Department for Energy Security & Net Zero
3-8 Whitehall Place
London SW1A 2AW
www.gov.uk/energysecurity

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

13 May 2026

Dear Colleague,

VIRTUAL WAN ARRANGEMENTS: CONSULTATION ON SEC CHANGES FOR VWAN

This consultation sets out, and invites views on, a number of proposed SEC changes relating to the enduring Virtual WAN Arrangements.

The proposed changes include:

- Providing for there to be a SEC subsidiary document setting out the steps that need to be taken by DCC, other SEC Parties, the SSC and SMKI PMA to mitigate a compromise (or suspected compromise) of the principal private keys that govern the operation of the Virtual WAN Key Infrastructure (i.e. the VWKI Root Private Key or a VWKI Issuing Authority Private Key), or in the circumstances where DCC suspends communications with VWDs of one or more VWD Device Models.

- Changes to the obligations on Virtual WAN Device (VWD) Manufacturers such that they no longer have to confirm that they do not levy post installation maintenance charges. It is proposed that the existing obligation to do this[1] is replaced by an obligation on suppliers to ensure that VWDs will continue to operate for at least 28 days following a change of supplier event.

- Changes to the assurance regime for VWDs to require independent test lab verification that satisfies the Security Sub-Committee that VWDs sufficiently meet the principles of ETSI EN 303 645, albeit with a degree of flexibility to minimise the burden on manufacturers.

- Clarification over the wording that explains that basic VWD capability is classified as Type 2, but that the VWD functionality can be incorporated with PPMID in which case, the overall device becomes a PPMID.

- Providing for any changes to the WAN Selection Arrangements to be subject to the approval of the department.

- Setting out proposed enduring reporting obligations on DCC with regard to VWAN.

Responses to the questions set out in the consultation (and associated reasons) should be submitted to smartmetering@energysecurity.gov.uk by 17:00 on 19 June 2026.

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[1] SEC Section F2.41(c).

Yours faithfully,

Jennie Tse
Director
Smart Metering Implementation Programme

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

Annex 1: Consultation Document

Annex 2: Draft SEC changes

Annex 1 – Consultation Document

1. DESNZ is proposing a number of changes to the Smart Energy Code relating to the enduring arrangements for Virtual WAN (VWAN) and inviting comments upon those proposals.

Virtual WAN Recovery Procedure

2. Further to discussions with the SMKI Policy Management Authority (SMKI PMA) chair and the DCC, it is proposed that a new SEC subsidiary document be provided for which details the steps to be taken by the DCC, other SEC Parties and code bodies (such as the Security Sub-Committee and the SMKI PMA) to mitigate a compromise (or suspected compromise) of the principal private keys that govern the operation of the Virtual WAN Key Infrastructure (i.e. the VWKI Root Private Key or a VWKI Issuing Authority Private Key), or in the circumstances where DCC suspends communications with one or more VWD Device Models.
3. It is proposed that this subsidiary document will be developed by DESNZ in conjunction with SSC/SMKI PMA and DCC and introduced into the SEC following consultation with SEC Parties.
4. Because the document is intended to deal with communications suspension in addition to compromise or suspected compromise of a VWKICA Private Key it is proposed that its title should be the "Virtual WAN Recovery Procedure" rather than the "VWKI Recovery Procedure". It is proposed that the document be added to the list of VWKI SEC Documents (such that for example, SMKI PMA members can submit Draft Proposals in relation to it).

Q1: Do you agree that it would be appropriate to document the steps to be taken in the event of a compromise or suspected compromise of a VWKICA Private Key or in the event of the suspension of communications with one or more Virtual WAN Device Models in a new subsidiary document?

Q2: Do you agree that the Virtual WAN Recovery Procedure should be treated as a VWKI SEC Document?

Obligations on Virtual WAN Device Manufacturers and Suppliers

5. On 18 December 2025, the department issued a statement[2] agreeing with concerns that had been raised over the provisions of SEC Section F2.41(c). We agreed that it is overly onerous on Virtual WAN Device Manufacturers, because it prevents them from issuing reasonable charges for the ongoing support of Virtual WAN Devices following installation (e.g. ongoing maintenance and continued firmware development).
6. As indicated in the December statement[2], we are proposing to lift the restrictions imposed by this SEC Section by deleting it.
7. We do however have potential concerns that by doing so, issues may arise on a change-of-supplier event where the incoming supplier does not have arrangements in place with the manufacturer of a VWD that is being used to support communications with the Communications Hub at a premises.
8. In order to avoid suppliers being in a potentially distressed position of being required to enter into arrangements with the VWD Manufacturer, it is proposed that outgoing Lead Suppliers[3] be required to ensure where a Communications Hub relies upon a VWD, the VWD will continue to operate for a period of at least 28 days following the change of supplier event. It is intended that this will give the incoming supplier enough time to either enter into an agreement with the VWD

2 DESNZ Statement on requirements placed on Virtual WAN Device Manufacturers - Smart Energy Code

3 Where a Communications Hub supports Smart Metering Systems for both gas and electricity, the Import Supplier at the premises is the Lead Supplier. Where it supports a single Smart Metering System, it is the Gas Supplier or Import Supplier as relevant.

Manufacturer for ongoing use of the device or to send an alternative replacement VWD to the consumer. We also believe that this arrangement is likely to lead to fewer instances in which there are adverse consequences for the consumer on change of supplier.

Q3: Do you agree with our proposal to delete F2.41(c)?

Q4: Do you agree with our proposed alternative obligation on outgoing suppliers on change-of-supplier and if so, do you agree with the proposed 28-day timescale?

VWD ETSI Certification

9. We are proposing changes to the assurance regime for VWDs to require independent test lab verification that satisfies the Security Sub-Committee (SSC) that VWDs with a particular Device Model sufficiently meet the principles of ETSI EN 303 645. This is a change from the existing arrangements which rely on manufacturer assertions that VWDs either meet, or are capable of being upgraded to meet, the ETSI principles. This change is intended to give more robust assurance that appropriate standards are being met.
10. It is proposed to afford a degree of discretion for the SSC to operate these arrangements in a flexible manner. For example, we are proposing that VWD manufacturers can use CREST, CHECK or CPA test labs or other test labs acceptable to the SSC (but they would need to be not affiliated with the VWD Manufacturer). Furthermore, we are allowing the SSC to indicate that where it has approved a VWD of a particular VWAN Device Model, it can indicate that VWDs of similar Device Models are also acceptable (albeit we are proposing to require manufacturers to provide independent assurance within 12 months or such longer time as may be approved by the SSC). The SSC would have discretion to decide on the date from when the new rules take effect, and they would apply retrospectively (again within 12 months of the new arrangements coming into effect or such longer time as may be approved by the SSC) to existing VWDs (noting that VWD Manufacturers already have to confirm that their devices already meet the principles of ETSI EN 303 645 (or are capable of being upgraded to do so)).
11. We believe that it would be helpful if the SSC would consider issuing guidance to VWD Manufacturers on the detail of how the process would work and invite them to consider doing this.

Q5: Do you have any comments on the proposals set out above?

Q6: Do you agree that it would be helpful for the SSC to produce guidance on the process?

Clarification of wording

12. We are proposing a change to SEC Section F2.39 to clarify that Virtual WAN Devices are (by virtue of the VWAN functionality alone) Type 2 Devices and so they are not identified in the Central Products List and have no SMI Status unless the Device with the VWD functionality is a PPMID.

Q7: Do you agree with our new proposed wording?

Governance of WAN Selection Arrangements (WANSA)

13. We are proposing to move the governance of the WANSA document which is currently set out in the Virtual WAN Transition Document, to Section F of the SEC. The department considers the WANSA to be an important document as it sets out how Virtual WAN Communications Hubs will choose to use the SM WAN or the internet for communications with DCC. Under the existing and new governance arrangements, any changes to the WANSA need to be approved by the department.

Q8: Do you have any comments on the above?

Reporting Obligations on the DCC

14. We are proposing to require the DCC to provide monthly information on Virtual WAN to the department. The information we are seeking is intended to allow us to form a picture of how Virtual WAN is being used in practice, and the extent to which it is being used in prepayment mode. The information would include:

    a. the number of Connected VWCHs at the end of the month (by “Connected” we mean that the VWCH is VWAN enabled and connected to the consumer’s internet);

    b. the number of the VWCHs in (a) above where the SM WAN Coverage Database indicated that there was 4G mobile technology coverage at the installation location at the time of installation;

    c. the number of Active VWCHs (at the end of the month). “Active” means, in relation to a Connected Virtual WAN Communications Hub and at a particular point in time, that the Virtual WAN Interface is at that time selected by the Virtual WAN Communications Hub in accordance with the WAN Selection Arrangements;

    d. the number of Active VWCHs in (c) above for which the SM WAN Coverage Database indicated that there was 4G mobile technology coverage at its installation location at the end of that month;

    e. the average period of time over the reporting period that the VWCHs in (a) were Active, split by the SM WAN Coverage Database indicating whether or not there was a 4G mobile technology coverage at the installation location (at the end of the reporting month); and

    f. the number of Active VWCHs at the end of that month that form part of a Smart Metering System that also includes a Pre-Payment Meter.

15. The information would be available on request to the SSC. It is also proposed that DCC should make available information on the numbers and types of VWKI Certificates that have been issued where requested by the SMKI PMA.

Q9: Do you have any comments on the proposed reporting obligations on the DCC?

Q10: Do you have any other comments on the issues raised in this consultation or on the proposed legal drafting changes in Annex 2.

Next Steps

16. Responses to the questions set out in the consultation (and associated reasons) should be submitted to smartmetering@energysecurity.gov.uk by 17:00 on 19 June 2026.

Annex 2 – Draft SEC Changes

Published separately