



The Authority (Ofgem), SEC Panel,
SEC Parties, and other interested parties

24 May 2024

Dear Colleague,

SMART METERING IMPLEMENTATION PROGRAMME: CONCLUSION TO THE CONSULTATION ON CHANGES TO THE SMART ENERGY CODE TO ESTABLISH NEW ARRANGEMENTS FOR THE DEVICE SECURITY ASSURANCE SCHEME (KNOWN AS “CPA”) AND TO PROVIDE FOR DEVICE MANUFACTURERS TO BECOME SMART ENERGY CODE (SEC) PARTIES; AND CONSULTATION ON THE INITIAL FORM OF THE ASSOCIATED TRANSITION DOCUMENT.

Between 26 February 2024 and 8 April 2024, the Government consulted¹ on proposed changes to the main body and appendices of the Smart Energy Code (SEC) to introduce: 1) new arrangements for the security assurance (known as CPA)² that certain types of devices must undergo to operate as part of a Smart Metering System; 2) measures to support a smooth transition to the new arrangements; and 3) measures to provide for device manufacturers to become SEC parties for the purpose of becoming subscribers of IKI certificates.

We received ten responses to the consultation indicating broad support of the proposed changes. We also considered the respondents’ additional suggestions. We intend to implement the changes to the main body of the SEC using powers under Section 88 of the Energy Act 2008. Subject to Parliamentary process this is likely to be in Autumn 2024.

We are also consulting on the proposed initial version of the Commercial Products Assurance (CPA) Transition Approach Document; the effect of which is to undo the majority of the CPA-related changes until the transition to the new arrangements is ready to begin.

We intend to (re)-designate the associated SEC Appendices (including the initial version of the CPA Transition Approach Document) to coincide with the main body SEC changes coming into effect using powers under condition 22 of the DCC licence and will consult in due course on the proposed date for this designation/redesignation.

Annex 1a provides a more detailed explanation of the stakeholders’ views and Government’s response, which is being notified to the SEC Administrator for publication on the SEC website.

Annex 1b Invites views on the drafting of the initial version of the CPA Transition Approach Document by **5 pm 12 July 2024**.

¹ <https://smartenergycodecompany.co.uk/latest-news/department-for-energy-security-net-zero-consultation-on-changes-to-the-sec-relating-to-the-commercial-product-assurance-cpa-scheme/>

² This follows the National Cyber Security Centre’s (NCSC) decision to withdraw its CPA scheme for Smart Metering.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'J Cosgrove', written in a cursive style.

James Cosgrove

Deputy Director & Head of Delivery
Smart Metering Implementation Programme

(An official of the Department for Energy Security & Net Zero authorised to act on behalf of the Secretary of State).

List of Annex and Appendices to this letter (the Appendices are separate documents)

Annex 1a	Government response document
Annex 1b	Consultation on version 1 of the CPA Transition Approach Document
Annex 2	Revised legal drafting – SEC Section A
Annex 3	Revised legal drafting – SEC Section F
Annex 4	Revised legal drafting – SEC Section G
Annex 5	Revised legal drafting – SEC Section L
Annex 5a	Revised legal drafting – SEC Appendix Q
Annex 6	Revised legal drafting – SEC Appendix D
Annex 7	Revised legal drafting – SEC Appendix Z
Annex 8	Proposed SEC Appendix AV – Commercial Product Assurance (CPA) Transition Approach Document

1. Annex 1a: Government Response

General Information

Purpose

Following consideration of responses to the Government's consultation on proposed changes to the SEC, which was published on 26 February 2024, this Government response provides conclusions on the proposals put forward.

Issued

24 May 2024

Enquiries

smartmetering@energysecurity.gov.uk

Territorial extent

This Government response applies to the gas and electricity markets in Great Britain (GB). Responsibility for energy markets in Northern Ireland lies with the Northern Ireland Executive's Department for the Economy.

Legal drafting

In line with the requirements of Section 88 and Section 89 of Energy Act 2008, in June 2024, the Government will lay before Parliament changes to the following:

- SEC Sections A, F, G, L (set out in Annexes 1 to 5)
- introduce new SEC Section G3.21A (as set out in Annex 4)
- introduce new SEC Section G7.13A, G7.13B, G13 and G14 (as set out in Annex 4)

Subject to the Parliamentary process, we expect the changes to come into effect in August/September 2024.

In line with the new proposed SEC Section G14, in support of a smooth and timely transition to the new CPA arrangements the Government has produced an initial version of the CPA Transition Approach Document for consultation.

The effect of the initial version of the CPA Transition Approach Document is to switch off most of the CPA-related changes until the transition to the new arrangements is ready to commence. This first version will be replaced by a subsequent version that governs CPA assurance during the transition period. The initial version is set out in Annex 8 and as set out in Annex 1b, any comments on the document are requested by **5 pm on 12 July 2024**.

Our intention is to (re)designate the SEC subsidiary documents (Appendices D, Q and Z, and the new CPA Transition Approach Document) to coincide with the coming into effect of the main body SEC changes. We will consult in due course on the proposed date of (re)designation.

2. Background

Summary of issue and proposals - New Device Security Assurance (CPA) Scheme

- 2.1. In the consultation, which was conducted between 26 February 2024 and 8 April 2024³, we explained that the NCSC informed DESNZ, as the Government Department with overall accountability for Smart Metering, of its intention not to continue to provide the CPA assurance scheme for Smart Metering. Consequently, there is a need to implement new arrangements for device security assurance, and specifically to provide for a new device assurance scheme operator to replace the roles which are currently fulfilled by NCSC.
- 2.2. The consultation set out proposals to amend the SEC in order to transfer CPA scheme ownership from the NCSC to the SSC. The SSC would take on overall responsibility for the delivery, operation, and maintenance of the scheme. The scheme would continue to be referred to as the 'CPA Scheme', and the relevant SEC obligations applying to CPA Certification would continue.
- 2.3. We explained that the proposal broadly aligns responsibilities and arrangements for device security assurance with those that are already in place for DCC and User security Assessment⁴ and were consistent with the SSC's current accountability for security aspects of Smart Metering as defined in the SEC (G7.19/20).
- 2.4. A summary of the changes to roles and responsibilities for devices assurance we proposed is set out below:
 - **Scheme Sponsor:** DESNZ will continue to be the CPA Scheme Sponsor and maintain overall accountability for ensuring that risks associated with UK critical national infrastructure (CNI) in relation to Smart Metering are appropriately managed as part of the end-to-end Smart Metering System.
 - **Scheme Owner (SOwn):** The SSC will become the "Scheme Owner" with responsibility transferring from the NCSC. The SSC will have overall responsibility for delivering, operating, and maintaining the CPA Scheme.
 - **Scheme Operator (SOp):** The SSC as the new Scheme Owner (SOwn) will also take on responsibility to procure and appoint a new Scheme Operator (SOp) to replace NCSC who currently carry out this role. The Scheme Operator will establish a technically expert Evaluation Team to conduct device evaluations, which is a task that NCSC currently performs. The Scheme Operator will also establish a day-to-day administration and management function for devices being evaluated. This will review recommendations from Test Labs and award CPA Certificates, as appropriate. In the transition to the new arrangements, it is proposed that NCSC's current evaluators will maintain some oversight and support the new Evaluation Team.
 - **Test Labs:** Test Labs will continue to be approved by NCSC who is currently building a community of industry-based labs, "Cyber Resilient Test Facilities (CRTFs)", which can provide independent assessment of a range of technologies. Based on initial discussions with NCSC, we are expecting that these accredited Test Labs will also be appropriate for evaluating smart metering devices against the CPA Security Characteristics. SSC will be

³ <https://smartenergycodecompany.co.uk/latest-news/department-for-energy-security-net-zero-consultation-on-changes-to-the-sec-relating-to-the-commercial-product-assurance-cpa-scheme/>

⁴ To use the Data Communications Company (DCC) systems, all SEC Parties must undertake a User Security Assessment conducted by the User Competent Independent Organisation (CIO).

responsible for ensuring that Test Labs are suitable to perform CPA assurance for Smart Metering in line with their published CPA Policies and Procedures document.

- 2.5. We also proposed responsibility for updating and managing CPA Security Characteristics become the sole responsibility of the SSC (it is currently a shared responsibility between SSC and NCSC).
- 2.6. Finally, we explained that transitional arrangements will be necessary to support realisation of the new CPA scheme, and these would include possible parallel running. We proposed changes to the SEC to provide for a new “CPA Transition Approach Document” that will be subsidiary to the SEC and set out the arrangements necessary to support the transition to, and gradual entry into full effect of, the revised CPA Scheme provisions. As set out in Annex 1b, we are seeking views on the initial version of the CPA Transition Approach Document. Following this, we expect to designate the proposed CPA Transition Approach Document provisions in Autumn 2024 alongside the coming into effect of the changes that are set out in Annex 1a below.
- 2.7. Our consultation asked 5 questions as follows:

	New Device Security Assurance (CPA) Scheme
1	Do you have any comments on the principles of the proposed changes to device security assurance as set out in this consultation?
2	Do you have any comments on the legal drafting of main-body SEC in Annexes 2 to 7?
3	Do you have any comments on the timing of making the proposed changes to the SEC?
	Manufacturers as SEC Parties
4	Do you have any comments on the principles of the proposed changes to the main body SEC to allow manufacturers to become SEC Parties?
5	Do you have any comments on the legal drafting for the main-body SEC changes in Annexes 4 to 7?

3. Analysis of Responses and Government Conclusions

- 3.1. Ten responses to the consultation were received from the following organisations:

Respondent	Organisation type
EDMI, Landis+Gyr, Secure, Toshiba	Smart metering device manufacturer
E.On, British Gas	Energy Supplier
SEC Panel, SEC Panel's Security Sub-Committee (SSC)	Code governance body
Energy and Utilities Alliance (EUA)	Trade body
CyTAL	Other

New Device Security Assurance (CPA) Scheme

	Consultation Questions
1	Do you have any comments on the principles of the proposed changes to device security assurance as set out in this consultation?
2	Do you have any comments on the legal drafting of main-body SEC in Annexes 2 to 7?
3	Do you have any comments on the timing of making the proposed changes to the SEC?

3.2. All the responses to our consultation were broadly supportive of the proposed changes to device security assurance as set out in this consultation. A number of respondents sought clarification on certain points relating to the proposals or proposed refinements. The key points made by one or more respondents included:

- A number of respondents sought clarification on how the set-up and running of the scheme would be funded. No respondent suggested amending the proposed funding arrangements for the new CPA Scheme. One respondent suggested amending SEC Section G to align the approach to cost recovery for the new CPA Scheme to that for the Smart Metering Device Assurance (SMDA) scheme in SEC Section F12.9.
- One respondent also stressed the importance of ensuring that the new arrangements supported the delivery of operational and efficiency improvements in the delivery of the scheme.
- A number of respondents sought more detail about how the proposed CPA Test Lab Framework Agreement structure (whereby labs are contracted, appointed and allocated centrally by the Scheme Operator) would work, and specifically whether manufacturers would be able to choose a specific CPA Test Lab to work with. One respondent highlighted the importance of the Scheme Operator in ensuring that capacity (and associated resources) available to the scheme were efficiently planned and managed and proposed a number of amendments to the SEC to obligate this.
- One respondent suggested that independent oversight /assurance should be provisioned for the Scheme Operator and suggested SEC drafting to that effect for SEC Section G7.20 and the new proposed SEC Section G13.
- A number of respondents asked for clarification as to how the smart metering device certification would work under the arrangements. One of the respondents suggested amending SEC Section G to require the SCC (as new CPA Scheme Owner) to issue CPA Certificates.
- A number of respondents sought clarification on whether a dispute resolution mechanism would operate in the new arrangements. One of the respondents also suggested amendments to existing SEC Section G7.21 to obligate the SSC to play a role in facilitating resolution of possible disagreements that may result from the implementation and operation of the new arrangements a role.
- A number of respondents sought clarification as to how Test Labs would qualify to be part of the scheme, including what specific standards and subject matter expertise would be required. Two of the respondents suggested amending the existing definition of “Test Lab” to clarify that these labs are approved, and not accredited, by the NCSC. One of the respondents also raised concerns that such Test Labs may not have the required expertise for evaluating smart metering devices in the CPA Scheme going forward.

3.3. The majority of respondents highlighted the need for the transition to the new arrangements to be carefully managed to avoid any impact on, or delay to, new or ongoing CPA evaluation activities, including Risk Review activity. Respondents raised a number of key points in relation to this objective, including the:

- need for further clarification on roles and responsibilities during the transition;
- need to reflect the importance of the NCSC's continued commitment to supporting the transition, particularly, in completing all ongoing device evaluations and Risk Reviews during the transition.
- need for adequate time to be allowed for the transition, and for clarity and appropriate notice concerning transition timings. Two respondents also suggested that the CPA Transition Approach Document should be clear about the timelines and phasing of the transition.
- suggestion by two respondents of a drafting change to the SEC relating to the currently proposed "CPA Certificate" definition.
- suggestion by two respondents that, instead of specifying a date for ceasing the CPA Transition Approach Document's application, the CPA Transition Approach Document should outline the readiness criteria for when it should cease its application and provide device manufacturers and Test Labs with least one-month notice of the cessation.

Government Response

3.4. Given the broad support from respondents, we intend to implement the consultation proposals and amend the SEC to transfer CPA scheme ownership from the NCSC to the SSC.

3.5. In response to requests for clarification on funding arrangements for establishing and running the scheme we:

- Reiterate that the NCSC currently provides its services (as scheme owner and operator) for the CPA scheme on a no fee basis (i.e. it is centrally funded by Government) to manufacturers. The closure of the NCSC scheme means that it is necessary to identify alternative funding arrangements for the operating costs of the scheme.
- Confirm the cost of procurement, set-up, and initial operation of the scheme for financial year 2024 form part of the SEC Panel budget 2024-25. The proposals for this funding model were consulted on by the SEC Panel earlier in 2024 and received broad support from smart metering industry stakeholders.
- Do not believe that it is necessary to amend the SEC to include wording equivalent to the existing provisions in Section F12.9 (which relates to the funding of the SMDA scheme) as suggested by one respondent. We believe the current regulations are adequate and note that the funding arrangements for the new CPA Scheme differ from the those that exist for the SMDA.
- Confirm that the cost of testing with CPA Laboratories will continue to be based on the effort required by those laboratories to undertake the evaluation which will be specific to each device submitted. However, labs will be contracted centrally through the Scheme Operator under a framework agreement. More detail on this framework is provided below.
- Expect that the procurement and maintenance of the new CPA scheme by SCC to be as robust and cost-effective as possible so any costs that may be passed to industry and ultimately to consumers may be limited and reasonable. It is also expected that one of the

requirements of the new Scheme Operator will be to identify and implement future CPA scheme improvements and efficiencies over time subject to appropriate consultation.

3.6. We note respondents sought more detail about how the proposed CPA Test Lab Framework Agreement structure (whereby labs are contracted centrally by the Scheme Operator) would work in practice, and raised a specific question as to whether manufacturers would be able to choose a particular CPA Test Lab with which to work.

- As explained in the consultation, under the new arrangements Test Labs will be retained by the CPA Scheme Operator on a framework agreement, and manufacturers wishing to obtain CPA Certification will approach CPA the Scheme Operator rather than approaching a Test Lab directly as happens now. The manufacturer's commercial relationship will also be with the CPA Scheme Operator through a Standard CPA Manufacturer Agreement, which each Manufacturer that plans to obtain CPA Certification would need to enter into to access services from Test Labs. The new arrangement broadly align responsibilities and arrangements for device security assurance with those which are already in place for DCC and Users as applied through User security assessments under the SEC. The new arrangements were developed by DESNZ/SSC and informed by NCSC's practical experience of the operation of the CPA scheme. We believe that the central framework approach avoids the risk of perverse incentives being placed on Test Labs and ensures better transparency to the Scheme Operator of the costs of testing and the activities and outcomes of Test Labs.
- Manufacturers will continue to be able to use their preferred lab to conduct the evaluation albeit through the new CPA Test Lab Framework via the Scheme Operator. It is our expectation that the Manufacturer's preferred Test Lab will be allocated the assessment unless there is a compelling reason not to do so (for example, if the lab does not have capacity to undertake the work and the Manufacturer is unwilling to wait until capacity becomes available). Manufacturers will also continue to have an operational relationship with the Test Lab as is currently the case, on practical matters such as developing the testing plan and executing the tests.
- We expect the new CPA Test Lab Framework to provide additional transparency and insight by having a central repository of test reports and other testing artefacts. This will further support the new Scheme Operator in identifying future CPA scheme improvements and efficiencies over time whilst enabling greater ease with which Manufactures can switch Test Labs if they so wish.
- It is our expectation that the new framework arrangements will take effect for existing evaluations at the point the new scheme starts operations. It is also our expectation that existing Smart metering CPA laboratories will meet the qualifying criteria to join the framework and act as a CPA Test Lab. As detailed below, we also expect there to be a number of measures to support the transition of labs to the new arrangements and to manage existing "in-flight" CPA evaluations in a way that avoids delay or disruption to Manufacturers during the transition. We intend to outline these measures in the second version of the CPA Transition Approach Document, on which we will consult in due course.

3.7. Noting one respondent's request to highlight the importance of formally requiring the new CPA Scheme Operator to ensure that capacity and associated resources were efficiently planned and managed via an amendment to SEC Section G13, we believe that it is sensible that appropriate obligations are placed on the Scheme Operator to support efficient planning. We will work with the SSC to explore, and take account of views from industry stakeholders about, the best mechanism for implementing such arrangements.

- 3.8. In response to several questions relating to how the certification process would work under the arrangements, and the role of the SSC in certification decisions, we confirm that under the new arrangements all certification decisions will be made by the Scheme Operator. This arrangement simply transfers the current role, performed by the NCSC, of making an expert technical evaluation as to the compliance of a device with the relevant Security Characteristics, to the new Scheme Operator. As is currently the case, any device that receives a valid CPA certificate may then be added to the CPL. The SSC has a responsibility to ensure that the Scheme Operator has sufficiently expert resource to carry out such an evaluation. The SSC will also continue in its current role of assessing the risk of certain device trials and then facilitating such trials by permitting relevant devices to be added to the CPL for a limited time for the purpose of the trial. More generally, the SSC will continue in its role of managing any risks associated with devices on the CPL.
- 3.9. In response to proposals received from respondents to help clarify the amendments being made to the SEC we have:
- Amended SEC Section A to only include the enduring definition of 'CPA Certificate' and moved the definition of transitional 'CPA Certificate' to the CPA Transition Approach Document to avoid the need to further amend the SEC when the transition is complete.
 - We have clarified in SEC Section G7.19 that part of the SSC's responsibility as scheme owner is to publish the CPA Certificate and supporting CPA documentation on the SECAS website.
 - We have also amended SEC Section G12.9 to reflect that the "SSC Guidance for Device Security Assurance and Triage" definition reflects that this guidance is constituted of multiple documents and is also the responsibility of the SSC to maintain.
- 3.10. In response to respondent who raised questions relating to the role of the SSC in the management of various types of disputes, we:
- Confirm that the expert determination of a device's compliance with the relevant Security Characteristic is a definitive decision for the Scheme Operator and will not be subject to challenge. This reflects the current arrangements, where such a definitive determination is made by the NCSC. We believe that it is not necessary to amend the SEC in relation to this as the SSC has an obligation to ensure that the evaluations are sufficiently expert and independent to make such a determination.
 - Reflected on suggestions from respondents that the SSC should have a role in other types of disagreements that may arise from the operation of new arrangements. We expect that the new CPA Policies and Procedures document will outline complaint procedures relating to the effective operation of the new CPA Scheme and its providers given the scope in the proposed SEC Section G13. That section also includes obligations on the SSC to ensure that the new Scheme Operator's services are in line with the scope of the new framework contract. The framework contract, when drafted, may provide for managing any disagreements between the new CPA Scheme participants.
 - Believe that obligating the Scheme Operator to be subject to independent oversight, in response to a related point made by one respondent, is unnecessary. The new proposed framework agreement (whereby Test Labs are contracted, appointed, and allocated centrally by the Scheme Operator), as proposed in the new SEC Section G.13, will aim to ensure robust governance and oversight of the new CPA Scheme in line with the existing rules for User Security Assessments conducted by the User Competent Independent Organisation (CIO), which require such an obligation. In particular, the framework will align with the existing contract provisions between Test Labs, the NCSC and device

manufacturers, which set out that such assessments must be performed quarterly. Also, SEC Section G7.20 already obligates the SSC to regularly review the existing security and assurance arrangements, as set out in the SEC, to ensure their fitness for purpose.

3.11. In response to a number of questions and requests for clarification as to requirements on a Test Lab to qualify as a CPA Test Lab we:

- Confirm that Test Labs will continue to need to be approved by the NCSC to become a Cyber Resilient Testing Facility (CRTF). NCSC will define the technical accreditation requirements, and other qualification requirements, necessary to achieve such an approval. In discussion with the NCSC, we note that they are currently building a community of such industry-based CRTFs, which can provide independent assessment of a range of technologies. The expectation is that these test labs will be appropriate to be a candidate lab to evaluate smart metering devices against CPA Security Characteristics.
- Recognise that labs may also need to have specific subject matter expertise in Smart Metering to undertake CPA assessments. SSC will be responsible for setting out and ensuring that Test Labs are suitable to perform CPA assurance for Smart Metering in line with their published CPA Policies and Procedures document. This will be subject to subsequent SSC consideration and involvement with Test labs and industry consultation.
- Expect that all existing CPA Test Labs will be able to continue in their current role should they so wish. We also recognise there may need to be “grandfathering” arrangements for existing Test Labs to support a smooth transition to the new CPA Scheme. These will be detailed in updates to the Transition document.

3.12. We note that a number of respondents stressed the need for the transition to be carefully managed to avoid any impacts or delay to new or “inflight” CPA activity including Risk Review activity. Respondents also sought clarity on roles and responsibilities during the transition. In response we note that:

- DESNZ continues to work closely with the NCSC and the SSC, and all are committed to support a smooth transition to the new arrangements and to avoid any delays to individual device security assurance activity. To support this objective, the NCSC has committed to continue to support the current CPA Scheme whilst new arrangements are being established, and to actively support knowledge transfer to the new Scheme Operator. It is also planned that, once the new scheme is operating, there will be a period of handover and possible parallel running to allow “in-flight” assessments to either complete under the existing arrangements or enable a seamless transition of such assessments to the new arrangements. The NCSC has also clarified that its commitment in this area applies to existing CPA assessments and any Risk Review in progress.
- Clear responsibilities for transition activity have been defined, with the SSC responsible for establishing the new scheme, and NCSC responsible for managing a successful exit from the existing scheme. The current DESNZ Security Governance Board (SGB) which consists of NCSC, DESNZ and the SSC Chair will provide oversight on the overall transition activity. DESNZ will remain the CPA Scheme Sponsor and maintain overall accountability for ensuring that risks that may be associated with CNI, as relevant to Smart Metering in GB, are appropriately managed.
- The SSC will take account of views from industry stakeholders on the details of the new scheme and any updates to the CPA Policies and Procedures or Security Characteristics.
- We are also consulting on the proposed initial version of the CPA Transition Approach Document. It intends to disapply most of our proposed changes until it is appropriate to

begin transitioning to the new arrangements. For example, it removes the entire proposed new SEC Section G13, which introduces the role of the new CPA Scheme Operator, and all references to the role throughout the SEC, and confirms the NCSC's continuing role in operating the CPA Scheme during the transition period. This is supported by the remaining proposed provisions in the draft CPA Transition Approach Document, which confirms the NCSC's responsibility for supporting the transition to the new arrangements whilst enabling the SSC to take all the required steps to prepare for the transition. **The initial version of the CPA Transition Approach Document is set out in Annex 8. Any comments on this version are requested by 5 pm on 16 July 2024.**

- We expect the second version of the draft CPA Transition Approach Document to include the necessary provisions to facilitate the next phase of transition activity, which is likely to be parallel running of the new CPA Scheme from January 2025, in which we will consider including suggestions received from the respondents. We expect the third and final version of CPA Transition Approach Document to disapply any provision in the SEC and its subsidiary documents with any references to the NCSC's role in providing the CPA Scheme. We will consult on each version in due course.

Summary of issue and proposals - Manufacturers as SEC Parties

- 3.13. In our consultation we explained that in changing the SEC via Modification Proposal 168 to permit device Manufacturers to become subscribers for IKI Certificates, it was an omission that the changes did not require manufacturers to become SEC Parties for such purposes. This is because the SEC acts as the Subscriber Agreement between the DCC and any subscriber for a DCCKI, IKI or SMKI Certificate, in addition to acting as the Relying Party Agreement for these PKIs⁵. We explained that Subscriber Agreements and Relying Party Agreements are standard contractual documents of Public Key Infrastructures and Government believed that it is important that Manufacturers are contractually subject to these provisions when acting as a subscriber or relying party.
- 3.14. We therefore proposed that Manufacturers who are not already SEC Parties and who wish to become (or to remain being) a Subscriber for an IKI Certificate would need to become SEC Parties by acceding to the SEC Framework Agreement.
- 3.15. The proposal also required manufacturers who have already become subscribers by virtue of the changes made using MP168, but who are not currently SEC Parties would also have to acknowledge that the provisions of the SEC apply to them in relation to any certificate that was issued prior to becoming a SEC Party. Where such a manufacturer does not become a SEC Party within 6 months of the changes being made to the SEC, the DCC will be required to revoke any certificates issued to that manufacturer.
- 3.16. As part of this change, we also proposed that the SSC membership be amended to include representation from a Manufacturer Party. We proposed an additional, new obligation on Manufacturers to notify the SSC of any material security vulnerabilities that it becomes aware of in respect of any Devices for which it is the Manufacturer, which is commensurate with obligations on other SEC Parties.

	Consultation questions
4	Do you have any comments on the principles of the proposed changes to the main body SEC to allow manufacturers to become SEC Parties?

⁵ See for example the Subscriber Obligations in SEC Section L11 and the Relying Party Obligations in Section L12, as well as the limitation of liability provisions in Section M.

5	Do you have any comments on the legal drafting for the main-body SEC changes in Annexes 4 to 7?
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3.17. All the respondents were broadly supportive of the proposals. A number of the respondents requested clarity on how the proposed new obligation on Manufacturers to notify the SSC of any material security vulnerabilities in relation to their products on the CPL would be realised and whether it duplicated the equivalent obligation on DCC Users in SEC Section G3.18. A number of the respondents also sought clarification on which type of Manufacturer could be represented on the SSC, for example, an Electricity or Gas Meter Manufacturer.

- Two of the respondents suggested a range of options, for example, that each main category of device Manufacturer, such as electricity and gas Manufacturers, be represented, or for the proposed one Manufacturer be supplemented by a Manufacturer sub-committee that would be subordinate to the SSC.
- One of the respondents, suggested that Manufacturers should also be represented on the Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA)⁶ given the device manufacturers' direct interaction with SMKI by populating Trust Anchor cells with SMKI Certificates during production and the impact on them from its activities. These respondents suggested that their suggestions should be codified in the SEC.

3.18. Three of the respondents also noted the importance of the SSC CPA Issue Resolution Sub-Group (SCIRS)⁷ to device manufacturers for engagement in relation to smart metering device security assurance, and that SCIRS should also be retained.

3.19. Two of the three respondents also suggested that the SSC should be obligated in the SEC to retain a forum, such as SCIRS to ensure regular engagement between the SSC and the Manufacturers on issues relating to the new CPA Scheme so their input could be appropriately captured.

3.20. A number of the respondents also sought clarity on the proposed requirements for manufacturers to be obligated to become SEC Parties to use IKI Certificates, and on the proposed new obligation on the Manufacturers to notify the SSC of any material security vulnerabilities related to their products.

Government Response

3.21. Given the broad support from respondents, we intend to implement our consultation proposals by amending the SEC to obligate Manufacturers who are not current SEC Parties and wish to become (or remain) a Subscriber for an IKI Certificate to become SEC Parties. We will also amend the SEC as it relates to SSC membership to include representation by one voting member of device Manufacturers that, for the purposes of the new CPA Scheme, are those with current products on the CPL and will each be known as a "CPL Manufacturer". We will also amend the SEC to obligate device Manufacturers to notify the SSC of any material security vulnerabilities that they become aware of relating to any Devices with a Device Model listed on the CPL, for which they are the Manufacturers.

⁶ SMKI PMA is a Sub-Committee of the SEC Panel to govern the SMKI document set and to facilitate assurance of operation of SMKI devices by the DCC; <https://smartenergycodecompany.co.uk/smki-pma/>

⁷ SCIRS is a sub-group of the SSC including all participants involved in or affected by the CPA process; <https://smartenergycodecompany.co.uk/security-sub-committee/>

3.22. In response to the suggestions that Manufacturer representation at the SSC should be extended beyond the proposed one representative, that it should be extended to the SMKI PMA, and that the SCIRS group should be formalised, our view is that:

- To date, the SCIRS group has been a successful forum for enabling discussions about, and consensus on, issues related to smart metering device security controls. Given this, we do not believe that, at this stage, it is necessary to formally codify SCIRS in the SEC. Should a specific sub-group or working group be required for device manufacturers to discuss inputs relating to particular aspects of the new CPA Scheme or smart metering generally, the SEC enables the SSC to convene such groups, as required.
- Given the proposed changes, we believe it is both reasonable and proportionate for device Manufacturers to be represented on the SSC with one voting member. This continues to maintain proportional stakeholder representation on the SSC and in this way support the SSC's efficient operations, including as the new CPA Scheme Owner.
- SEC Section G7.16 (b) enables the SSC Chair to invite specialist experts, who could additionally represent smart metering device Manufacturers, when required alongside a permanent voting member.
- The SSC also allows for a deputy to stand in for the permanent voting member when that member is unavailable which could be utilised to provide additional diversity in the Manufacturer type.
- SEC Section L1.14 (b) also enables the SMKI PMA Chair to invite specialist experts at SMKI PMA, which we believe, provides device Manufacturers with appropriate representation at SMKI PMA when required.
- However, we will introduce a new definition of "CPL Manufacturer" in SEC Section A to clarify that, for the purposes of the new CPA Scheme, and for the purposes of device Manufacturer representation on the SSC, relevant device Manufacturers are those that have current products on the Central Products List (CPL).

3.23. We remain of the view that it is appropriate to require Manufacturers to seek to rectify or mitigate any material vulnerabilities in (or likely to affect) any Device, and to notify the SSC in such circumstances. For clarity, we will amend the originally proposed drafting in SEC Section G3.21A for this requirement to only apply to "CPL Manufacturers" and only relate to Devices with Device Models listed on the CPL. It is recognised that similar duties also apply to the DCC and DCC Users, this may mean that the SSC may receive multiple notifications regarding the same device, but we are of the view that in such circumstances it is better for the SSC to be over-notified than under-notified. However, not all SEC Parties, including CPL Manufacturers, may have a DCC User role. If a CPL Manufacturer has a DCC User role, the CPL Manufacturer would fulfil the proposed duties only once: as a DCC User or as a CPL Manufacturer.

4. Next Steps

4.1. Following the responses to our consultation, as summarised above, on 3 June 2024, we plan to lay before Parliament the changes to the SEC in Annexes 2 and 4, as amended, and in Annexes 3, 5, 6 and 7 as consulted upon. Subject to parliamentary process, we expect the changes to come into force in July this year in line with Section 89 of the 2008 Energy Act.

Annex 1b: Consultation on the initial version of the CPA Transition Approach Document

- 4.2. We invite views on the initial version of the CPA Transition Approach Document which is set out in Annex 8. The purpose of the initial version is to switch off the main body SEC changes required to support the new CPA scheme (essentially switching off the CPA related changes but not those relating to meter Manufacturers becoming SEC Parties for the purposes of subscribing for IKI Certificates). We will be consulting in due course on a second version of the transition document which will set out the transitional arrangements under which, following the appointment of the Scheme Operator, new Device Models will start the CPA process under the new arrangements, whilst in parallel some Device Models will still be undergoing CPA evaluations under the “old” (currently existing) scheme.
- 4.3. Please submit any views on the draft CPA Transition Approach Document v1, as set out in Annex 8, and on the proposed (re)designation date by **5 pm on 12 July 2024**.