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DP280 'CPA Scheme Transition to SSC'

Modification Report

Version 0.1

15 January 2025



About this document

This document is a Modification Report. It sets out the background, issue, solution, impacts, costs, implementation approach and progression timetable for this modification, along with any relevant discussions, views and conclusions.

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This document also has one annex:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.

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1. Summary

This proposal has been raised by Gordon Hextall on behalf of the Security Sub-Committee (SSC).

The [SEC Appendix AV 'CPA Transitional Approach Document'](#) was designated by Department for Energy Security and Net Zero (DESNZ) in October 2024 to establish new arrangements for the Device security assurance scheme (known as the Commercial Product Assurance (CPA)). SEC Appendix AV is expected to fall away at the end of March 2025 when the National Cyber Security Centre (NCSC) exits the Scheme.

The Security Sub-Committee has requested that Clause 4 of Appendix AV be included into SEC Section G13.5 to ensure the appropriate Scheme Operator (SOp) can be appointed in future.

This modification has no direct SEC Party impacts and costs are limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort. It is targeted for implementation in the February 2025 SEC Release and is a Self-Governance Modification.

2. Issue

What are the current arrangements?

The NCSC (current CPA Scheme Owner and Operator) is planned to exit the CPA Scheme in March 2025. Specific independence requirements of the CPA Scheme Operator to be appointed by the SSC are set out in SEC Section G13.5 – G13.8. It became apparent during the recent procurement of the CPA SOp, that the criteria in G13.6(b) was too tightly defined and could prevent the appointment of a suitably qualified SOp. It is likely that any company with the expertise to provide the CPA Scheme Operator service will have been or will be active in the smart metering ecosystem. Therefore, DESNZ amended Appendix AV to include the following clause:

“4 Application of Section G13.5

4.1 Section G13.5 shall apply on the basis that the CPA Scheme Operator will be treated as suitably independent either (1) if it satisfies the requirements of Sections G13.7 and G13.8 or (2) if it partly satisfies the requirements of Sections G13.7 and G13.8 and also satisfies such other requirements and complies with such arrangements as the Security Sub-Committee may require in order to deal with the consequences of Sections G13.7 and G13.8 not applying in full.”

What is the issue?

SEC Appendix AV is due to fall away at the end of March 2025 when the NCSC exits the CPA Scheme. This will include the amendment to allow the *'partly satisfies the requirements of Sections G13.7 and G13.8...'*

The SSC have asked that this wording be included in the SEC to ensure an enduring approach to procuring an appropriately qualified SOp.

What is the impact this is having?

If this change is not made, then it could inhibit the SSC's ability to discharge its duty to procure an appropriately qualified CPA SOP.

Impact on consumers

If the CPA Scheme cannot continue then Smart Metering Devices cannot be assured as 'safe'.

3. Solution

Proposed Solution

Amend SEC Section G13.5 to include the clause that is currently in Appendix AV, which will no longer be relevant from March 2025.

4. Impacts

This section summarises the impacts that would arise from the implementation of this modification.

SEC Parties

SEC Party Categories impacted			
	Large Suppliers		Small Suppliers
	Electricity Network Operators		Gas Network Operators
	Other SEC Parties		DCC

Breakdown of Other SEC Party types impacted			
	Shared Resource Providers		Meter Installers
	Device Manufacturers		Flexibility Providers
	DCC Other Users		MAPs/ MAMs

SEC Parties are not directly affected as the SSC will procure the CPA SOP.

DCC Systems

DCC System changes

Making this change will not impact DCC Systems.

DCC System traffic

Making this change will not impact DCC System traffic.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section G 'Security'

The changes to the SEC required to deliver the proposed solution can be found in Annex A.

Devices

Devices impacted			
	Electricity Smart Metering Equipment		Gas Smart Metering Equipment
	Communications Hubs		Gas Proxy Functions
	In-Home Displays		Prepayment Meter Interface Devices
	Standalone Auxiliary Proportional Controllers		Home Area Network Connected Auxiliary Load Control Switches
	Consumer Access Devices		Alternative Home Area Network Devices

No Devices are directly affected as this change only affects the ability of the SSC to procure a SOp.

Consumers

If the CPA Scheme cannot continue then Smart Metering Devices cannot be assured as 'safe'.

Other industry Codes

Making this change will have no impact on other Codes.

Greenhouse gas emissions

Making this change will have no impact on greenhouse gas emissions.

5. Costs

DCC costs

There are no DCC costs to implement this change as it is already in place.

SECAS costs

The estimated SECAS implementation cost to implement this as a stand-alone modification is half a day of effort, amounting to approximately £300. This cost will be reassessed when combining this modification in a scheduled SEC Release. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

There are no SEC Party costs to implement this change as it is already in place.

6. Implementation approach

Recommended implementation approach

SECAS is recommending an implementation date of:

- **27 February 2025** (February 2025 SEC Release) if a decision to approve is received on or before 26 February 2025; or
- **Ten Working Days after decision** (Ad-hoc SEC Release) if a decision to approve is received after 26 February 2025.

The clause in SEC Appendix AV will no longer apply after March 2025, therefore this modification should be implemented before the end of March 2025.

7. Assessment of the proposal

Areas for assessment

The original clause was implemented into SEC Appendix AV by DESNZ following a consultation¹. As this clause is already active, SECAS are not proposing any further assessment.

8. Case for change

Business case

Approval of the modification

The clause was implemented by DESNZ following industry consultation. It allows the SSC to ensure that the appropriately qualified SOp is procured. If this were to fall away with SEC Appendix AV, then this could inhibit the ability of the SSC to carry out its duties in this respect and would risk the security of the Smart Metering Implementation Programme (SMIP).

¹ [Department for Energy Security & Net Zero – Consultation on the revised initial version of the draft CPA Transition Approach Document - Smart Energy Code](#)

The only cost to implement this modification are SECAS time and effort.

Views against the General SEC Objectives

Proposer's views

The Proposer believes that this modification better facilitates SEC Objective (g)²

Industry views

These will be gathered at the Issue Group and Change Sub-Committee.

Views against the consumer areas

Improved safety and reliability

This modification will ensure the security of the smart metering programme.

Lower bills than would otherwise be the case

This modification is neutral against this area.

Reduced environmental damage

This modification is neutral against this area.

Improved quality of service

This modification is neutral against this area.

Benefits for society as a whole

This modification is neutral against this area.

Final conclusions

This modification is to extend powers for the SSC to procure a CPA SOP that are already in place.
The modification has no industry costs associated with its implementation.

² To facilitate the efficient and transparent administration and implementation of the SEC.

Appendix 1: Progression timetable

Timetable	
Event/Action	Date
Modification discussed with Issues Group	15 Jan 2025
Draft Proposal raised	15 Jan 2025
<i>CSC converts Draft Proposal to Modification Proposal</i>	<i>21 Jan 2025</i>
<i>Modification Report approved by CSC</i>	<i>21 Jan 2025</i>
<i>Modification Report Consultation</i>	<i>22 Jan – 11 Feb 2025</i>
<i>Change Board Vote</i>	<i>26 Feb 2025</i>

Italics denote planned events that could be subject to change

Appendix 2: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	Full term
CPA	Commercial Product Assurance
DCC	Data Communications Company
DESNZ	Department of Energy Security and Net Zero
MAP	Meter Asset Provider
MEM	Meter Equipment Manufacturer
NCSC	National Cyber Security Centre
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SOp	System Operator
SSC	Security Sub-Committee

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Annex A

Legal text – version 0.1

About this document

This document contains the redlined changes to the SEC that would be required to deliver this Modification Proposal.

Section G 'Security'

These changes have been redlined against Section G version 25.0.

Amend Section G13 as follows:

G13. The CPA Scheme Operator

Procurement of the CPA Scheme Operator

G13.1 The Security Sub-Committee, subject to the approval of the Panel, shall procure the provision of services in relation to the operation of the CPA Scheme:

- (a) of the scope specified in Section G13.3;
- (b) from a person who:
 - (i) is suitably qualified in accordance with Section G13.4; and
 - (ii) is suitably independent in accordance with Section G13.5,

and that person is referred to in this Section G13 as the "**CPA Scheme Operator**".

G13.2 The Security Sub-Committee may appoint more than one person to carry out the functions of the CPA Scheme Operator.

Scope of CPA Scheme Operator Services

G13.3 The services specified in this Section G13.3 (the "**CPA Scheme Operator Services**") are services in accordance with which the CPA Scheme Operator shall:

- (a) develop a standard form of contract – which shall require to be approved by the Security Sub-Committee (and following such approval shall be known as the "**CPA Test Lab Framework Agreement**") – to be entered into by each CPA Test Lab in relation to the performance of its functions for the purposes of the CPA Scheme, and which shall in particular:
 - (i) require that the CPA Test Lab comply with all applicable provisions of the CPA Policies and Procedures (as amended from time to time), including in particular those which:
 - (A) set out the criteria to be satisfied in order to perform the functions of a CPA Test Lab for the purposes of the CPA Scheme; and
 - (B) describe the procedures to be applied in evaluating whether a Device Model should be issued with a CPA Certificate; and
 - (ii) constitute an agreement under which the CPA Scheme Operator shall be entitled, on behalf of any Manufacturer, to receive services provided by the CPA Test Lab for the purposes of evaluating whether any Device Model should be issued with a CPA Certificate;

- (b) develop a standard form of contract – which shall require to be approved by the Security Sub-Committee (and following such approval shall be known as the "**CPA Manufacturer Standard Agreement**") – to be entered into by any Manufacturer seeking to obtain and maintain a CPA Certificate in relation to a Device Model, and which shall in particular provide that the Manufacturer:
 - (i) must comply with all applicable provisions of the CPA Policies and Procedures (as amended from time to time); and
 - (ii) may obtain the services of a CPA Test Lab for the purposes of the CPA Scheme only via the CPA Scheme Operator, under and in accordance with terms specified in the agreement;
- (c) enter into the CPA Test Lab Framework Agreement and CPA Manufacturer Standard Agreement with relevant CPA Test Labs and Manufacturers;
- (d) issue CPA Certificates to Manufacturers in relation to Device Models which have been successfully demonstrated to satisfy the requirements of the CPA Security Characteristics;
- (e) renew, suspend, withdraw or cancel CPA Certificates in such circumstances as may from time to time be described in the CPA Policies and Procedures;
- (f) carry out such evaluation (and related) functions as may from time to time be set out in the CPA Policies and Procedures, or which it is otherwise requested by the Security Sub-Committee to carry out, which may include in particular:
 - (i) assessing, and from time to time reviewing, whether a Test Lab which wishes to perform the functions of a CPA Test Lab meets the criteria specified for that purpose in the CPA Policies and Procedures;
 - (ii) where a Test Lab does not meet the criteria specified in the CPA Policies and Procedures for performing the functions of a CPA Test Lab, advising on the reasons for the failure and the changes or additional evidence that would be needed in order for it to meet those criteria;
 - (iii) responding to technical enquiries from Manufacturers and CPA Test Labs in relation to the evaluation process for Device Models in respect of which a CPA Certificate is being (or is proposed to be) sought (the "**evaluation process**");
 - (iv) reviewing and approving the proposed testing regime in respect of any Device Model for which a CPA Certificate is being sought;
 - (v) reviewing the results of tests carried out by a CPA Test Lab in relation to a Device Model for which a CPA Certificate is being sought, in order to:
 - (A) determine whether a CPA Certificate should be issued in respect of that Device Model; and
 - (B) where a Device Model has not satisfied the requirements for the issue of a CPA Certificate, advising on the reasons for the failure and the changes or additional evidence that would be needed in order for it to be issued with a CPA Certificate;

- (vi) liaising with, and providing information and support to, CPA Test Labs and Manufacturers in relation to the evaluation process; and
- (vii) providing such information and advice to the Security Sub-Committee as may be requested from time to time;
- (g) oversee the interactions between Manufacturers and CPA Test Labs in relation to the evaluation process;
- (h) provide information, advice and support to any Test Lab which wishes to perform the functions of a CPA Test Lab for the purposes of the CPA Scheme;
- (i) attend meetings of the Security Sub-Committee whenever requested to do so by the Security Sub-Committee Chair for the purpose of providing advice and information, and otherwise delivering such reports or presentations, as may be requested;
- (j) provide such written reports, advice and information to the Security Sub-Committee, in relation to the operation of the CPA Scheme and the provision of the CPA Scheme Operator Services, as it may from time to time request;
- (k) provide such other support and assistance to the Security Sub-Committee as it may from time to time request; and
- (l) undertake such other activities, and do so at such times and in such manner, as may be further provided for in this Section G13.

Suitably Qualified Person

G13.4 The CPA Scheme Operator shall be treated as suitably qualified in accordance with this Section G13.4 only if it satisfies such requirements as to its qualifications as the Security Sub-Committee may from time to time determine for the purposes of the process of procuring services in relation to the operation of the CPA Scheme.

Independence Requirement

G13.5 ~~Section G13.5 shall apply on the basis that the CPA Scheme Operator will be treated as suitably independent either~~ The CPA Scheme Operator shall be treated as suitably independent in accordance with this Section G13.5 only if it satisfies:

- (a) ~~if it satisfies the requirements of Sections G13.7 and G13.8~~ the requirements specified in Section G13.7; ~~and/or~~
- (b) ~~if it partly satisfies the requirements of Sections G13.7 and G13.8 and also satisfies such other requirements and complies with such arrangements as the Security Sub-Committee may require in order to deal with the consequences of Sections G13.7 and G13.8 not applying in full~~ the requirements specified in Section G13.8.

G13.6 For the purposes of Sections G13.7 and G13.8:

- (a) a "Relevant Person" means any of the following:
 - (i) the DCC;

- (ii) a DCC User;
- (iii) the owner or operator of any Test Lab which performs the functions of a CPA Test Lab for the purposes of the CPA Scheme;
- (iv) the Manufacturer of any Device which requires a CPA Certificate;
- (b) a **"Relevant Service Provider"** means any service provider to a Relevant Person from which that Relevant Person acquires capability for a purpose related to the CPA Scheme.

G13.7 The requirements specified in this Section G13.7 are that:

- (a) no Relevant Person or any of its subsidiaries, and no Relevant Service Provider or any of its subsidiaries, holds or acquires any investment by way of shares, securities or other financial rights or interests in the CPA Scheme Operator;
- (b) no director of any Relevant Person, and no director of any Relevant Service Provider, is or becomes a director or employee of, or holds or acquires any investment by way of shares, securities or other financial rights or interests in, the CPA Scheme Operator; and
- (c) the CPA Scheme Operator does not hold or acquire a participating interest (as defined in section 421A of the Financial Services and Markets Act 2000) in any Relevant Person or any Relevant Service Provider,

(but for these purposes references to a Relevant Service Provider shall not include the CPA Scheme Operator where it acts in that capacity).

G13.8 The requirements specified in this Section G13.8 are that the CPA Scheme Operator is able to demonstrate to the satisfaction of the Security Sub-Committee that it:

- (a) has in place arrangements to ensure that it will at all times act independently of any commercial relationship that it has, has had, or may in future have with a Relevant Person or Relevant Service Provider (and for these purposes a 'commercial relationship' shall include a relationship established by virtue of the CPA Scheme Operator itself being a Relevant Service Provider to any Relevant Person); and
- (b) satisfies such other requirements as to its independence as the Security Sub-Committee may from time to time determine for the purposes of the process of procuring services in relation to the operation of the CPA Scheme.

Compliance of the CPA Scheme Operator

G13.9 The Security Sub-Committee shall be responsible for ensuring that the CPA Scheme Operator provides the CPA Scheme Operator Services, and carries out its functions as such, in accordance with the provisions of this Section G13.

G14. The CPA Transition Approach Document

Overview

G14.1 The **CPA Transition Approach Document** is to be developed by the Secretary of State and incorporated into this Code pursuant to Part G of Condition 22 of the DCC Licence and Section X5 (Incorporation of Certain Documents into this Code).

Purpose of the CPA Transition Approach Document

G14.2 The purpose of the CPA Transition Approach Document is to:

- (a) provide that the Revised CPA Arrangements shall not have full effect immediately;
- (b) enable the gradual implementation of and transition to the Revised CPA Arrangements; and
- (c) provide for additional and/or varied provisions to apply for a transitional period to manage the interactions between the Revised CPA Arrangements and the previous arrangements for the CPA Scheme.

Content of the CPA Transition Approach Document

G14.3 The CPA Transition Approach Document may include, without limitation, some or all of the following:

- (a) a modification process which enables the Security Sub-Committee to modify the CPA Transition Approach Document;
- (b) rights and/or obligations of the DCC and other Parties designed to facilitate or achieve the purposes of the CPA Transition Approach Document which are either additional to or vary other rights and/or obligations set out in this Code;
- (c) variations to the powers and/or duties of the Panel, the Security Sub-Committee and/or any other Sub-Committee designed to facilitate or achieve the purposes of the CPA Transition Approach Document which are either additional to or vary other powers and/or duties set out in this Code;
- (d) variations to the processes by which CPA Testing is administered, managed and/or operated, which may include variations to the requirements which apply to CPA Test Labs and/or Manufacturers;
- (e) mechanisms for completion or in-flight transfer of Device Models that are undergoing testing as part of the arrangements for the CPA Scheme which existed prior to the Revised CPA Arrangements;
- (f) pre-conditions that may need to apply prior to some or all of the Revised CPA Arrangements coming into effect;
- (g) variations in the arrangements for issuing of CPA Certificates, and/or the addition or removal of Device Models to or from the Certified Products List;
- (h) limitations and/or variations to the rights and/or obligations of the Parties to apply for a transitional period prior to the full implementation of the Revised CPA Arrangements;
- (i) provision for the referral and determination of disputes in respect of the CPA Transition Approach Document, which may include interim or final determinations by the Secretary of State, the Authority, the Security Sub-Committee, the Panel or any other person specified by the Secretary of State; and
- (j)

Definitions

G14.4 For the purposes of this Section G14:

Revised CPA Arrangements	means the modifications made to this Code, including in particular the addition to this Code of Section G13 (The CPA Scheme Operator), in order to incorporate into this Code provisions for the administration and governance of the CPA Scheme.
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