal is subject to the Refinement Process, the process must include consideration of required changes to DCC Systems, User Systems and/or Smart Metering Systems and whether testing is required. If it is required, the Modification Proposal must include a robust testing solution or a process for developing the testing solution.
- The DCC prepares analysis (at the request of the Working Group) of required testing of the DCC Total System to implement the Modification Proposal and its view of the scope, phases, timetable and testing participants.
- The Modification Report includes a proposed approach to testing (if testing is required to support implementation) and identifies whether the DCC is to be required to undertake testing of the DCC Total System and/or provide a testing service.

Government Consideration of Issue

Testing to support Secretary of State SEC variations

50. Eleven respondents answered this question. Of these respondents, ten agreed with the proposal, two of these respondents caveating their agreement. One respondent noted the proposal and identified how it would relate to their work.

51. All energy suppliers agreed with the proposals noting that it is essential to provide appropriate testing for any changes made to the DCC Total System. Energy suppliers did stress that testing should be proportionate to the change in question and that timelines for testing need to be adequate.
52. One respondent suggested that the proposed SEC Clause X11.5, which outlines the content that the SVTAD must include, should be augmented to explicitly include a defect management process. We agree that the SVTAD should include defect management provisions but we do not think it needs to be specifically referenced in X11.5, noting that this list already explicitly references 'exit criteria' and the Secretary of State can provide further detail on the requirements for the scope of a SVTAD in his direction.
53. Other comments were made to do with other aspects of the SEC or the change management process and testing arrangements, however as those comments were not relevant to the drafting changes that were being proposed, they are not reported on in any further detail here.

Clarification as to when testing requirements should be considered for SEC Modification Proposals under Section D

54. Eleven respondents answered this question. Of these respondents, ten agreed with the proposal, two of these respondents caveating their agreement. One respondent noted the proposal and identified how it would relate to their work.
55. Of those respondents that commented on this topic, there was broad support from all stakeholder groups for these additional requirements. All energy suppliers agreed with the proposals and were supportive of the arrangements being formalised within the SEC. They, and the SEC Panel, noted that although not currently specified as a requirement within the SEC, the current Modification Proposal process already gathers testing requirements for inclusion in the Modification Report.
56. The SEC Panel considered that the DCC's input on the testing approach should focus on DCC system testing, with any required User testing driven by Working Group discussions during the Refinement Process and by the Panel when they oversee the implementation of releases as a whole. As part of its analysis of testing requirements in relation to the DCC Total System, the drafting provides for the DCC to provide its proposals for required participants for such testing. We do not foresee any issues with this approach, noting that members of the Working Group are also free to provide their own views of required testing participants.
57. One respondent raised a concern that the testing of some modifications may be potentially onerous for smaller suppliers. We are of the view that should this be the case and if it was appropriate and aligned with the SEC objectives, it would be possible to specify in the Modification Proposal that smaller energy suppliers have different testing requirements for that specific modification.
58. Another respondent noted that it is important that test environments are made available by the DCC so that any testing required can be undertaken and Modification Proposals properly impact assessed. Section H14.34 requires

that where an approved Modification Proposal requires the DCC to provide testing services as part of its implementation, then such testing shall be undertaken as a Testing Service. Therefore the Modification Proposal itself will need to set out the testing service required and any requirements for a testing environment.

59. Some comments were made to do with other aspects of the SEC modification process and testing arrangements, however as those comments were not relevant to the drafting changes that were being proposed, they are not reported on in any further detail here.

Summary of government conclusion and any changes to the consultation legal drafting

Testing to support Secretary of State SEC variations

Given the comments received, we will amend the SEC as proposed in the consultation document with one minor edit as set out below. These provisions will sit in Section X which deals with transitional matters under the SEC, as the Secretary of State powers to amend the SEC are not enduring.

Clarification as to when testing requirements should be considered for SEC Modification Proposals under Section D

Given the comments received, we will amend the SEC as proposed in the consultation document with one minor edit as set out below, noting that the SEC changes in this area are designed to be sufficiently flexible to permit the development of an appropriate set of testing requirements that are suited to the needs of each Modification Proposal.

Final Legal Text Affected

SEC/Licence Section	Content
SEC Section X	<p><u>Secretary of State SEC variations</u></p> <ul style="list-style-type: none"> • X11.1 Identifies that Section X11 applies in respect of Secretary of State led variations to the SEC that are being considered, consulted on or have been decided, and sets out a testing process to be followed for such variations. • X11.2 Requires that where the Secretary of State directs in respect of one or more proposed variations to the Code, the DCC shall analyse and report to the Secretary of State on the matters set out in the direction, including the extent of changes required to the DCC total system and likely costs associated with the change. To note, this drafting has been updated since the consultation to include an additional provision which requires that reporting to the Secretary of State on the matters set out in the direction should be undertaken ‘in accordance with the process and

<p>SEC Section D</p>	<p>timescale set out in that direction’.</p> <ul style="list-style-type: none"> • X11.3 Identifies that each SEC Variation Testing Approach Document developed by the DCC is incorporated into the SEC pursuant to Section X5. • X11.4 Requires where the Secretary of State directs in respect of one or more proposed variations to the Code, the DCC shall develop a ‘SEC Variation Testing Approach Document’ in consultation with relevant persons and as per a timetable directed by the Secretary of State. • X11.5 Outlines the content that the ‘SEC Variation Testing Approach Document’ must include. • X11.6 Requires the DCC to submit a draft SEC Variation Testing Approach Document to the Secretary of State for consideration and where directed by the Secretary of State must re-consider, re-consult and/or re-submit the draft document. • X11.7 Requires the DCC and other relevant parties to comply with the SEC Variation Testing Approach Document. • X11.8 Identifies that Section H14 and the Enduring Testing Approach Document (ETAD) apply in respect of testing under the SEC Variation Testing Approach Document, as if such testing was a Testing Service under H14.34 and each participant in that testing is treated as a Testing Participant for such purposes. <p><u>Clarification as to when testing requirements should be considered for SEC Modification Proposals under Section D</u></p> <ul style="list-style-type: none"> • D1.7 Amended to require that the Modification Proposal must include a statement as to whether, in the opinion of the Proposer, testing will be required to implement the proposal. • D3.9 Amended to require that Modification Proposals that are likely to require testing as part of their implementation are subject to the Refinement Process. • D6.8 Amended to identify that the purpose of the Refinement Process now includes the consideration of whether testing is required as part of the proposal's implementation and if so, to ensure that the Modification Proposal provides a robust testing solution, or a process for developing the testing solution. • D6.9 Amended to require the DCC to, upon the request of the Working Group, prepare analysis on testing of the DCC Total System required including its views of the scope, phases, timetable and parties that should participate. • D7.3 Amended to require that where the Modification Proposal was subject to the Refinement Process, that the Modification Report shall specify whether and how DCC is required to undertake testing of the DCC Total System and/or provide testing services and whether implementation of the Modification Proposal will lead to system changes and if so, the likely associated costs. To note, this drafting has been updated since the consultation to note that this relates to implementation of the proposal ‘if the
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SEC Section H	Modification Proposal is approved’. <ul style="list-style-type: none">• H14.34-14.35 Amended to require that where an approved Modification Proposal requires DCC to provide testing services to support implementation, that such testing will be undertaken as a Testing Service, pursuant to Section H14.34 and parties eligible to participate in this testing shall be determined as provided for in the Section D Modification Process.
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2.2 Enduring Registration Data Provider Entry Process Testing

Summary of Issue under Consideration

The consultation document outlined that there is a requirement on Electricity Distribution Licence Holders and Gas Transporter Licence Holders to provide DCC with registration data in relation to Meter Point Administration Numbers/Meter Point Reference Numbers (MPANs/MPRNs) associated with their network. This registration data is provided through a nominated Registration Data Provider (RDP) (noting that where no nomination is provided, the licensee is the RDP), and is needed, amongst other things, to support the process for applying access controls to non-critical Service Requests. DCC also has an obligation to send certain data to the licensees.

The consultation document noted that there may be a gap in the SEC in terms of RDP entry testing because there is no requirement on the DCC to provide a testing service to facilitate RDP testing after Systems Integration Testing (SIT) has concluded. However, we identified a number of scenarios where it would be appropriate to require or enable testing of the RDP connection, comparable to the existing testing that has been undertaken during SIT.

We therefore proposed to amend the SEC so that there is a requirement on new RDPs and DCC to complete testing before they first start providing data to each other and for DCC to provide a test service ('enduring RDP Entry Process Tests'). We proposed that the DCC be required to propose a set of rules relating to the new RDP Entry Process Tests in the Enduring Testing Approach Document (ETAD). DCC would determine if the tests have been successfully completed and the RDP would have a right of appeal against the DCC's decision, first to the SEC Panel and then the Authority (Ofgem).

We also proposed to provide a right for a new Electricity Distribution Licence Holder or new Gas Transporter Licence Holder, which is planning to use an existing RDP, to use this test facility and undertake their own end to end testing, before their obligation to send live data to the DCC commences.

Government Consideration of Issue

60. Of those that responded on this topic, there was unanimous support from across all stakeholder groups for the proposed legal drafting regarding the provision of enduring RDP Entry Process Tests.
61. Respondents noted that they believe it essential that new RDPs be subject to an appropriate level of entry process testing prior to becoming active RDPs and that these RDPs should be afforded the same level of assistance and the opportunity to

undertake testing equivalent to the SIT testing. They noted that it is important that new RDPs can undertake this testing prior to commencing provision of live registration data to the DCC that will subsequently be relied upon by Users for the effective operation of the DCC Total System.

62. There was strong support among respondents for the proposal that a new Electricity Distribution Licensee or Gas Transporter Licensee, who opts to use the services of an existing RDP (which has already successfully completed RDP Entry Process Tests), may be permitted to use this testing service. It was viewed as beneficial that any new Electricity Distribution Licensee or Gas Transporter Licensee is able to carry out its own End to End testing, in order to preserve the integrity of the Registration Data within the DCC Total System and to ensure that Licensee business processes and systems can work together with the RDP systems to effectively interchange data with the DCC systems.

Summary of government conclusion and any changes to the consultation legal drafting

Given the comments received on this proposal, we will amend the SEC in Section E, Section H14 and Section X1, to provide for a new Testing Service (RDP Entry Process Tests).

Final Legal Text Affected

SEC/Licence Section	Content
	<ul style="list-style-type: none"> • E2.5 Amended to state that the first exchange of data between a new RDP and the DCC (after Section E2.5 comes into effect) will be determined in accordance with new Section E4 (RDP Entry Process) • E4.1 Requires completion of RDP Entry Process Tests before data is exchanged between the DCC and the RDP, for the first time. • E4.2 Identifies that the ‘RDP Entry Process Tests’ demonstrate that the DCC and the RDP are capable of exchanging data as required under Section E2. It also identifies that those RDPs that have successfully completed SIT are deemed to have successfully completed the ‘RDP Entry Process Tests’. • E4.3 Identifies the rights for RDPs to undertake RDP Entry Process Tests, though each RDP is only obliged to complete the RDP Entry Process Tests once. • E4.4 Identifies that each RDP that undertakes RDP Entry Process Tests shall be considered a Testing Participant and will be required to undertake those tests in accordance with Section H14 and the ETAD. • E4.5-4.6 Identifies that the DCC determines if the RDP Entry Process Tests have been successfully completed. Upon request, the DCC must provide written confirmation of the outcome to the RDP. • E4.7 Identifies that where the DCC is not satisfied that the RDP has successfully completed the testing, the RDP may refer the matter to the Panel. Where the RDP disagrees with the Panel’s determination then

the matter may be referred to the Authority.

- E4.8-4.10 Outlines the liability arrangements applying in relation to these provisions between the DCC and the Network Parties.
- H14.1 Amended to require the DCC to provide RDP Entry Process Tests as a Testing Service
- X1.19 Requires the DCC to develop a revised version of the ETAD which includes detailed processes concerning the RDP Entry Process Tests, so that the document may be re-designated pursuant to Section X5.
- X1.20 Outlines the procedure that DCC must follow in developing revisions to the ETAD, including consulting with parties to draft the ETAD, submitting the draft ETAD to the Secretary of State for review and complying with any request by the Secretary of State to revise and resubmit the ETAD.

2.3 Changes to the Enduring Testing Approach Document (ETAD)

Summary of Issue under Consideration

The consultation document outlined that the Enduring Test Approach Document (ETAD) sets out the right for DCC to request the removal of a Testing Participant's Devices from a DCC test lab where the DCC considers that the Testing Participant has breached obligations relating to the use of its Devices (at the DCC test lab). It was proposed that this should be supported by drafting in Section H14, as Section H14 sets out the principal rights and obligations associated with the provision of the Testing Services.

Accordingly drafting was proposed that would permit the DCC to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance with the rules set out in the ETAD. This requirement also included a dispute resolution procedure, which would provide Testing Participants with the opportunity to refer such DCC decisions to the SEC Panel for determination.

Government Consideration of Issue

63. Of those that responded on this topic, there was broad support from across all stakeholder groups, including the DCC and energy suppliers, for the proposal and the associated legal drafting.
64. One respondent noted that this is simply a formalisation of existing rights within the ETAD, into Section H of the SEC.
65. One respondent suggested that the SEC should include a reasonable time limit for the SEC Panel review process, in the event of a dispute. We expect disputes to be resolved as quickly as possible. However, the government does not consider that it is appropriate to set time limits for dispute processes in the SEC as the length of time required will potentially be different for each dispute and is in part dependent upon the complexity of the dispute. Accordingly the SEC does not include a time limit for the resolution of a dispute; however the SEC Panel is required to act in a manner consistent with the SEC objectives, which includes requirements as to the efficient administration and implementation of the Code and we would therefore expect the Panel to seek to resolve disputes as quickly as possible.

Summary of government conclusion and any changes to the consultation legal drafting

We will amend the SEC so that the DCC is permitted to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance with the rules set out in the ETAD. This requirement also includes a dispute resolution procedure.

Final Legal Text Affected

SEC/Licence Section	Content
SEC Section H	<ul style="list-style-type: none"> • H14.10A Permits DCC to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance the requirements set out in the Enduring Testing Approach Document. Any dispute between the DCC and a Testing Participant regarding the removal of such Devices (or the right to re-commence testing) may be referred to the Panel for its determination. To note, this drafting has been slightly updated since the consultation to more closely align it with the equivalent wording in the ETAD.

2.4 Provision of variant Communications Hubs for testing

Summary of Issue under Consideration

The consultation document outlined that we had intended that Test Communications Hubs would be available for all variants and in both DCC labs and participants' 'remote' test labs where possible, as this increases Parties' ability to undertake assurance activities. However, we acknowledged that it may not always be practical or economically efficient for DCC to provide all variants of Test Communications Hubs locally in DCC's labs and for remote test labs. In addition, it was brought to our attention that the legal drafting around the provision of Test Communications Hubs could be further clarified. We therefore proposed to amend the SEC to clarify requirements on DCC in respect of the provision of Test Communications Hubs.

Government Consideration of Issue

66. Of those that responded on this topic, six respondents supported the proposal. Three respondents noted that they agreed with this proposal because there is the requirement on the DCC to publish the reasons why they cannot make the variant Test Communications Hub available and that there is a right of appeal to the Panel and finally to the Authority. One respondent welcomed the clarification that DCC should seek to provide Test Communications Hubs of every combination of HAN and WAN variant. DCC supported the proposal.
67. Two respondents commented that they could not foresee a situation where the DCC would be unable to comply with this requirement to provide all variants of Test Communications Hubs. One specifically noted that they could not envisage a scenario where it would not be reasonably practicable for the DCC to provide a variant Test Communications Hub at the DCC's physical test laboratories and on this basis they indicated that they would not find it acceptable for the DCC to not provide a variant Test Communications Hub for use in the DCC test laboratories.
68. One respondent did not support the proposal. Three respondents partially supported the proposal with caveats. Reasons for not supporting the proposal and for caveating support include that the proposal could negatively impact these respondents' testing activities and may cause issues in terms of management of their test environments. Another respondent noted that they did not support the proposal because without knowing which variant Test Communications Hubs this could affect, they were unable to determine the likely impact.
69. Respondents were particularly concerned that the non-provision of a variant of Test Communications Hub in both DCC labs and participants' remote test labs could impact the ability of Supplier Parties to undertake testing activities (noting that this may impact their ability to comply with their obligations in Section F4 of the Code, to ensure that testing has been undertaken to demonstrate that their Smart Metering System Devices are interoperable with the DCC Total System).
70. We have taken respondents' reservations and concerns into consideration and,

following further discussion with the DCC, have amended the drafting. The SEC now requires DCC to always provide all variants of Test Communications Hub in DCC's own labs. We acknowledge that it may not always be cost effective for DCC to provide all variants of Test Communications Hubs in participants' remote test labs and therefore we have retained the dispensation process proposed in the consultation, but only in relation to the provision of Test Communications Hubs for use remotely in participants' test labs. We have removed the test of 'reasonably practicable' when considering whether to withhold the provision of a particular Test Communications Hub variant for use remotely. This is because we now consider that whether or not it is reasonably practicable to provide a particular variant of Test Communications Hub is actually a function of cost. Therefore we have amended the drafting to only refer to 'cost effectiveness' as the grounds for not providing the Test Communications Hub variant.

71. A decision by the DCC to not provide a variant Test Communications Hub in participants' remote test labs because it is not cost effective to do so, will always require DCC to make a judgement and to justify this publicly. We have amended the drafting to make clear that in arriving at a decision not to make a variant available remotely, that the DCC must have regard to the ability of a Supplier Party to comply with its obligations under F4. This decision by the DCC is capable of referral, in the first instance to the Panel and finally to the Authority. We have amended the drafting to make clear that, in these circumstances, the DCC is not obliged to make the variant available until the Panel or Authority (as appropriate) determines otherwise.

Summary of government conclusion and any changes to the consultation legal drafting

We will amend Section H14 of the SEC to clarify that the DCC is required to make available all variants of Test Communications Hubs in DCC labs for use by Testing Participants.

We will amend Section F10 of the SEC to clarify that the DCC is required to make available all variants of Test Communications Hubs for use by Testing Participants in their remote test labs. This is unless the DCC can justify that it would not be cost effective to provide all variants of Test Communications Hubs in participants' remote test labs.

Where the DCC considers that it would not be cost effective, it must publish its reasons for not making the variant available for use in participants' remote test labs; any justification must have regard for Supplier Party obligations under F4. The DCC decision will be capable of referral, in the first instance to the Panel and finally to the Authority. The DCC will not be obliged to make the variant available until the Panel or the Authority (as appropriate) determines otherwise.

Final Legal Text Affected

SEC/Licence Section	Content
SEC Section F	<ul style="list-style-type: none"> • F10.12 Ensures that the DCC makes available each and every combination of HAN and WAN variant as a Test Communications Hub. • F10.13 Permits DCC to not provide every variant as a Test Communications Hub for use in participants' 'remote' test labs, if it is not cost effective to do so. This provision has been amended to make clear that in arriving at its decision, the DCC must have regard to a Supplier Party's obligations under F4.4. • F10.14 Requires that where the DCC relies on F10.13 the DCC shall publish the fact on the DCC website, with justification as to why it is not cost effective to make that variant available. If a Party disagrees with the justification they may refer the matter to the Panel. Where the DCC or Party disagrees with the Panel's decision, the decision may be referred to the Authority for determination. • A new F10.15 has been added to state that where the DCC is seeking to rely on F10.13, that the DCC is not obliged to make the variant available until the Panel or the Authority (as appropriate) determines otherwise.
SEC Section H	<ul style="list-style-type: none"> • H14.9 Amended to require DCC to provide a reasonable number of Test Communications Hubs of every HAN and WAN variant for use by Testing Participants at DCC's physical test laboratories. The consultation version of the drafting (H14.9A, H14.9B and H14.9C) is no longer included as the DCC will always have to provide every variant of Test Communications Hub in its test laboratories.

3 Changes to the Smart Energy Code - Other

3.1 Amendments to the Ofgem Significant Code Review process

Summary of Issue under Consideration

The Significant Code Review (SCR) process was introduced to provide a mechanism that was able to deliver effective and efficient complex change to the industry codes, through Ofgem leading holistic reviews. The SCR process in its current form could result in inefficiencies and duplication, if the industry decides at the end of the Ofgem-led industry consultation process within the SCR to undertake its own process which may revisit some of the work already undertaken.

Ofgem has consulted and concluded¹² on changes to its SCR powers for all energy codes that provide for a new collaborative, Ofgem-led, end-to-end approach. Ofgem considers that effectively incorporating what is currently the industry-led phase (of developing detailed code change following the SCR) within the Ofgem-led process, would facilitate a more efficient end-to-end process and avoid potential duplication under two separate processes.

Ofgem proposes that this would be an additional tool that it may use for delivering change under an SCR. It will also retain the ability to issue a Direction to a licensee to raise a code change/develop legal text. Ofgem has issued guidance on how it would decide which option it would follow when undertaking an SCR.¹³

We consulted on amending the SEC to implement these changes as the SCR powers are set out in the SEC itself. Ofgem has already consulted on amendments to its powers for other industry codes, which it is able to do through its power to modify licence conditions, as these SCR powers are set out in various licences. The SEC is unique in the powers being set out in the code itself.

Government Consideration of Issue

72. We received eight responses to this question. All respondents agreed that the legal text implements Ofgem's conclusions on changes to its SCR powers.

73. There were a number of comments on Ofgem's policy change. However, we are not

¹² Ofgem's Code Governance Review 3: <https://www.ofgem.gov.uk/publications-and-updates/code-governance-review-phase-3-initial-proposals>

¹³ https://www.ofgem.gov.uk/system/files/docs/2016/06/scr_guidance.pdf

considering these as Ofgem has already consulted on the policy. Our consultation was intended solely to ensure that we are implementing the policy effectively.

Summary of government conclusion and any changes to the consultation legal drafting

We have concluded to make the proposed amendments as set out in the consultation and one further amendment to the definition of 'Significant Code Review Phase' in Section A to include a cross-reference to Section D for clarity.

Final Legal Text Affected

SEC/Licence Section	Content
Section A	The processes for Significant Code Reviews are amended to reflect Ofgem's new powers in Section D. Consequential changes are made to Section A.
Section D	

3.2 Privacy requirements

Summary of Issue under Consideration

The consultation document proposed amending the Smart Energy Code to clarify existing regulatory obligations and ensure proper consideration is given to data privacy in situations where the Energy Consumer does not occupy the premises where their smart meter is located. We proposed achieving this through the introduction of a specific reference to the Data Protection Act in Section I of the Smart Energy Code and widening the scope of the User Entry Guide in Section H to draw Other Users' attention to any relevant privacy guidance. We also proposed working with Ofgem and other relevant parties to ensure that, where appropriate, guidance is developed and made available to Other Users regarding their obligations in respect of data protection.

Question 14 of the September 2016 SEC consultation sought views on these proposed changes to Section H and Section I

Government Consideration of Issue

74. There were 9 responses to the question. Respondents supported the intention to provide clarity in respect of data privacy obligations and welcomed the proposed provision of guidance to Other Users. In their response, the Information Commissioner's Office noted that the approach proposed was proportionate and promoted the need to consider the requirements of data protection without being burdensomely prescriptive.
75. A number of supplementary points were raised by respondents in relation to the proposals, which included:
- that the new EU General Data Protection Regulation may have implications for current data protection practices and as such it will be important for any amendments being made to be compliant with the new Regulation;
 - that consideration should be given to providing practical examples as part of any guidance of how organisations would be expected to manage relevant situations (e.g. where a landlord is responsible for arranging and managing the energy supply).
76. The government agrees that the proposed changes should align with the EU General Data Protection Regulation, which shall apply from 25 May 2018. In their response, the Information Commissioner's Office noted that the proposed legal drafting complemented the provisions of the General Data Protection Regulation. Our amendments are drafted to be consistent with wider data protection legislation.
77. The government welcomes the suggestion to include consideration of relevant scenarios within guidance. We will work with Ofgem and other relevant parties to develop guidance where appropriate. We will also ensure any guidance is made

available to all relevant Users.

78. One respondent suggested in their response that the Smart Metering Data Access and Privacy Framework should be subject to a full review prior to DCC live. The government confirmed in December 2015¹⁴ that a review of the Smart Metering Data Access and Privacy Framework would conclude in 2018. This timing will enable assessment of the extent to which the Framework's provisions and safeguards are appropriate, whilst avoiding any premature or disproportionate changes to its provisions.

Summary of government conclusion and any changes to the consultation legal drafting

We conclude that it is appropriate to adopt the changes proposed in the September 2016 consultation.

Final Legal Text Affected

SEC/Licence Section	Content
SEC Section H	Expanded scope of the requirements for a User Entry Guide, so that the User Entry Guide includes a reference to any relevant privacy guidance (Section H1.8)
SEC Section I	Introduction of a specific reference to the Data Protection Act (1998) (Section I1.1)

¹⁴ <https://www.gov.uk/government/consultations/consultation-on-the-timing-of-the-review-of-the-data-access-and-privacy-framework>

3.3 Making certain transitional variations enduring

Summary of Issue under Consideration

The consultation document outlined that we had identified a number of transitional variations to the SEC¹⁵, previously directed by the Secretary of State pursuant to X3.6 (Provisions to be Effective Subject to Variations) of the SEC, which we had insufficient time to make using Section 88 at the time that they were needed and hence which we had to initially make on a transitional basis. We proposed using Section 88 powers to convert them into enduring variations.

Government Consideration of Issue

79. Nine responses were received in response to this question and all were in favour of using Section 88 powers to convert the transitional variations listed in the consultation document into enduring variations. For example, one respondent noted that as a small supplier, they had not yet completed the future user entry requirements for the DCC and therefore welcomed the guidance of the enduring variations provided. Another respondent noted that the conversion of the listed transitional variations to enduring was appropriate and consistent.
80. One of the transitional variations that we are proposing to make enduring relates to changing the definition of User Systems. Two of the respondents specifically noted that they were in favour of this change. However, a third respondent additionally suggested that the proposal to change this transitional variation to enduring should be reviewed by the SEC Security Sub-Committee to ensure the security implications are fully assessed before the change is made. We can confirm that the modification to change the definition of User Systems has been discussed with the relevant security expert groups including the SEC Panel Security Sub-Committee.

Summary of government conclusion and any changes to the consultation legal drafting

Government intends to use Section 88 powers to convert the transitional variations listed in the September 2016 SEC Consultation to enduring variations, without change to the policy or legal drafting.

¹⁵ Transitional variations to G2, L13 and definitions in relation to Smart Card Tokens and Personnel Authentication Certificate Applications were made in a letter of direction of 12 July 2016: www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/secretary-of-state-variations/2016-07-12-government-response-dccki-live.pdf?sfvrsn=2. A transitional variation to H3,22 and for the definition of "User Systems" was made in a letter of designation of 3 June 2016: www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/sec-4.11/2016-06-03-government-response-uep-and-dccki-activation-consultation.pdf?sfvrsn=2

Final Legal Text Affected

SEC/Licence Section	Content
SEC:	No changes have been made to the legal drafting following the consultation.
Section A	<p><u>SEC Section A</u> Definitions inserted for:</p> <ul style="list-style-type: none"> • Personnel Authentication Certificate • Personnel Authentication Certificate Application; and • Smart Card Token • Modification of the definition of ‘User Systems’ to exclude systems that are used to communicate with the SMKI Repository and communications with the SMKI Issuing Authorities in relation to Devices that do not have an SMI Status of “commissioned” or “installed not commissioned”
G2.36 to G2.38	<ul style="list-style-type: none"> • G2.36 to G2.38 – modifications to include reference to Smart Card Tokens.
H3.22A	<ul style="list-style-type: none"> • H3.22A – requirement for Parties intending to become Users to provide forecasts as if they are Users, where they expect to submit Service Requests.
L13.3	<ul style="list-style-type: none"> • L13.3 –provisions expanded to recognise that DCCKI Certificates may be issued in response to a Personnel Authentication Certificate Application.
L13.13	<ul style="list-style-type: none"> • L13.13 provisions relating to the DCCKI Interface Design Specification may set out the procedure by which a DCCKI Authorised Subscriber and the DCC communicate.
L13.14	<ul style="list-style-type: none"> • L13.14 DCCKI Code of Connection may specify any requirements on a DCCKI Authorised Subscriber.
L13.43 to L13.44	<ul style="list-style-type: none"> • L13.43 to L13.44 - obligations on DCCKI Eligible Subscribers, in relation to DCCKI Certificate Signing Requests, extended to apply also to Personnel Authentication Certificate Applications.
L13.45	<ul style="list-style-type: none"> • L13.45 – Obligations on DCCKI Eligible Subscribers, in relation to

	<p>any DCCKI Certificate issued to them in response to a DCCKI Certificate Signing Request, extended to apply also to any Personnel Authentication Certificate issued to them in response to a Personnel Authentication Certificate Application.</p>
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3.4 Definition of RDP Systems

Summary of Issue under Consideration

The definition of RDP Systems is closely aligned to the definition of User Systems. The previous section explains that we are making enduring changes that we originally made as a transitional variation to the definition of User Systems. In particular, we are removing from the definition of User Systems explicit references to systems that are (i) used to communicate with the SMKI Repository and (ii) used to communicate with the SMKI Registration Authorities in relation to Devices that are not installed in premises.

The consultation document outlined that equivalent changes to the definition of RDP Systems would also be made. The changes proposed removed from the definition of RDP Systems a reference to those systems that are used to communicate with the SMKI Repository. RDPs are not Eligible Subscribers for Device Certificates and hence should have no communications with the SMKI Registration Authorities in relation to Devices whether they are installed or not. To align to the second change to User Systems (i.e. the removal of references to systems used to communicate with the SMKI Registration Authorities in relation to Devices not installed in premises) we proposed to simply remove from the definition all references to communications with the Device Certification Authority (DCA).

Government Consideration of Issue

81. Six large suppliers, one independent supplier and the DCC responded to the consultation question relevant to this issue. All respondents supported the need to change the RDP Systems definition and the legal drafting proposed.

Summary of government conclusion and any changes to the consultation legal drafting

We will amend the RDP Systems definition in accordance with the proposal detailed in the September 2016 Consultation on Smart Energy Code and Licence Amendments.

Final Legal Text Affected

SEC/Licence Section	Content
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Section A: RDP Systems definition	<ul style="list-style-type: none"> - Remove references to DCA - Remove limb (b) (iii)
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3.5 Changes to the Supply Licence Conditions, the DCC Licence and the SEC to accommodate multiple versions of Technical Specifications and multiple versions of DUIS

Summary of Issue under Consideration

In the September Consultation we proposed a range of measures for managing the interactions between the Technical Specifications, GBCS and CPA Security Characteristics that included proposals for:

- version numbering;
- introducing the concepts of Installation Validity Periods and Maintenance Validity Periods;
- introducing equivalent Applicability Periods for versions of GBCS;
- the SEC to include Technical Specification Applicability tables setting out the interactions between the Technical Specifications, GBCS and the CPA Security Characteristics;
- amended provisions requiring the Panel to provide a Technical Specification Compatibility Matrix;
- changes to supply licence conditions relating to the provision, installation and maintenance of smart metering devices in light of these changes;
- associated changes to the DCC licence; and
- provisions for dealing with multiple versions of the DCC User Interface Specification (DUIS).

Government consideration of issue

82. Fifteen respondents responded to these proposals, all of whom generally agreed with them, although several raised issues of detail which included:

- sufficient notice should be given for cross-over periods and end-dates;
- the number of versions of the specifications in effect at any time should be minimised;
- that the matrices would become more complex over time;
- that the duration of Maintenance Validity Periods (MVPs) should be set to match the lifetime of the relevant assets;
- that there should be provisions allowing for a “return” to an earlier version of a Technical Specification where, for example, an upgrade proves unsuitable;

- that an expert group should be convened to work through the various installation and maintenance scenarios and put in place the necessary processes to ensure success;
 - that the assumption that an upgraded communication hub would remain compatible with an IHD was unlikely, and that DCC should ensure that this was the case through testing with assets deployed;
 - that further information should be provided as to how the Compatibility Matrix will be populated over time and that the matrix should be extended to cover DUIS versions which support the latest version of GBCS;
 - why, unlike SMETS, it is assumed that changes to CHTS would be made retrospectively as a matter of course;
 - whether there would be any additional obligations on DCC to support the management of the proposed approach;
 - that GBCS should be defined as a Technical Specification;
 - that there should be provisions setting out the timescales for installation of Devices which comply with an older version of a Technical Specification (i.e. how much time suppliers have to install against an older Technical Specification when a new one is introduced);
 - that changes may be needed to the CPL if a single device will be associated with more than one GBCS or Technical Specification version;
 - whether firmware updates to a device would trigger a change to the version of a Technical Specification or GBCS; and
 - that there may be issues over whether suppliers could procure and implement the required modifications on reasonable terms from Meter Asset Providers or meter manufacturers.
83. We agree that sufficient notice should be given for cross-over periods and end-dates, although precisely what notice is given in each case will be determined at the time that any new specification is introduced. In general we are expecting that the IVP of a Principal Version of SMETS would continue for 12 months after a new Principal Version was introduced. This is not however stipulated in the drafting. The appropriate notice period would need to be specified as part of the code modification that introduces the new SMETS version and the appropriate period would need to be determined in the context of the specific modification.
74. We also agree that new versions of specifications should not be introduced without an appropriate justification for doing so, and hence that new versions should only be introduced where necessary. On an enduring basis this will be a matter for industry to manage.
84. The government accepts that the matrices will become more complex over time. Part of the reason for bringing these matters altogether in one place is to provide as clear a picture as possible for those involved.
85. From a maintenance perspective, the amount of notice that will be given for cross-over periods and end dates and, as with IVPs, the duration of the MVPs will also be a matter for future code modifications that introduce the new

specifications. However, in general we agree with giving those affected as much notice as possible and, unless there is a good reason not to, setting MVPs to match the lifetime of assets.

86. It is accepted that there may be certain circumstances in which a reversion to an earlier version of a technical specification is necessary and, as explained in section 1.2 we have amended the licence obligations to permit this. The obligation to avoid a backwards step is now written as an “all reasonable steps” obligation rather than as an absolute requirement.
87. We recognise that it may be appropriate for an existing or new expert group to work through the various installation and maintenance scenarios and put in place any necessary processes to ensure success. We believe that this would be most suitably progressed under the enduring governance processes.
88. We do not propose to prescribe the required extent of any testing of new Communications Hubs against existing devices. However, where a new version of CHTS is introduced, the code modification to introduce it should set out any additional testing over and above that already required by the DCC licence and the SEC (including where applicable against deployed devices including IHDs) that should be undertaken as a consequence. For example, it is possible that in some cases there will be no impact on deployed devices (e.g. if there is a change solely to the physical characteristics of a Communications Hub) which does not require any such testing.
89. The Compatibility Matrix will be populated over time by making amendments to it each time a new version of any relevant document is introduced into the SEC. We agree that the Compatibility Matrix should be extended to identify which version of DUIS supports which version of GBCS and we have made changes to reflect this. We are expecting that the latest version of DUIS will typically support all versions of GBCS that have an active Applicability Period, but that older versions of DUIS may not necessarily support newer versions of GBCS. We have also simplified the compatibility requirements to remove them from the definitions of Smart Metering System and Relevant Communications Hub such that they apply only as part of the maintenance obligations.
90. Our view that retrospective changes would be more likely to apply to CHTS was based on an expectation that installed Communications Hubs would typically be upgraded to be compatible with new devices. However whether or not this is the case is a matter for consideration at the time of the introduction of a new version of CHTS and the proposed drafting changes do not require this to be the case. We will continue to keep under review the arrangements applying to the introduction of new versions of CHTS, including the obligations on DCC as further information on the introduction of the new version to support dual band Communications Hubs emerges. We do not agree that it is appropriate to re-define GBCS as a Technical Specification. The SEC and licence obligations treat GBCS differently to SMETS and CHTS and we therefore continue to believe that retaining the term “Technical Specification” for SMETS and CHTS only is the most convenient drafting approach. GBCS versions nevertheless do form part of the SEC and are subject to its change management arrangements.

91. We acknowledge that there may be circumstances in which a single device model may be associated with more than one version of GBCS or Technical Specification. However this would only be the case where there was no material difference between the functional requirements that the GBCS or Technical Specification placed on compliant devices. Consequently we do not believe that it matters which version of GBCS or Technical Specification is recorded against the device model on the CPL in these circumstances.
92. We accept that firmware updates to a device could result in a change to the version of a Technical Specification or GBCS with which it is compliant, but do not consider that any SEC changes are needed as a consequence.
93. Finally, we do not believe that the proposals for multiple technical specifications should require the introduction of overly onerous terms between suppliers and meter manufacturers/MAPs. For example whilst we believe it is necessary for the framework to provide for the possibility, any retrospective change to meters would be likely to be the exception to the rule rather than commonplace. Consequently, it would normally be expected that the Maintenance Validity Period would be set to allow meters to be maintained to comply with a single specification over their natural lifetime rather than forcing any replacement.
94. On the issue of multiple versions of DUIS, the following comments were received:
- that an obligation should be placed on DCC to minimise (where possible) the impact that any subsequent version of DUIS may have on its Users;
 - that any matrices relating to this and the interoperability of technical specifications are regularly updated and maintained;
 - that suppliers must be afforded time to manage these events to ensure their systems line up correctly;
 - that there are currently multiple versions of DUIS and MMC and that it may be helpful if an approach for managing the different versions is developed;
 - that a new version of the MMC and associated Parse and Correlate software may be introduced without the need for a new DUIS;
 - that Section A3.34 might benefit from specifying the maximum number of permitted versions;
 - that more than one MMC and P&C version may be associated with a single DUIS, and that the requirement to provide a separate version of the P&C software should relate to each MMC version, not DUIS; and
 - that clarification as to how the details of the various versions of documents and software are to be communicated by DCC needs to be provided.
95. Whilst we accept that, where practicable, the impact on Users of multiple versions of DUIS should be minimised, we do not believe that an additional obligation should be placed on DCC to do this. Condition 5 of the DCC licence already requires, amongst other things, that the DCC acts in a manner that is

most likely to ensure the development and operation of the efficient and co-ordinated provision of its services and we believe that this implicitly includes a requirement on DCC to take account of the impact of its actions on others.

96. In light of the comments on interactions between MMC, DUIS and Parse and correlate software, we propose to introduce a “Parse and Correlate Applicability Matrix” that sets out the relationship between versions of the Parse and Correlate Software, DUIS, the DUIS XML Schema, the MMC and GBCS. Unlike the TS Applicability Tables which include Maintenance Validity Periods (MVPs), Installation Validity Periods (IVPs) and other matters that directly affect licence obligations, this matrix is solely for information and hence we do not think it needs to form part of the Code. Instead we propose that SECAS should publish the matrix on the SEC website and keep it up to date using information provided by DCC.
97. This matrix will identify the relationships between, for example, a new version of the MMC and Parse and Correlate Software, even where there has been no associated change to DUIS.
98. We do not believe that it is necessary to explicitly limit the maximum number of versions of DUIS (not least because it would not have much legal effect given that if a SEC Party wished to seek to introduce a version above a specified maximum, they could simply propose to change the maximum number as part of the modification to add the extra version). The costs and complexity of having multiple versions should however be taken into account when introducing any new one.
99. We recognise that a new version of the Parse and Correlate software may be introduced as a consequence of the introduction of a new version of the MMC, a new version of DUIS or even where neither change. We believe that the obligations in H11 when coupled with our additional proposed text in Section A are sufficient to cover all of these circumstances. The additional proposed text in A states that the obligation on DCC to provide Parse and Correlate Software shall be:
- “interpreted as an obligation to provide a separate version of the Parse and Correlate Software in respect of each version of the DCC User Interface Specification (and the corresponding version of the Message Mapping Catalogue)”*
100. Our additional proposals on a further matrix setting out the relationships between versions of DUIS, MMC, GBCS and Parse and Correlate software will be the vehicle through which any necessary information is communicated to interested parties.

Summary of government conclusion and changes to the consultation legal draft

We will amend the SEC, the standard conditions of gas and electricity supply licences and the conditions of the DCC licences in accordance with the proposals set out in the September 2016 Consultation with the changes identified above summarised in the Final Legal Text Affected table below.

Final Legal Text Affected

Summary of new SEC Provisions

Changes to definitions and a New Section A3 of the SEC

We originally proposed a new Section A3 setting out validity periods and interactions between various versions of technical specifications, including:

- The approach to version numbering
- An explanation that new Principal Versions have prospective effect and new Sub-Versions have retrospective effect
- An explanation of IVP and MVP
- An explanation of how Versions will be maintained within the SEC
- Explaining that the version numbering also applies to GBCS and the CPA Security Characteristics
- Explaining that for GBCS there is an Applicability Period, and that for the CPA Security Characteristics, any reference to retrospective changes are interpreted to apply on re-certification of the Device Model
- Explaining how GBCS is relevant to a Technical Specification and how the CPA Security Characteristics are relevant to GBCS
- Explaining that there may be multiple DUISs and associated versions of MMC and Parse and Correlate software and explaining how the SEC is interpreted if and when this arises.
- A number of definitions in Section A were added or amended in support of this drafting.

In response to the consultation, we have :

- i) clarified that the first version of the TS Applicability Tables will be introduced into the SEC using a direction under Section X5 of the SEC. We propose to do this in the New Year to coincide with the introduction of these changes into the SEC after they have been laid before Parliament.
- ii) clarified that a Technical Specification may not necessarily have to have an Installation Validity Period (for example in circumstances where a retrospective change is made to an existing specification that is valid for maintenance only)
- iii) changed the arrangements that apply to multiple DUISs, including to set out that each extant version of DUIS must contain a different DUIS XML Schema; that there may be one or more associated versions of MMC; that the DUIS XML Schema version in a Service Request identifies the DUIS in accordance with which the Service Request has been submitted; and to require the publication of the Parse and Correlate Applicability Matrix by SECAS (populated with

Change to F2.11

<p>Change to supply licence conditions</p>	<p>information provided by DCC).</p> <p>iv) have made a number of associated changes to the definitions and added in new definitions to support the additional matrix – i.e. DUIS XML Schema and the Parse and Correlate Applicability Matrix; and</p> <p>v) made a number of other minor changes.</p> <p>We proposed changes to clarify that for the purposes of compatibility, the matrix should set out the compatibility between each Technical Specification and each relevant Version of GBCS and other Technical Specification and relevant Version of GBCS.</p> <p>Further to the consultation comments, we have expanded this section to additionally refer to “parts” of SMETS in light of the references made to “compatibility” in the licence conditions. Unlike in the SEC, in licence conditions a reference to a Technical Specification is to a part of the SMETS (or CHTS) not the entire document and this expansion has been necessary to ensure that the licence obligations can be appropriately interpreted in light of this.</p> <p>In the September consultation we proposed changes to:</p> <p>Conditions 39.12 to 39.15 (electricity), 33.12 to 33.15 (gas)</p> <ul style="list-style-type: none"> - Requirement to maintain Smart Metering Systems to meet a Technical Specification with a valid MVP, to retain compatibility with other devices in the premises and “no backward step” requirements. <p>Conditions 39.16 to 39.18 (electricity), 33.16 to 33.18 (gas)</p> <ul style="list-style-type: none"> - Requirement that where a Smart Metering System is removed in its entirety and is replaced with another, the replacement does not constitute a “backwards step”. <p>Conditions 40.13 to 40.15 (electricity), 34.13 to 34.15 (gas)</p> <ul style="list-style-type: none"> - Requirement that an IHD is maintained during the Relevant Period to a version of SMETS with a valid MVP and that there is no backwards step. <p>Condition 41.9 (electricity), 35.9 (gas)</p> <ul style="list-style-type: none"> - Circumstances in which costs related to providing a Smart Metering System or associated device may be recovered from a consumer other than as an increment of charges for electricity or gas supplied to them. <p>Condition 49.23 (electricity), 43.23 (gas)</p>
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<p>Changes to DCC Licence</p>	<ul style="list-style-type: none"> - Provisions relating to the In-Home Display. <p>Condition 50.10 (electricity), 44.10 (gas)</p> <ul style="list-style-type: none"> - Requirement that in the circumstances that where 50.9 applies and subject to 50.11, Replacement Apparatus must form part of a Smart Metering System. This implicitly requires the new Smart Metering System to meet Technical Specifications with an active IVP. <p>Condition 52 (electricity), 46 (gas – PPMID only)</p> <ul style="list-style-type: none"> - Removal of obligations relating to installation of PPMIDs and HCALCs. - Requirement that PPMIDs and HCALCs are maintained to a Technical Specification with an active MVP and no backwards step and compatibility obligations. <p>Condition 53 (electricity), 47 (gas)</p> <ul style="list-style-type: none"> - Deleted as matters relating to Technical Specifications are now dealt with in the Smart Energy Code. <p>We also proposed a number of other minor consequential changes in other conditions and made changes to a number of definitions.</p> <p>In light of the consultation responses we have:</p> <ul style="list-style-type: none"> (i) made a number of changes to the definitions. For example we have added a new definition of “Metering Equipment Section” of the SMETS that has allowed a simplification of a number of other definitions (e.g. HAN Interface, SMETS); (ii) simplified the definitions of Relevant Communications Hub and Smart Metering System by removing from them the proposed compatibility obligations. Instead the compatibility obligations apply only through the maintenance obligations in electricity standard conditions 39, 40 and 52 (and, where relevant the gas equivalent standard conditions); (iii) clarified that where an individual device (e.g. an HCALCS, PPMID, etc.) comprises a number of component devices, each of these component devices must meet the requirements of the same Technical Specification; (iv) changed the obligations relating to maintenance so that the licensee must take all reasonable steps to avoid a backwards step – rather than prohibiting it; (v) clarified that suppliers connect to the SM WAN rather than establish it (e.g. in condition 41.23 electricity); and
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(vi) made a number of other minor associated changes.

We proposed a number of changes to the DCC licence to reflect the new proposals for managing multiple Technical Specifications under the SEC. These changes included amending or adding definitions, removing Part M of condition 2 (which previously provided interpretation on Technical Specifications) and making changes to Part E of condition 17 that deals with the provision and maintenance of Communications Hubs.

Other than a few minor changes to definitions to match the changes made to supply licences discussed above, we have not materially changed the proposed drafting of the DCC licence following the consultation.

3.6 Minor Miscellaneous Changes

Summary of Issue under Consideration

The consultation sought views on a number of proposed minor amendments to various sections of the SEC for the purposes of either correcting minor errors or adding further clarity to the text. A summary of these changes is set out below:

Translation into detailed requirements

Changes to H3.27 of the SEC

In our consultation on activating SEC provisions for DCC Live¹⁶, we proposed that we would not activate section H3.27 when we activated the remainder of Section H3. H3.27 requires the DCC to submit a modification proposal containing rules enabling it to prioritise Service Requests, Service Responses and Commands to be sent to Communication Hubs Functions. We proposed not to activate this text and to remove it from H3.27 because we no longer consider it necessary to require the DCC to submit such a modification proposal. Instead, DCC may raise one if it wishes.

Changes to G5.1 and G5.15

In the consultation document, we proposed to correct the title of the ISO/IEC 27005:2011 standard referenced at G5.1 and G5.15.

Changes to X5

The consultation outlined that Section X5 of the SEC currently refers to paragraphs 27, 28 and 29 of DCC Licence Condition 22 and that in July 2016, Ofgem published a new version of the DCC Licence¹⁷ with a new paragraph prior to these paragraphs, meaning that they have now been renumbered to paragraphs 28, 29 and 30 respectively. In order to re-align the SEC and the DCC Licence, we proposed an update to Section X5 of the SEC to correct the current cross-referencing discrepancy so that the SEC refers to the correct paragraphs in the DCC licence.

Definition Changes and other Miscellaneous Clarifications

In the consultation document, we proposed making minor changes to certain definitions in Section A, in order to correct errors in the previous definitions. These were:

- Definition of Notification: we proposed making minor consequential changes to the definition of Notification by replacing the reference “98/34/EC” with “2015/1535/EU”
- Definition of NSA Suite B Cryptographic Algorithm: there is no reference to the Defined Term ‘NSA Suite B Cryptographic Algorithm’, other than within the Definitions Section A. We therefore proposed to remove this term
- A change to correctly cross-reference the Registration Data Interface Documents to where they are situated in the SEC.

¹⁶ Smart Metering Implementation Programme Consultation on Activating Smart Energy Code Provisions needed for CPL Live and DCC Live. 16 August 2016. <https://www.smartenergycodecompany.co.uk/news-and-useful-links/latest-news/news-detail/2016/08/16/designation-of-remaining-sec-subsiary-documents>

¹⁷ See: <https://epr.ofgem.gov.uk/Content/Documents/Smart%20DCC%20Limited%20-%20Smart%20Meter%20Communication%20Consolidated%20Licence%20Conditions%20-%20Current%20Version.pdf>

Clarification of application of Anomaly Detection Thresholds

In the consultation document, we proposed making a number of relatively minor changes to Section G and the definitions associated with Threshold Anomaly Detection setting to clarify that Anomaly Detection Thresholds (ADTs) will be set and applied on a User ID basis. Hence for example, where a User has different User IDs for different User Roles, ADTs would be applied separately to each ID. If a User used a single User ID across more than one User Role then a single set of ADTs would apply to all relevant Service Requests sent using that User ID.

Defining an end-date for the transitional variation regarding User IDs

In our direction letter of 3 June 2016¹⁸ we implemented transitional variation to Sections H1.5 and H1.6 of the SEC to temporarily limit Parties to one identification number for each of their User Roles, and expressly did not require the DCC to accept more than one identification number from each Party for each of its User Roles. We explained that this was because the DCC had confirmed that it was unable to deliver at that time the functionality that would allow Users to use more than one User ID per User Role in accordance with the SEC requirements.

At its September 2016 meeting, the SEC Panel - which coordinates the timing and content of enduring releases - decided that the removal of this transitional variation should be targeted at a 29 June 2017 release.

The consultation outlined our intention to amend this transitional variation through a further direction letter later in the year so that it "shall apply until 30 June 2017 (or such later date as the Secretary of State may direct." An end date of "29 June 2017 (or such later date as the Secretary of State may direct) was implemented through our DCC Live direction of 8 November 2016.

Other minor corrections

In the consultation document, we also proposed a number of minor corrections arising from BEIS's final review of a number of subsidiary documents prior to their incorporation into the SEC. The changes proposed were as follows:

- to add the following words at the end of the definition of Certificate in Section A: "(or, for the purposes of any Certificate Policy in which the term is defined, it shall have the meaning ascribed to it in that Certificate Policy)".
- to add a new definition in Section A as follows: "'IKI File Signing Certificate' means an IKI Certificate issued by the IKI File Signing Certification Authority." We have also added a definition of 'IKI File Signing Certification Authority'.
- To amend section L3.20 (IKI Certificates) of the SEC by the addition, after the words "IKI Certificate", of the following words: "in the circumstances set out in the IKI Certificate Policy".
- To amend Appendix Q (IKI Certificate Policy) of the SEC by replacing the words "IKI File Signing Certificate Authority" in the definition of Eligible Subscriber with the words

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<https://www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/sec-4.11/2016-06-03-government-response-uep-and-dccki-activation-consultation.pdf?sfvrsn=2>

"IKI File Signing Certification Authority", and to add definitions of "File Signing Certificate" and "IKI Certificate Revocation List".

- To amend Appendix X (Registration Data Interface Specification) of the SEC by replacing the words "Organisation Certificate Policy" in the definition of Issuer with the words "DCCKI Interface Design Specification".

Government Consideration of Issue

101. We received eight responses to the question. Seven of the answers were positive to the changes that were proposed in the consultation.
102. One response indicated that H3.27 should be activated as they thought that it was important that there is prioritisation of messages.
103. The government considers that the H3.27 obligation is unnecessary as the DCC and other SEC Parties have the opportunity to bring forward SEC Modification Proposals to enable the DCC to provide services as efficiently and effectively as possible. On that basis it is primarily up to the DCC to decide whether it has sufficient capacity to cater for all messages without the need for prioritisation and to raise a Modification Proposal if thought necessary to allow it to actively manage the level of use of its systems. If the DCC does have sufficient capacity, requiring the DCC to make a Modification Proposal could impose costs with no added benefit.

Summary of government conclusion and any changes to the consultation legal drafting

We conclude that it is appropriate to adopt all of the outstanding changes proposed in the September 2016 consultation relating to the Minor Miscellaneous Changes

Final Legal Text Affected

SEC/Licence Section	Content
Changes to SEC Section A	No change from text proposed in September 2016 SEC consultation. We have amended the definition of 'Certificate' by adding the following words at the end: "(or, for the purposes of any Certificate Policy in which the term is defined, it shall have the meaning ascribed to it in that Certificate Policy.)" We have added a new definition for IKI File Signing Certificate and IKI File Signing Certification Authority. We have made minor changes to the definitions of Notification by updating its reference. We have removed the definition of NSA Suite B Cryptographic Algorithm. We have modified the definition of Anomaly Detection Threshold.
Changes to SEC Section G	No change from text proposed in September 2016 SEC consultation. We have amended G6.3(a) to clarify the application of Anomaly Detection Thresholds. We have also made minor drafting changes in G5.1(a) and

	G5.15(a).
Changes to SEC Section H3	No change from text proposed in September 2016 SEC consultation. We have removed the text in H3.27 and replaced with “not used”
Changes to SEC Section L3.20, Appendix Q and Appendix X	No change from text proposed in September 2016 SEC consultation. We have made changes in line with the ‘Other minor corrections’ identified above.
Changes to SEC Section X	We have updated Section X5 to re-align the SEC to cross-reference to the correct paragraphs in the latest version of the DCC Licence.

Annex A: SEC Legal Text

A marked up version of the SEC covering the associated concluded SEC legal text drafting will be published separately alongside this document.

Annex B: Electricity and Gas Supply Licence Conditions Text

A marked up version of the associated concluded Electricity and Gas Supply Licence legal text drafting will be published separately alongside this document.

Annex C: DCC Licence

A marked up version of the associated concluded DCC Licence legal text drafting will be published separately alongside this document.



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Department for Business, Energy & Industrial Strategy
3 Whitehall Place, London SW1A 2AW
www.gov.uk/beis