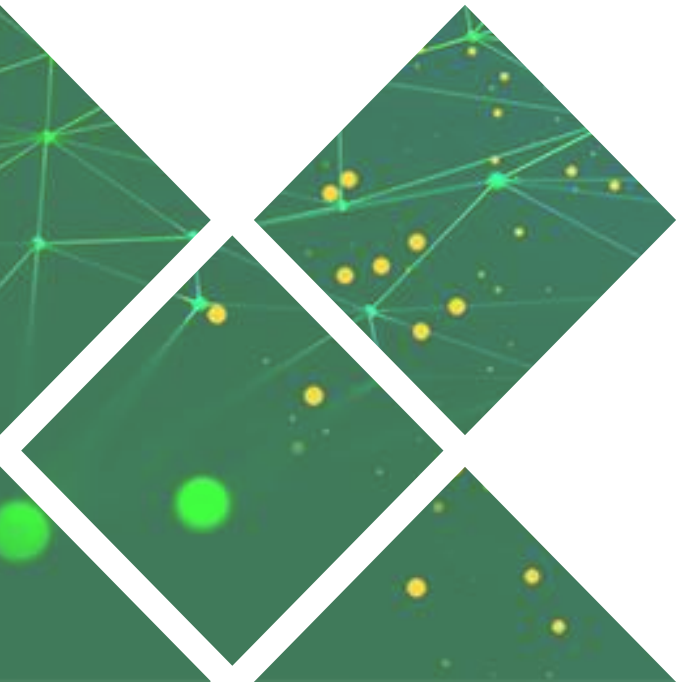


INTRODUCTION TO THE SEC

NOVEMBER 2025

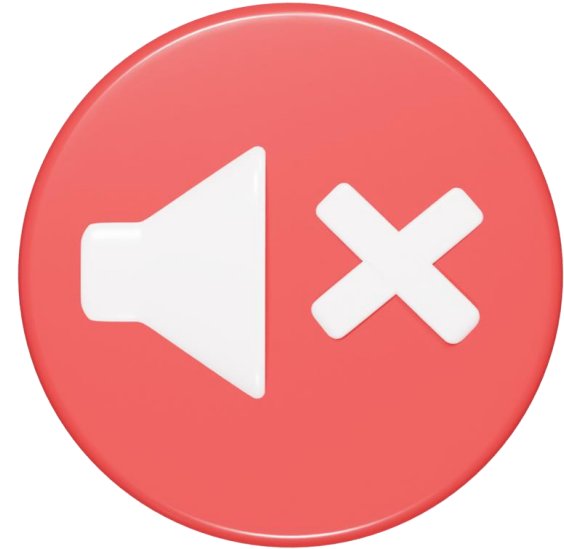




WELCOME AND HOUSEKEEPING

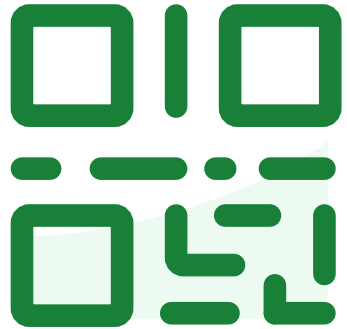
OLI MEGGITT

HOUSEKEEPING



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#4122716**

① Start presenting to display the joining instructions on this slide.

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What aspect of the SEC are you most interested in learning more about?

① Start presenting to display the poll results on this slide.

AGENDA

- Welcome & Housekeeping
- What is the SEC?
- SEC Insights – Key topics & priorities
- What are my key obligations?
- How do I become a DCC User?
- How do I comply?
- How can I change things?
- How can I influence discussions?
- Where can I get support?
- Q&A



WHAT IS THE SEC?

OLI MEGGITT

WHAT IS THE SEC?

The Smart Energy Code (SEC) governs the enduring (installed) smart metering arrangements. The Code sets out the market rules for security, privacy, standards and ways of working with the Data Communications Company (DCC)

2013



SECCo established - Service delivery through a fully-outsourced contract for Code Administration and Code Secretariat contract

2023



Thorough review of SEC operations based on the changing landscape of the energy sector, and the crucial role smart meters have in the push for Net-Zero

2024



SECCo Board approved a new Target Operating Model (TOM); the decision to introduce new roles under SECCO
SECCo Executive Team appointments started in Jun '24

2025



Established Special Purpose Vehicle (SPV) to bid for SMCL2
Focus on operational delivery including non-communicating meters

SEC and smart metering arrangements are critical enablers for electricity flexibility services and achieving clean power by 2030 – smart meters/data are a key requirement for Suppliers, Distribution companies and others

PURPOSE OF THE SEC – THE SEC OBJECTIVES



To facilitate the efficient provision, installation, operation, and interoperability of Smart Metering Systems



To facilitate innovation in the design and operation of Networks for the delivery of a secure and sustainable Supply of Energy



To enable the DCC to comply at all times with the General Objectives of the DCC



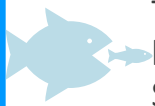
To ensure the protection of Data and the security of Data and Systems



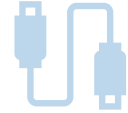
To facilitate Energy Consumers' management of their use of electricity and gas



To facilitate the efficient and transparent administration and implementation of this Code



To facilitate effective competition between persons engaged in the Supply of Energy



To facilitate the establishment and operation of the Alt HAN Arrangements

■ WHAT ARE ENERGY CODES?

Governance of the gas and electricity markets
Detailed sets of rules that dictate market participation and operation

11 Energy Codes
Over 10,000 pages of rules!

**Energy
Code
Reform**

Reformed Code Governance

- **Electricity commercial code**
- **Electricity technical code**
- **Gas network code**
- **BSC, REC and SEC**

➔ Code Managers

■ WHO CAN JOIN THE SEC?

Categories	Criteria
Large Supplier	Supplier licence with more than 250,000 Domestic Customers
Small Supplier	Supplier licence with less than 250,000 Domestic Customers
Electricity Network	Electricity Distribution licence
Gas Network	Gas Transportation licence
Other SEC Party	Any organisation or natural person that does not fit the above criteria

Are there any application restrictions?

You are unable to become a SEC Party if your Party was expelled from the SEC less than 12 months prior to the new Accession application date.

Companies not based in the UK must have an address in the UK to receive legal notices on their behalf to accede to the SEC. (SEC outside the UK).

Overseas companies must also provide written confirmation, signed by a Company Director, that they have capacity to enter into a legal agreement with the Smart Energy Code Company (SECCo).



SEC INSIGHTS: KEY PRIORITIES.

OLI MEGGITT

LOOKING FORWARD

Immediate Operational Focuses

Improving successful first-time smart meter installs

Reducing number of Non-Operating Smart Meters

Immediate Strategic Focuses

Smart DCC Licence Renewal – DCC2

Facilitating the move from Government to SEC Governance

Preparing to become a licensed Code Manager

Embedding new SECAS contract and delivering efficiencies



SEC INSIGHTS: PERFORMANCE ASSURANCE.

BETH PROCTER

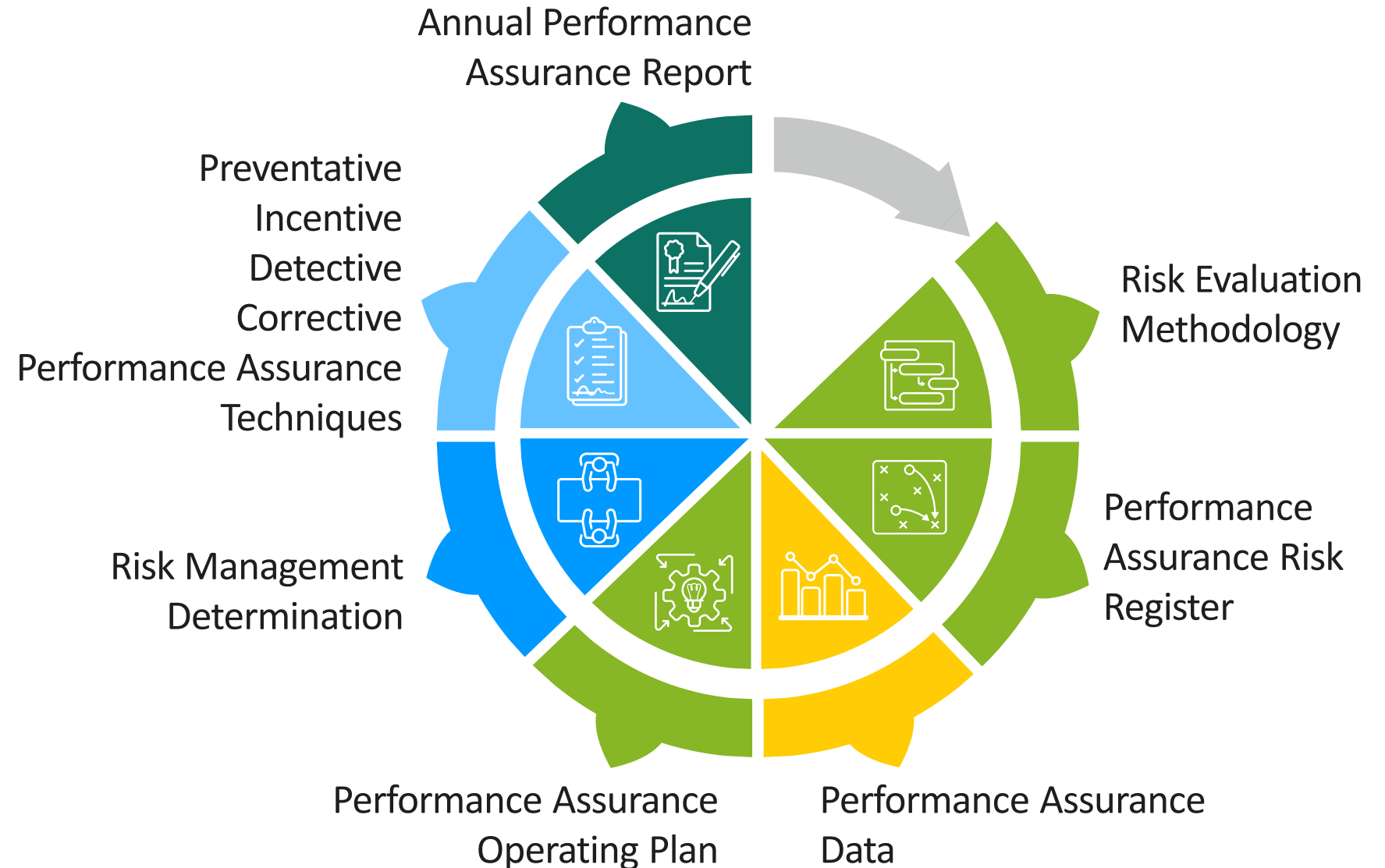
■ WHAT IS THE PAB?

Ensure the integrity and efficiency of the Smart Energy Code (SEC) by proactively identifying, managing, and mitigating performance risks and issues.

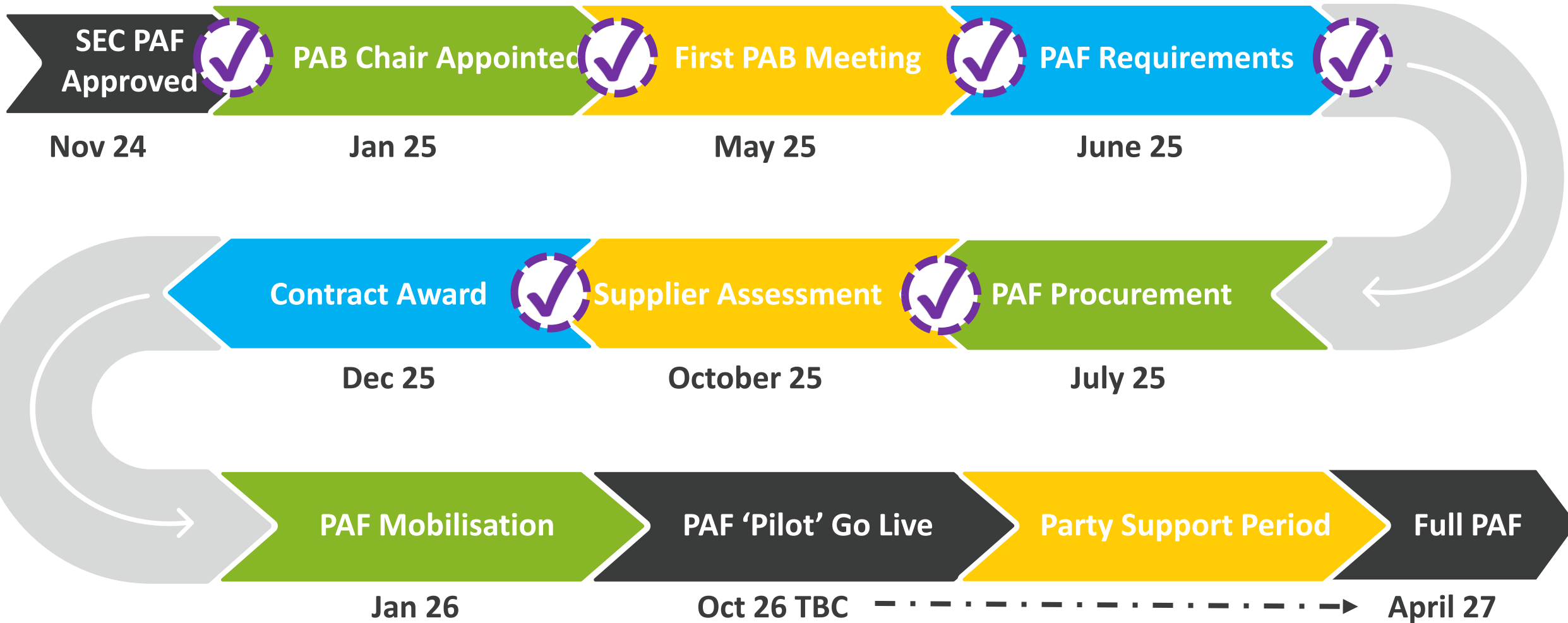
Through a structured, proportionately applied assurance framework, the Performance Assurance Board (PAB) promotes compliance, transparency, and continuous improvement, fostering confidence among SEC Parties in the effective equitable execution of their obligations.



WHAT IS THE PAF?



WHAT IS NEXT?



Beth Procter, Senior Performance Assurance Manager - PAB@seccoltd.com



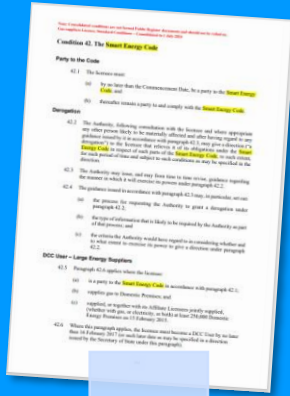
WHAT ARE MY KEY OBLIGATIONS?

TOM ROTHERY

THE HIGHWAY CODE ANALOGY...

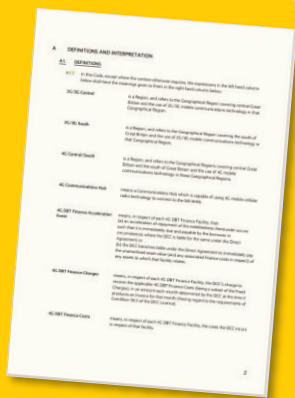
ENERGY REGULATION

Supplier,
Network
and DCC
Licences



Requirement to comply
with Licence and adhere
to the code (Licence
Obligation in Energy)

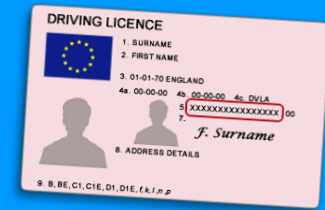
Smart
Energy
Code



Sections for non-licenced
parties (pedestrians and
OUs) - lots of the rest does
not apply

...IF WE WERE HIGHWAY USERS

Drivers
Licences -
various
types



Highway
Code



■ OBLIGATIONS AND RIGHTS



THE SEC IS NOT JUST A LIST OF RULES...

- The SEC acts as a multiparty contract between all SEC Parties
- Not only the rules of smart metering for those using DCC Services
- Also contains rights and protections (disputes, liabilities, payment etc.)



■ OBLIGATIONS AND RIGHTS



THE SEC IS NOT JUST A LIST OF RULES... BUT

- If your organisation is Licensed, your Licence requires you to comply with the SEC. If you don't, Ofgem can impose a fine, or ultimately revoke your Licence.
- For others, failure to comply can lead to an organisation's expulsion from the SEC.

KEY SEC CONTENT

Section A

- Definition of SEC Party types
- Definition of different DCC User types

Section B

- Accession and Accession agreement
- Unique Identifiers

Section C

- SEC Objectives
- Role of Panel and Governance groups; SECAS; Budget

Section D

- Modifications or 'Mods'
- Raising, refining, impact assessment and decision making

Section G

- Security Obligations for DCC and its users
- Security Assessments

Section H

- Becoming a DCC User
- DCC Service and Service Management

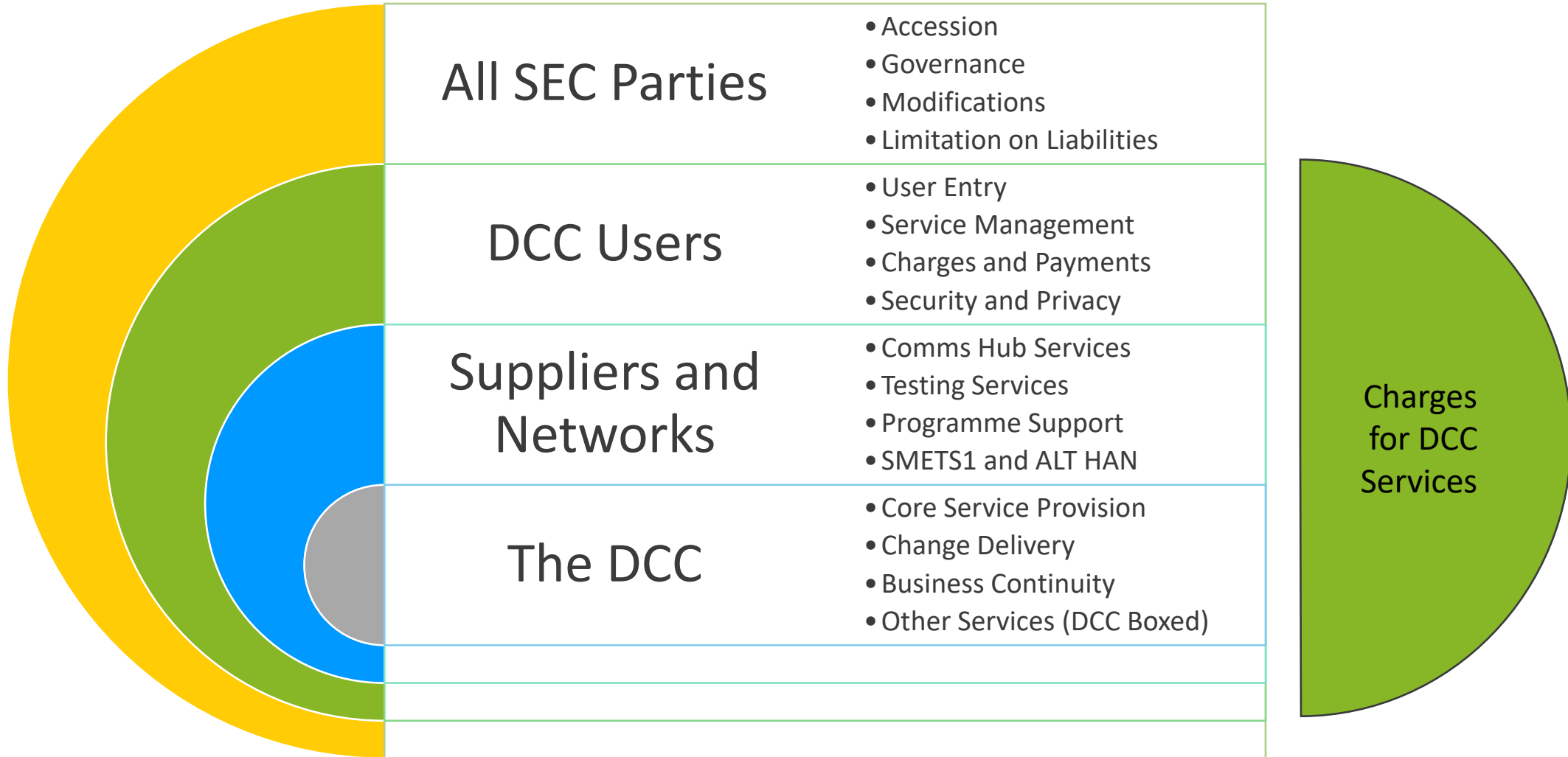
Section I

- Data privacy rules for ALL parties
- Privacy Audits for DCC 'Other Users'

Section M

- General provisions; Limitations of Liability; IPR; Confidentiality
- Disputes, Suspension; Voluntary Exit

KEY OBLIGATIONS



KEY CHARGING OBLIGATIONS

Section J

- Establishes requirement and process for the payment of DCC Charges
- Sets out how to handle events of default and management of disputes
- Credit cover obligations (for energy suppliers)

Section K

- Charging Methodology
- Charging Forecasting
- Fixed Charges and Explicit Charges

Charges
for DCC
Services

WHO PAYS FOR WHAT? (1)

Groups	Fixed Charge	CH Charge	Alt HAN Charge	Explicit Charges
Import Elec. Supplier	Y	Y	Y	Y
Export Elec. Supplier	Y	Y	N	Y
Gas Supplier	Y	Y	Y	Y
Electricity Networks	Y	N	N	Y
Gas Transporters	Y*	N	N	Y
Other SEC Parties	N	N	N	Y

Fixed Charge Core DCC System and Operational Costs	c. £575m
CH Charge Cost of provision of Comms Hub devices	c. £217m
Alt HAN Charge Cost of the Alt HAN solution	c. £20m
Explicit Charges Discretionary spend on other DCC services	c. £5m

Est. figures from 2025/26

WHO PAYS FOR WHAT? (2)

Groups	Fixed Charge	CH Charge	Alt HAN Charge
Import Elec. Supplier	92p	81p	3p
Export Elec. Supplier	15p	14p	N
Gas Supplier	69p	61p	3p
Electricity Networks	10p	N	N
Gas Transporters	0p	N	N
Other SEC Parties	N	N	N

- Charges are allocated to different SEC Parties based on their meter portfolios
- This is a simplified example based on charges for this year 25/26
- The CH Charge covers all types of Communications Hubs.
- With changes to DCC Systems, come changes to charges - e.g. the introduction of newer, 4G CHS.
- Note: these are rounded numbers, and detailed costs are on the [Charges | Smart DCC website](#)



Which SEC obligations do you find most challenging to understand or fulfil, and would like more guidance or clarification?



HOW DO I BECOME A DCC USER?

DHRUV UPADHYAYA

■ BECOMING A DCC USER

- All SEC Parties wishing to become a DCC User and use the services provided by the DCC User Interface must complete the User Entry Process (UEP).
- SECAS and the DCC will help you to meet the criteria to become a DCC User.

Why should you become a DCC User?

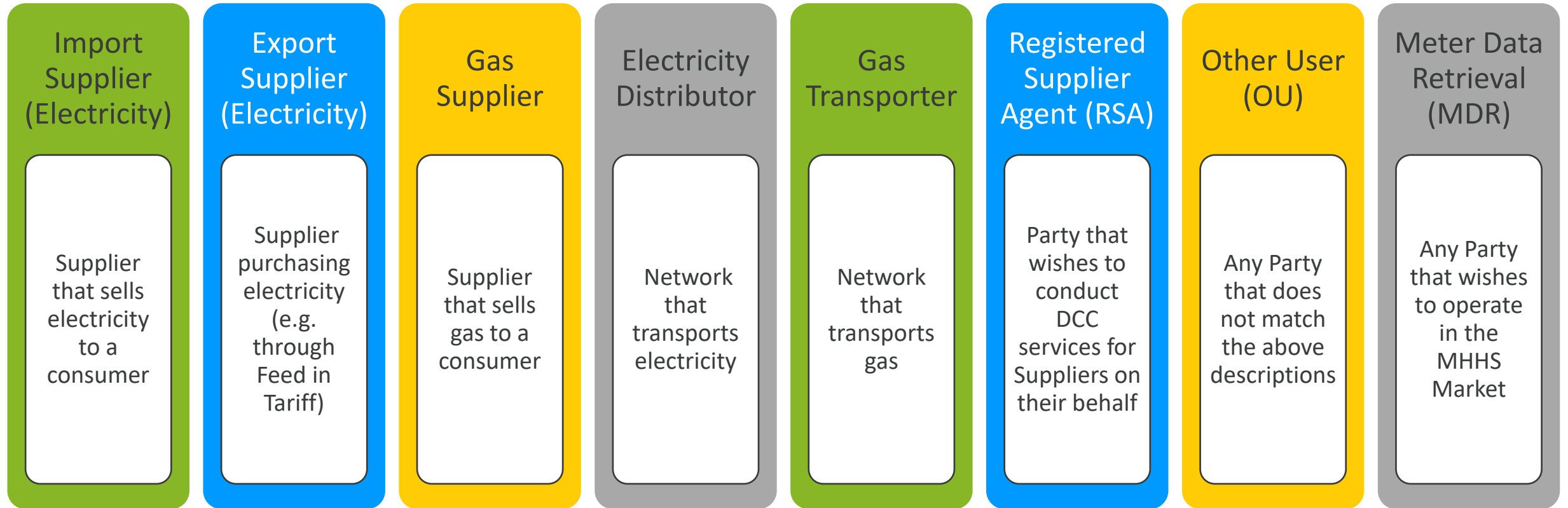
Regulatory Compliance – If you are an energy supplier or network operator, you may be required by Ofgem to use DCC services.

DCC Services – Only DCC Users can use the DCC Services; such as communicating via the DCC User Interface and enrolling Smart Metering Systems as described in [SEC Section H ‘DCC Services’](#)

Access to Smart Meter Data – Enables real-time meter data exchange, helping suppliers and other organisations improve billing accuracy and customer insights.

Support for Net Zero & Energy Innovation – Helps facilitate demand-side response, dynamic tariffs, and smarter energy management solutions.

DIFFERENT USER ROLES



The logo for the Smart Energy Code (SEC) features the letters 'SEC' in a large, bold, dark grey sans-serif font. Below each letter is a word: 'Smart' in green, 'Energy' in orange, and 'Code' in blue. The words are aligned with their respective letters.

31

■ BECOMING A DCC USER (DCC STEPS)

Join the SEC

If you're an energy Supplier or Network Operator looking for a licence, you'll need to become a SEC Party and abide by the Smart Energy Code.

Get a DCC gateway connection

To communicate securely with DCC smart metering systems and DCC Self-Service interface or test new products - you'll need a DCC User Gateway Connection. You can order one [here](#).

Build or buy a DCC User Interface (DUIS)

To start sending and receiving messages from smart metering systems and the DCC service, you'll need to use an XML web service known as the DCC User Interface Specification (DUIS). DCC's Boxed service can support your build to connect direct to DCC.

Make sure your end-to-end communication is secure

Use the Smart Metering Key Infrastructure (SMKI) for secure end-to-end communication with devices. All the steps you need to follow to get access to SMKI services in the [SMKI Registration Authority Policies and Procedures \(RAPP\)](#). Find out more about the steps you need to take [here](#).

■ BECOMING A DCC USER (DCC STEPS)

Take the tests

To become Authorised Subscribers, you need to proceed with the Smart Metering Key Infrastructure (SMKI) and Repository Entry Process Testing (SREPT) tests, in line with the SMKI Registration Authority Policies and Procedures (RAPP) and the SEC. Find out more about the tests [here](#).

Complete user entry process testing

Once you've successfully completed User Entry Process Testing (UEPT), you can then interact with the DCC systems and will need to comply with all technical requirements and specifications.

DCC to confirm if your EUI-64 IDs are accepted for each User Role

You must notify the DCC of the User IDs you intend to use for each User Role you plan to operate in.

DCC to confirm if Credit Cover is required

If your Credit Cover Requirement is above the current Credit Cover Threshold, you are required to put in place a form of Credit Cover in accordance with SEC Section J3.

■ BECOMING A DCC USER (SECAS STEPS)

Complete the Full User Security Assessment (FUSA)

All SEC Parties are required to complete a Full User Security Assessment (FUSA) as part of the UEP. You will need to undertake this Security Assessment to have access to DCC Systems.

Complete Privacy Assessment (only for Other Users)

If you wish to operate in the Other User role, you are required to complete both a FUSA and a Privacy Assessment.

User Entry Process (UEP) Evidence Form

Once you have completed the required DCC and SECAS steps, you'll need to complete the UEP Evidence Form on the SEC Website.

SUPPORT AND USEFUL LINKS

Resources

[User Entry Process Evidence Form - Smart Energy Code](#)

[SECAS Guidance Notes: DCC User Entry Process](#)

[Becoming a DCC User | Smart Energy Code](#)

[Partner with the DCC | Smart DCC](#)

[Change in SEC Party Details | Smart Energy Code](#)

[How to become a DCC User Flow Chart](#)

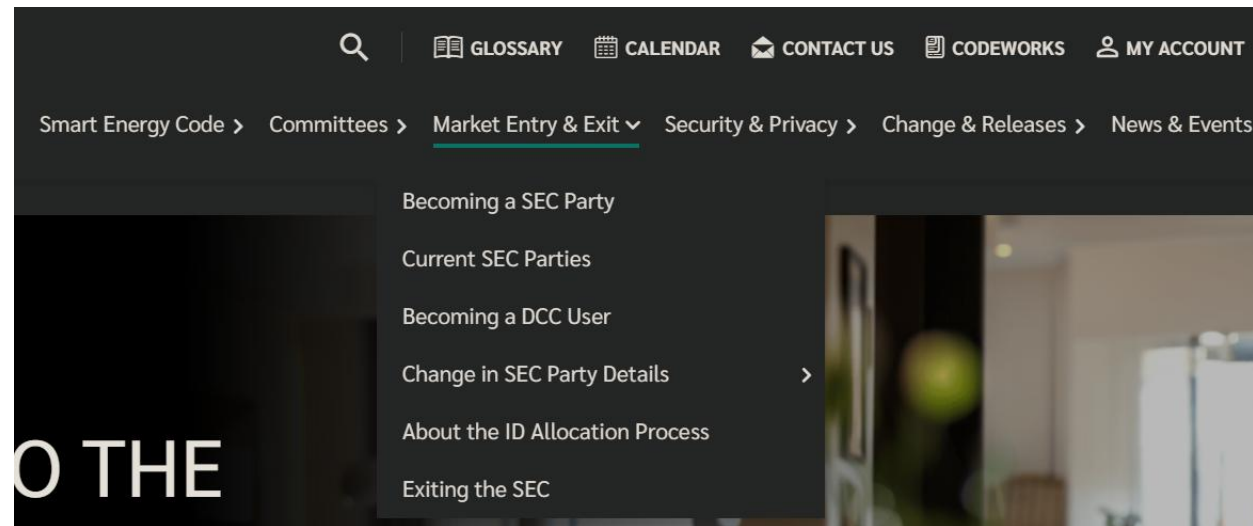
Contact Information

SECAS Helpdesk: SECAS@gemserv.com

Tel: [020 7090 7755](tel:02070907755)

DCC: ServiceCentre@smartdcc.co.uk

DCC Onboarding: Lesley.Beavis@smartdcc.co.uk





HOW DO I COMPLY WITH THE SEC?

FIONA BOND

■ USER ASSESSMENTS – COMPLYING WITH THE SEC



All Parties need Security approval to become a DCC User



DCC Users must undergo an Annual Security Assessment



The purpose - confidence to SEC Parties regarding the compliance status of each User



Assessment type and cycle vary by User Role



Users Accessing DCC in 'Other User' Role – also have to do Privacy Assessments



Guidance Frameworks provide for a consistent Assessment approach across all Users



User CIO/IPA (appointed by SECCo) conduct Assessments



SSC/PSC set the Assurance and Compliance Status

■ SECURITY OVERVIEW

- The User Competent Independent Organisation (CIO) assesses Users compliance with SEC Obligations G3 – G6
- Assessment conducted in line with Security Controls Framework
- There are three main types of Security Assessment

Full User Security Assessment

Carried out by the User CIO to check compliance with System, Organisational and Information Security obligations

Verification User Security Assessment

Carried out by the User CIO to check for any material increase in security risk since the last Full User Security Assessment

User Security Self-Assessment

Carried out by a User and reviewed by the User CIO

- Assessment type applicable will vary by User Role and Cycle

SECURITY ASSESSMENT CYCLE

	# of Domestic Premises supplied with electricity or gas	User Entry / Year One	Year Two	Year Three
Supplier Parties	More than 250,000 Domestic Premises	Full Assessment	Full Assessment	Full Assessment
	More than 50,000 Non-domestic Premises	Full Assessment	Full Assessment	Full Assessment
	$(5N) + D > 250,000^*$	Full Assessment	Full Assessment	Full Assessment
	250,000 or less	Full Assessment	Verification Assessment	Self-Assessment
Network Parties	More than 250,000	Full Assessment	Verification Assessment	Verification Assessment
	250,000 or less	Full Assessment	Verification Assessment	Self-Assessment
Other Users	n/a	Full Assessment	Verification Assessment	Self-Assessment

Table 1 – Security Assessment Frequency

* Where N is the number of Non-Domestic Premises and D is the number of Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Responsible Supplier.

PRIVACY OVERVIEW

- The User Independent Privacy Auditor (IPA) conducts the Privacy Assessment for the Other User (OU) role.
- Privacy Obligations for OU’s are outlined in SEC I1.2 to I1.5
- Assessments conducted in line with Privacy Controls Framework
- There are three types of Privacy Assessment:

	Other Users		
	Entry/Year One	Year Two	Year Three
Three Year Privacy Assessment Cycle	Full Privacy Assessment	Privacy Self-Assessment	Privacy Self-Assessment
On instruction from the Privacy Sub-Committee	Random Sample Privacy Assessment		

ASSESSMENT TIMELINE OVERVIEW

Assessment timelines – CIO/IPA, SECAS and User obligations

12 weeks prior to assessment			10 working days	5 working days		10 working days	5 working days	
Submit application to SECAS	Cancellation fee Incurred	Fieldwork Assessment	User Assessment Report	Factual Accuracy Challenge	User Management Response	SECAS validation	User CIO/IPA Validation	SSC/PSC Review
	Final 4 weeks	Up to 10 working days		<<<<15 working days>>>>				Note: SSC Occurs every 2 nd and 4 th Wednesday and PSC Occurs every 3 rd Thursday of the month

■ ASSESSMENT GUIDANCE

- The **Security Controls Framework (SCF)** and **Privacy Controls Framework (PCF)** are documents developed and maintained by the SSC and PSC with support from the User CIO/IPA and the Security and Privacy Experts
- The Frameworks:
 - Describe all the obligations in detail
 - Provide details on the end-to-end assessment process and key information for each stage
 - Advise what evidence you can show to demonstrate compliance with each obligation

KEY TAKE AWAYS

Engagement
Book your
Assessment
Early

Collaborate
Assessment
approach is
collaborative, you
can ask questions

Be Prepared
Preparation is key,
document all
processes and retain
evidence

Support
SECAS can help
with queries and
arrange calls with
User CIO/IPA pre-
Assessment

Choice
Assessments can be
conducted on-site or
virtually

Guidance
Read the SCF/PCF –
this is essential for
an efficient
assessment

CONTACT DETAILS AND USEFUL LINKS

Security and Privacy Website Pages:

Assessment Guidance:

[Security Controls Framework](#)

[Privacy Controls Framework](#)

Informative Webinars:

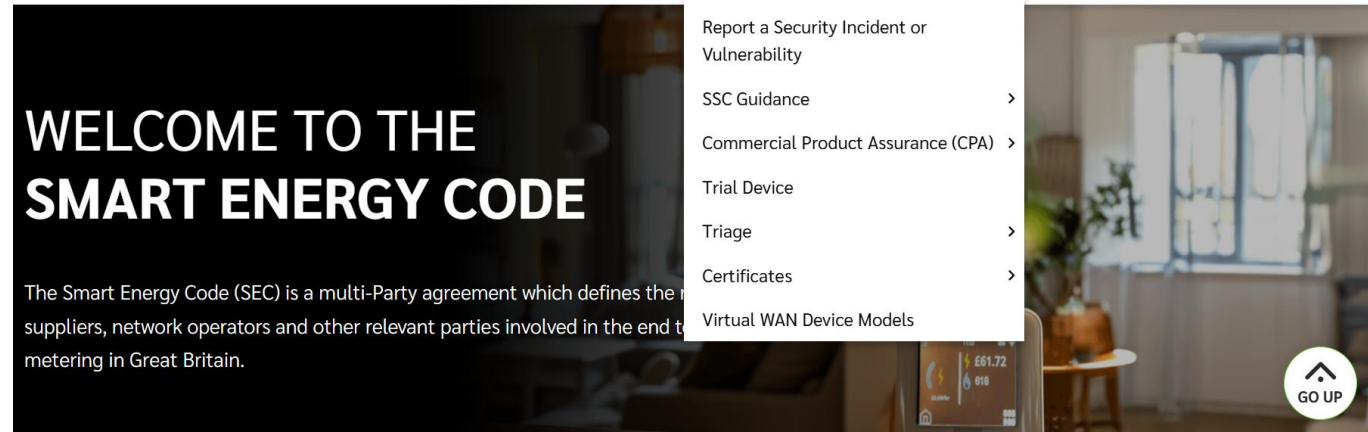
<https://smartenergycodecompany.co.uk/videos/sec-security-assessment-webinar-november-2024/>

<https://smartenergycodecompany.co.uk/videos/sec-privacy-webinar-november-2024/>

Dedicated Inboxes:

SSC@gemserv.com (Security)

PSC@gemserv.com (Privacy)





Which of the onboarding, guidance, and engagement support would be most helpful to you during the Security and Privacy Assessment (where applicable) process?



HOW CAN I CHANGE THINGS?

GEORGIE SEVERIN

■ WHY MIGHT SOMEONE WANT TO RAISE A CHANGE?

Regulatory Compliance

- **MP224** 'SEC Performance Assurance Framework (PAF)'
- **MP167A** 'Review of SEC documents (Testing Approach Document criteria)'

Industry or Technical Improvements

- **MP077** 'DCC Service Flagging'
- **MP263** 'Improving transparency of DCC indicative costs'

Correcting errors or ambiguities

- **MP272** 'SMKI Document Set Changes 2024'

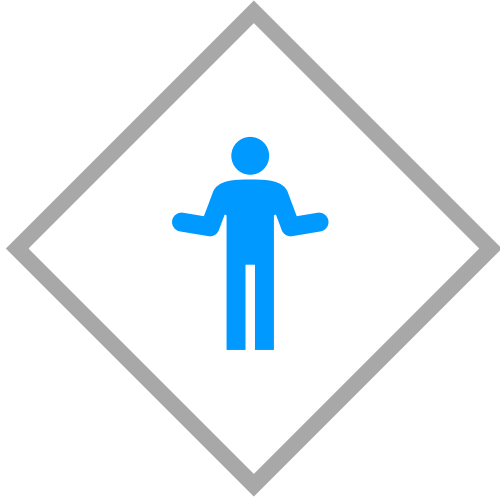
Cost reduction & Operational efficiency

- **MP239** 'Enduring Solution for Resolving SMETS2 Device Certificate Misalignment Issue'
- **MP252** 'Amending the process for Communications Hub returns'

Consumer Benefits

- **MP169** 'Managing the Consumer's refusal of a Smart Meter'
- **MP234** 'Addition of GDPR Principles of Public Task and Legitimate Interests into the SEC'

WHAT IS THE MODIFICATIONS PROCESS?

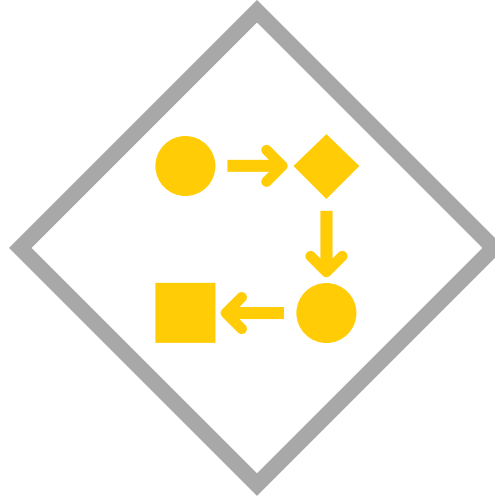


DEFINE

What is the issue we are trying to solve?

Why do we want/need to solve it?

Referred to as the **'Development Stage'**

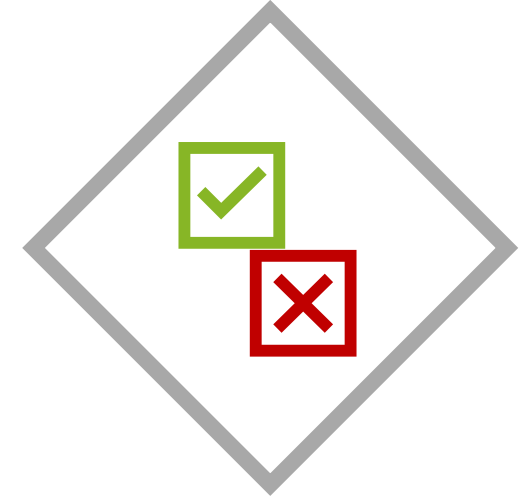


REFINE

What is the solution that resolves this issue?

Is this the only solution available?

Referred to as the **'Refinement Process'**



OPINE

Should this modification be implemented?

Industry says yay (or nay!)

Referred to as the **'Report Phase'**

■ DEFINE – BUILDING A PROBLEM STATEMENT

Raising an issue

- Email us a statement of the problem – or complete the online form
- Initial chat with the Lead Analyst

Issues Group

- Industry feedback to understand impact
- Prevents unnecessary modifications

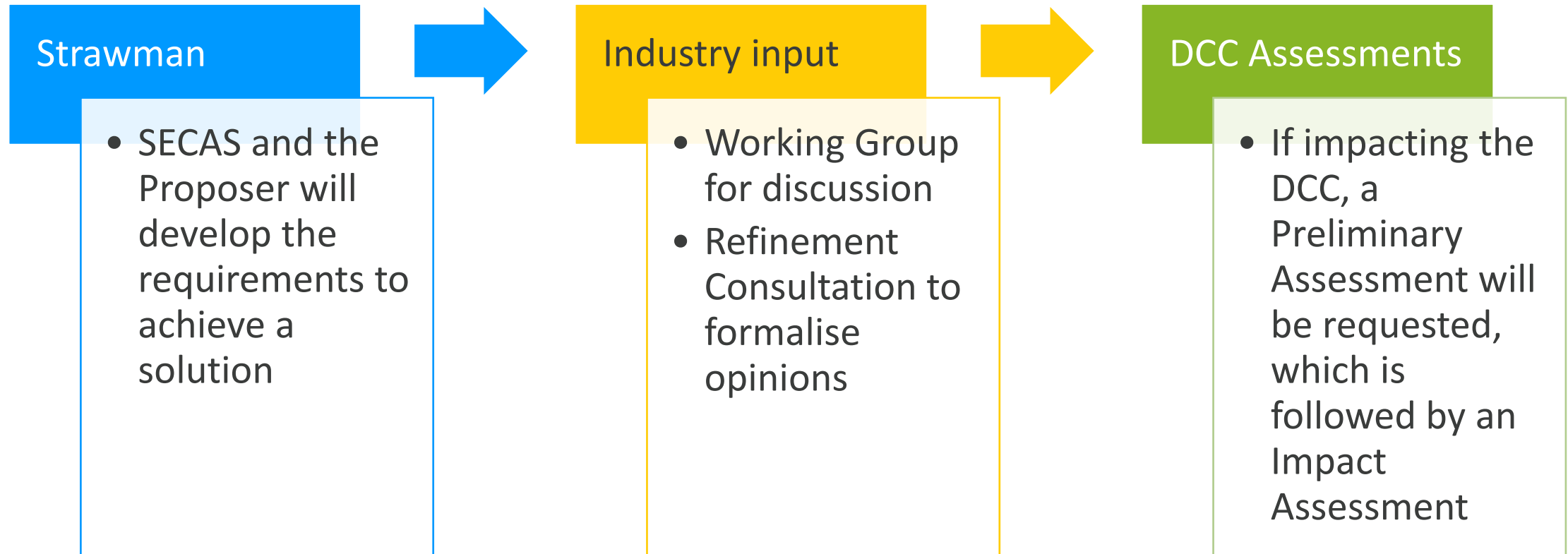
Change Sub-Committee

- Each modification is taken to the Change Sub-Committee for discussion and recommendations

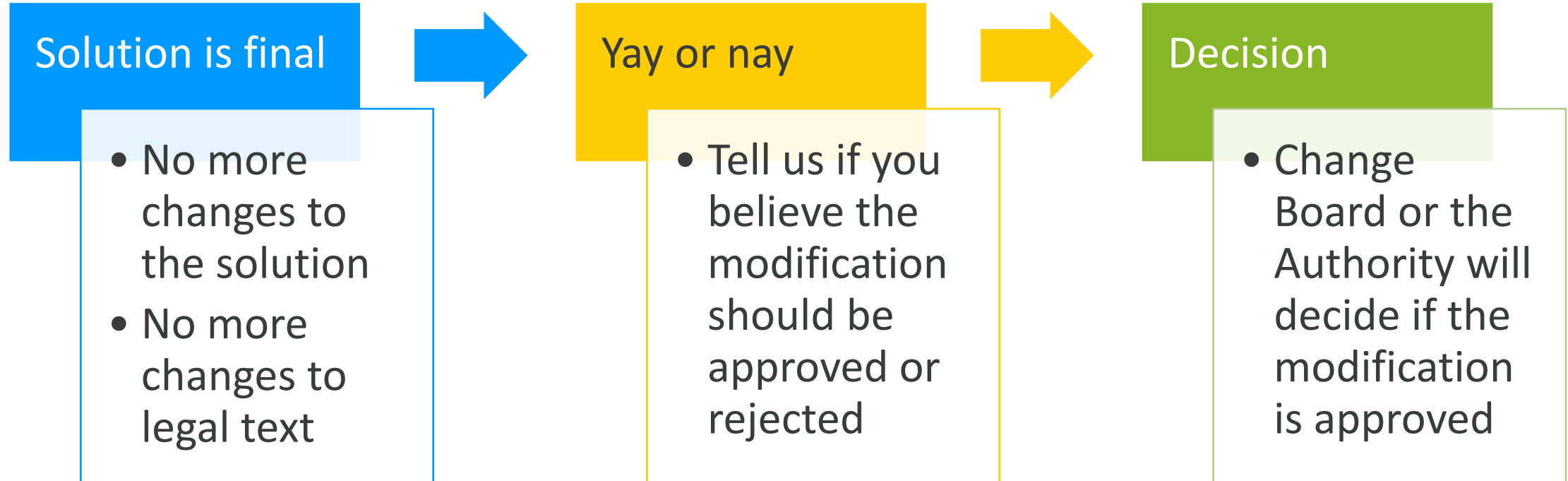
Who can raise an issue?

- ✓ SEC Parties
- ✓ Citizen's Advice (or Consumer Scotland)
- ✓ The Authority
- ✓ DCC
- ✓ Secretary of State
- ✓ SEC Panel (in some cases)
- ✓ REC Code Manager if consequential changes to this Code are identified

REFINE – DEVELOPING A SOLUTION



■ OPINE – TIME TO DECIDE



WITHDRAWING A MODIFICATION

Proposers can withdraw Modifications at any point in the process.

Why do Proposers withdraw?

Withdrawn Modifications are notified to industry, in case there is interest to adopt (e.g., DP266 'Alternative SMETS1 UTRN Generation')

If no interest is registered, then SECAS will notify industry the Modification is officially withdrawn, and the issue is closed.

No industry support – sometimes, an issue isn't as impactful as the Proposer may see it.

The solution can be achieved without the need for a Modification – for example, through DCC Elective Service.

SEC RELEASES



February

Last Thursday of February



June

Last Thursday of June



November

First Thursday of November



Standalone

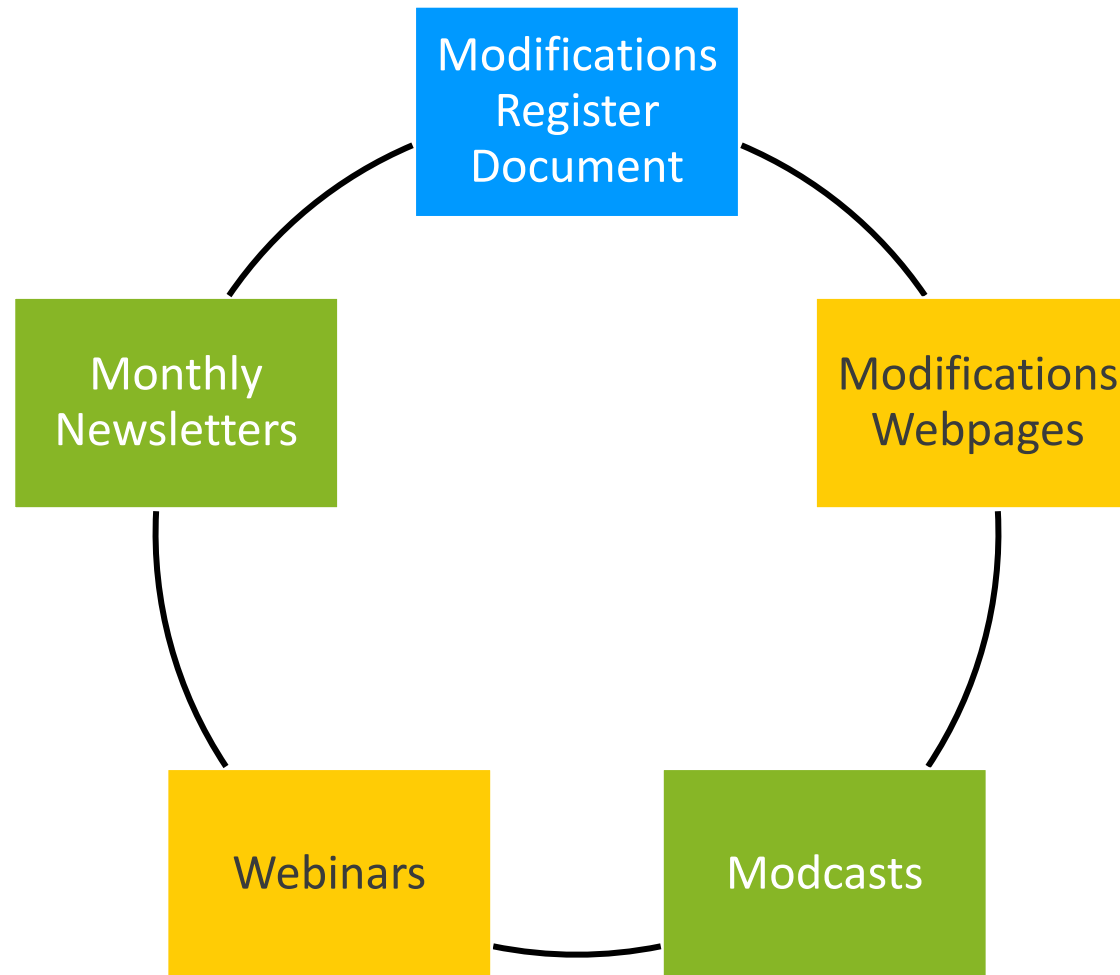
Modification that needs to be implemented at a certain time
e.g. RTS switch-off



BEIS/DESNZ

BEIS/DESNZ may consult on and designate a change to the SEC

KEEPING UP TO DATE



CONTACT US

Email: SEC.Change@gemserv.com

Helpdesk: 020 7090 7755

Website: [SEC Change Webpage](#)

Change Delivery Manager: Ali Beard

Modifications Manager: Simon Grimwood

Change Analysts

Khaleda Hussain

Liz Woods

Georgie Severin

Marc Rhodes

Lydia Bentley

Talia Lattimore

SEC Change Governance Administrator

Abi Obadan



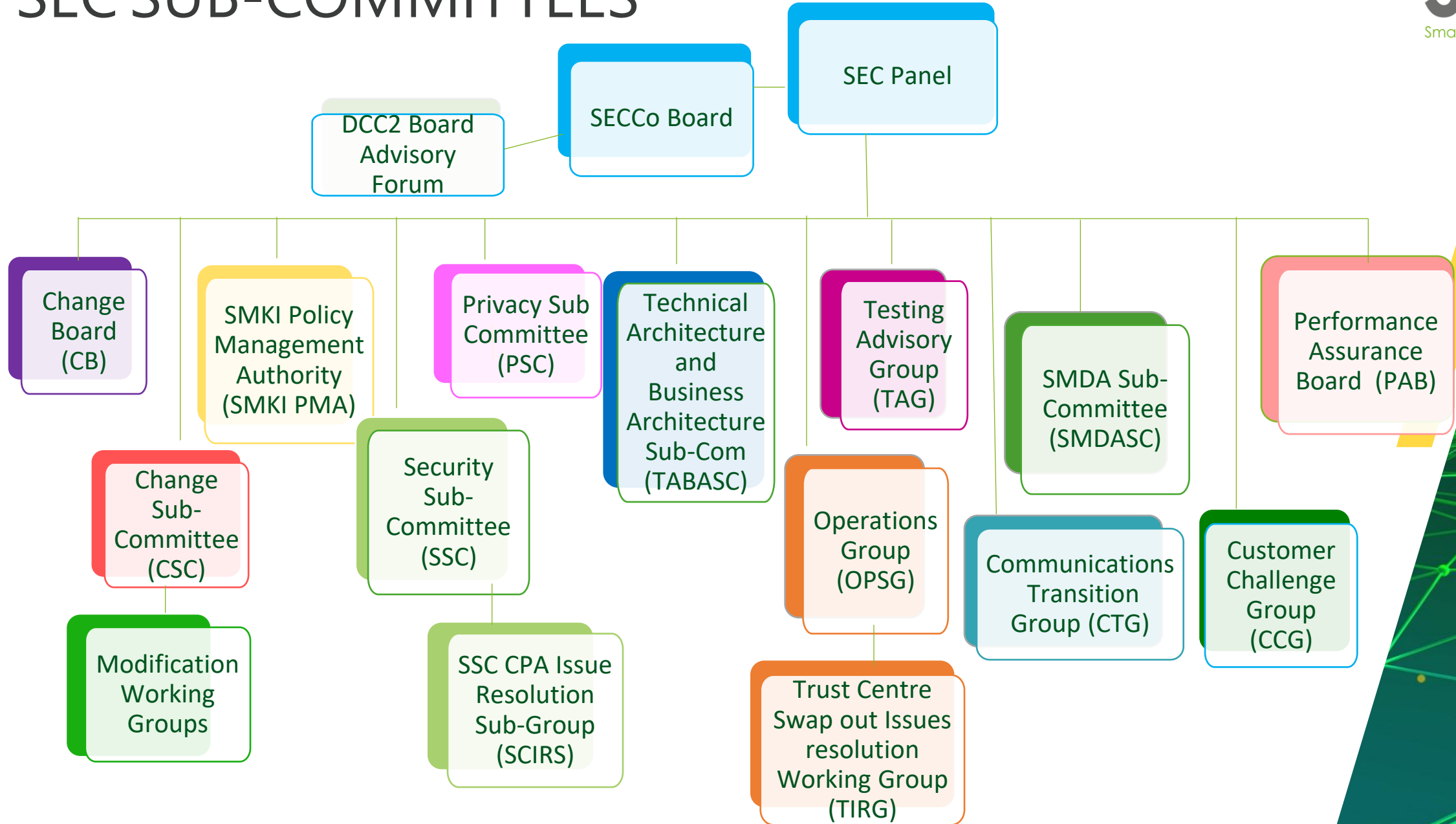
**Which part of the Modification process
would you like more clarity on?**



HOW CAN I INFLUENCE DISCUSSIONS?

CADY CHAPPELL

SEC SUB-COMMITTEES



■ HOW DOES THE SEC MAKE DECISIONS?

SEC Panel

- Makes decisions
- Responds to consultations
- Approves funding for projects
- Power to delegate responsibilities

SECCo Board

- Ratifies Panel decisions
- Releases funds
- Monitors financial performance
- Appoints company auditors

WHAT DOES A SUB-COMMITTEE MEMBER DO?

Monthly, bi-monthly or twice-monthly meetings...

Occasional Ex-Committee meetings

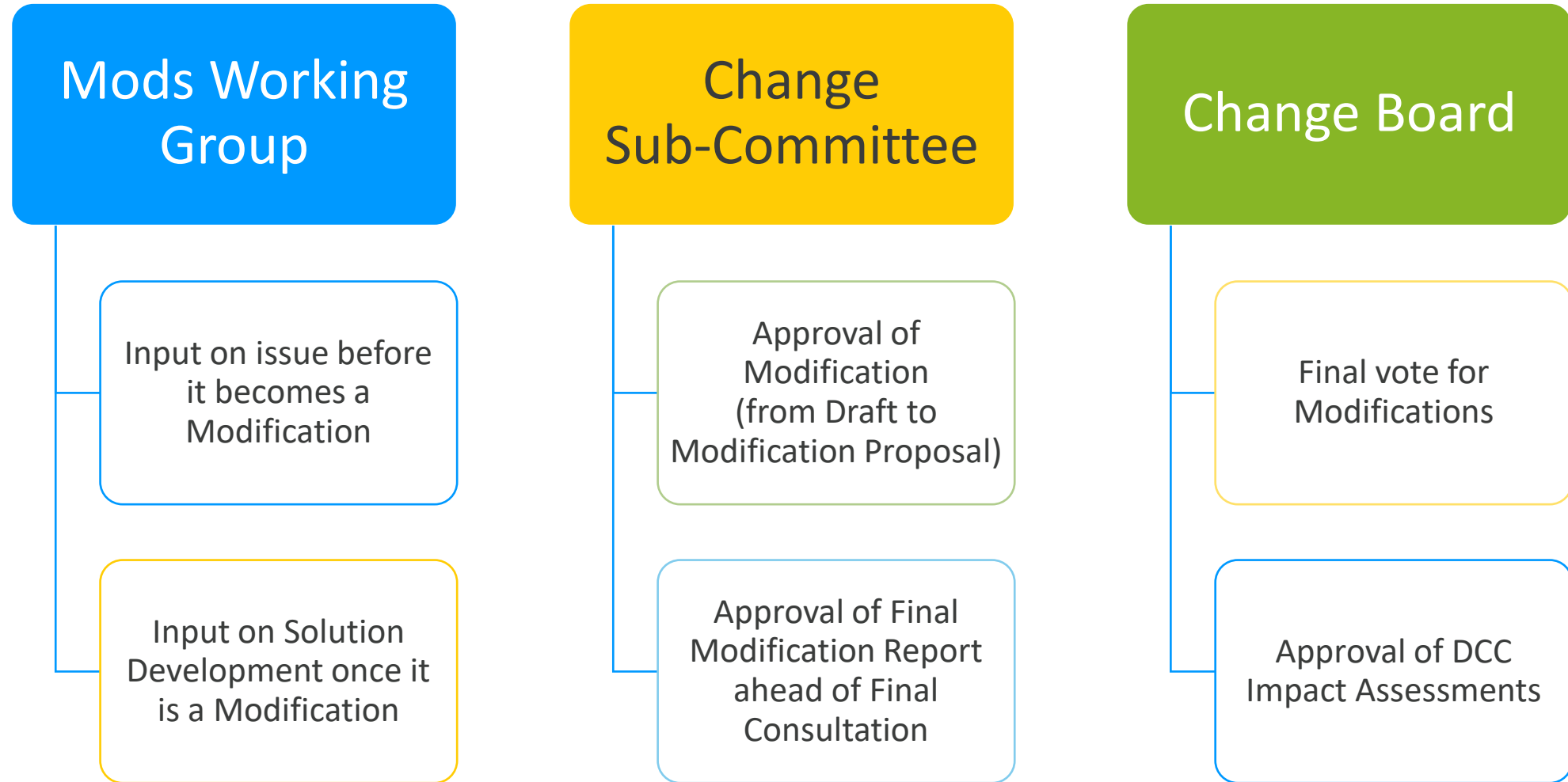
Represents their SEC Party Category at each meeting, by participating in discussions and voting

Reading the meeting materials ahead of the meeting

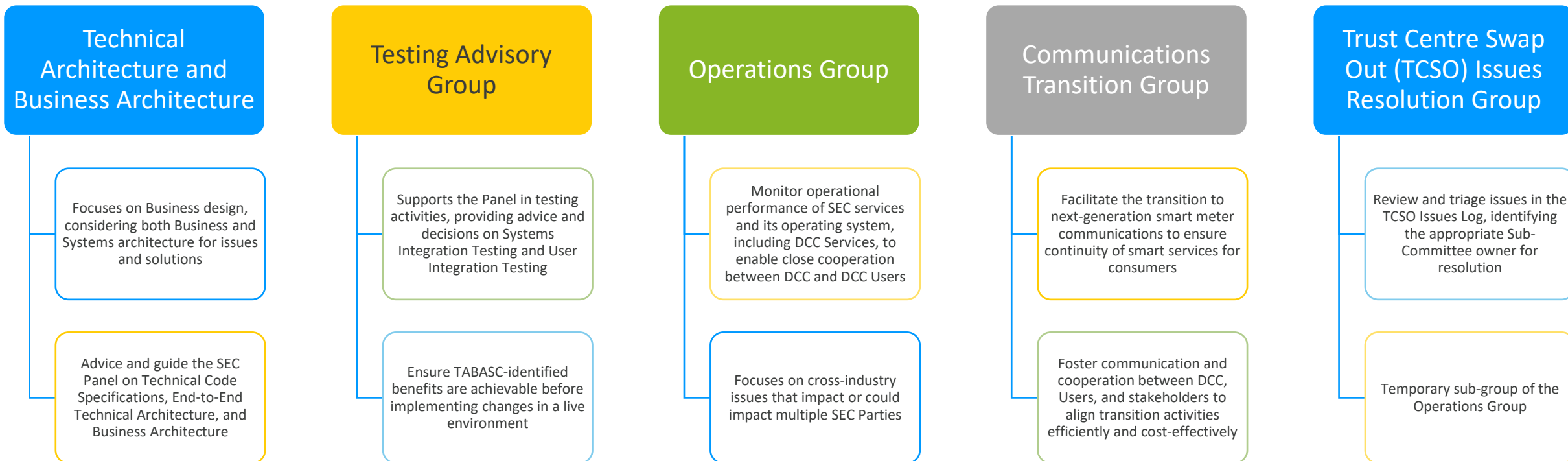
Attending at least 50% of all meetings (or risk being ejected)

Adhering to the Panel Information Policy and safeguarding the privacy and security of information

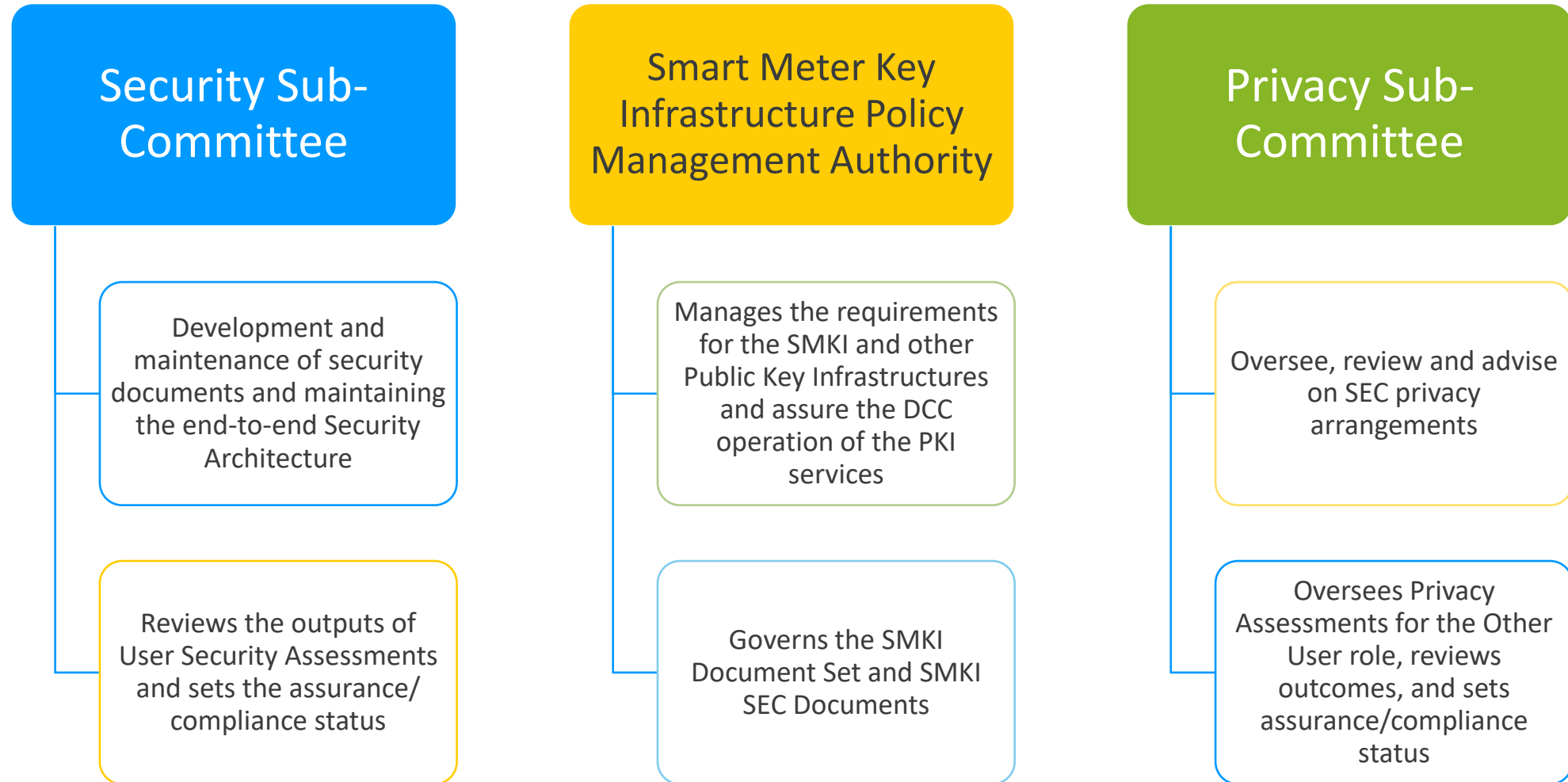
CHANGE SUB-COMMITTEES



TECHNICAL SUB-COMMITTEES



■ SECURITY & PRIVACY SUB-COMMITTEES



■ PERFORMANCE & ASSURANCE SUB-COMMITTEES

Performance Assurance Board (PAB)

Manages SEC Party
compliance

SMDA Sub- Committee (SMDASC)

Provides assurance that
Devices are interoperable
and interchangeable

NEW ADVISORY SUB-COMMITTEES

Customer Challenge Group (CCG)

Strengthens voice of SEC
Parties under 'ex ante'
DCC Price Control

DCC 2 Board Advisory Forum (BAF)

Advises the SECCo Board
and the SECCo SPV Board
on key DCC2 programme
elements

HOW CAN I BECOME A COMMITTEE MEMBER?



Elections are held annually with 50% of the membership up for re-election every two years.



Any SEC Party can nominate themselves for a role in their own SEC Party Category.



A SEC Party may nominate someone else to represent their SEC Party Category. The person they nominate does not have to be a member of the SEC Party Category they are nominated for.



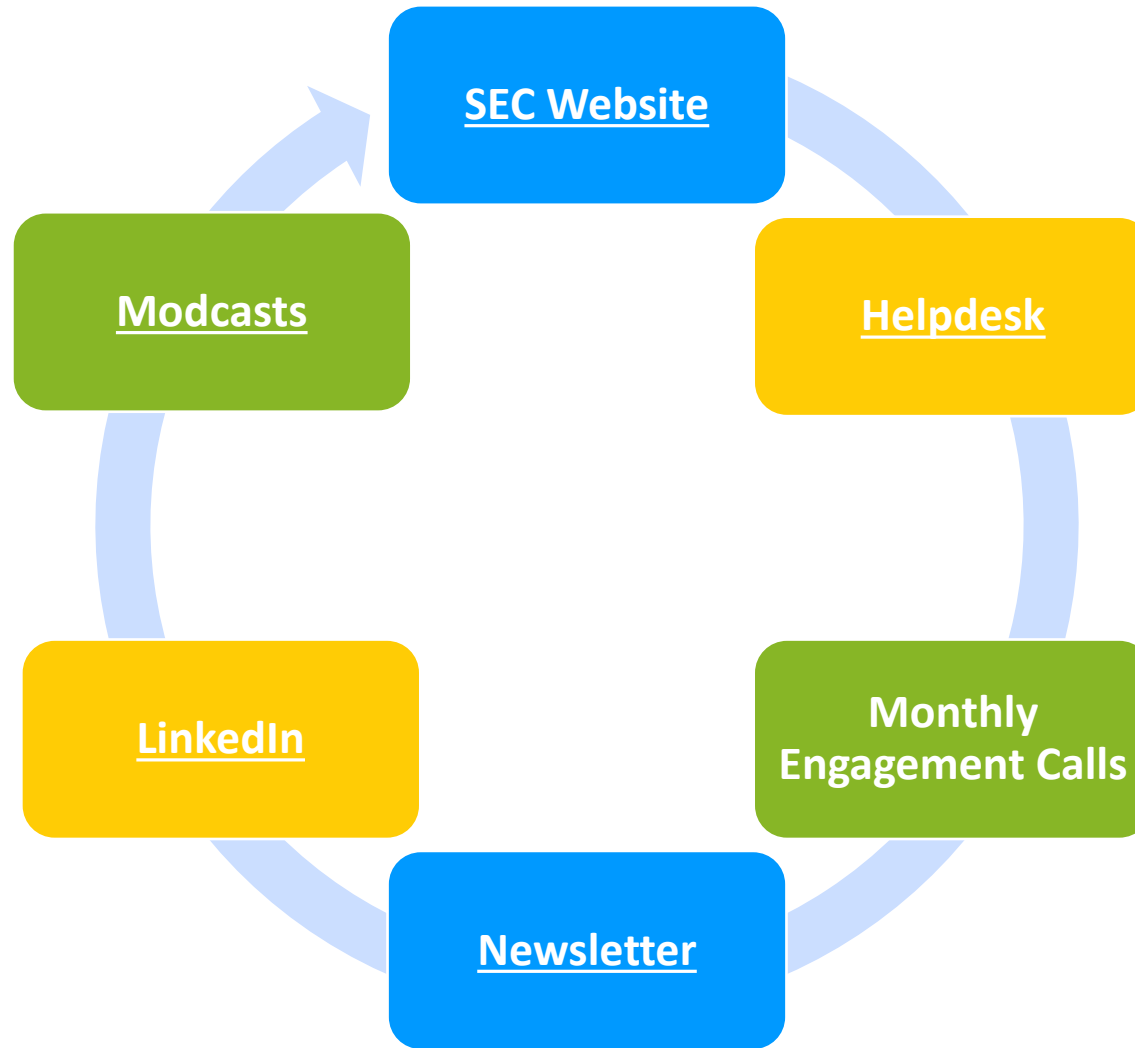
Each nominated candidate must then declare they are willing to participate and represent the Party Category they are nominated for.



WHERE CAN I GET SUPPORT?

KAM KUMAR

SEC PARTY SUPPORT





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