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Smart Energy Code

MP110
'Aligning SEC Appendix D with DCC Processes'

Modification Report

Version 1.0

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About this document

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

Contents

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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SEC
Smart Energy Code

1. Summary

This proposal has been raised by Gordon Hextall on behalf of the Smart Metering Key Infrastructure (SMKI) Policy Management Authority (PMA).

During a recent audit carried out in June 2019 under SEC Appendix C ‘SMKI Compliance Policy’, the auditor identified non-compliances where the Data Communications Company’s (DCC) internal processes did not conform to the processes set out in Appendix D ‘SMKI Registration Authority Policies and Procedures’ (SMKI-RAPP).

The DCC and the SMKI PMA have agreed that the differences identified in the audit reflect DCC processes that have evolved over time to ensure more efficient and practical working processes. Therefore, the changes should be made to Appendix D as reverting to previous processes would be inefficient and detrimental to good compliance practices. The resulting changes agreed by the DCC and the SMKI PMA will ensure that the independent assurance is satisfied.

The solution is to amend SEC Appendix D so that it is aligned with the processes agreed by the DCC and SMKI PMA. There are no DCC implementation costs and no impact on Parties. If approved, this is targeted for the November 2020 SEC Release.

2. Issue

What are the current arrangements?

SEC Appendix C requires the DCC to submit to a SMKI Independent Assurance Scheme, approved by the SMKI PMA. The scheme is the 'tScheme'.

The most recent audit was carried out in June 2019 and the auditor identified non-compliances where the DCC internal processes did not conform to the processes set out in SEC Appendix D.

At the request of the SMKI PMA, the DCC was asked to investigate the discrepancies. The DCC and the SMKI PMA have agreed that the differences identified in the audit reflect DCC processes that have evolved over time to ensure more efficient and practical working processes.

What is the issue?

During live operations, the DCC has evolved the processes set out in SEC Appendix D to operate more efficiently. The SMKI Independent Assurance Scheme has identified discrepancies between the SEC defined processes and the actual DCC practices.

On 17 December 2019, the DCC presented the SMKI PMA with the changes that it proposed to be made to SEC Appendix D. SMKI PMA members went through each proposed change and made some amendments. The resulting changes are acceptable to the DCC and to the SMKI PMA and will ensure that the independent assurance is satisfied.

SEC Appendix D now requires amendments so that it is aligned with the processes agreed by the DCC and SMKI PMA.

What is the impact this is having?

If these changes are not made, the discrepancy between the obligations in the SEC and the DCC live practices would persist. Any further audits carried out under SEC Appendix C would therefore find discrepancies between the SEC and DCC processes.

3. Solution

Proposed Solution

The audit identified these differences and the SMKI PMA are supportive of retaining the current processes therefore the obligations in Appendix D will be updated to reflect the current DCC processes.

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

Only the DCC will be affected by this modification. It will ensure that the DCC processes are effective and appropriate and comply with the audit requirements of the tScheme.

DCC System

There are no DCC System impacts.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Appendix D 'SMKI Registration Authority Policies and Procedures' (SMKI-RAPP)

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

Consumers

There are no impacts on consumers.

Other industry Codes

There are no impacts on other industry Codes.

Greenhouse gas emissions

There are no impacts on Greenhouse Gas emissions.

5. Costs

DCC costs

There are no DCC System costs for this modification.

SECAS costs

The estimated SECAS implementation costs to implement this modification is two days of effort, amounting to approximately £1,200. 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 for this modification.

6. Implementation approach

Recommended implementation approach

The Smart Energy Code Administrator and Secretariat (SECAS) is recommending an implementation date of:

- **5 November 2020** (November 2020 SEC Release) if a decision to approve is received on or before 22 October 2020; or
- **25 February 2021** (February 2021 SEC Release) if a decision to approve is received after 22 October 2020 but on or before 11 February 2021.

SECAS is recommending that this is progressed as a Self-Governance Modification as it does not meet any of the criteria in SEC Section D2.6. More specifically, it will not have a material effect on any Party.

This is a document only change and it does not affect any SEC Parties; it is simply aligning the SEC to the current DCC processes. The November 2020 SEC Release is the earliest SEC Release this modification could be included in.

7. Assessment of the proposal

Observations on the issue

The Change Sub-Committee (CSC) questioned if the modification should be discussed to ensure Parties were comfortable with the reasons why the DCC was not compliant with the audit that took place. SECAS advised that the SMKI PMA had agreed the changes to the SEC were necessary as the audit requirements in the SEC were set before go-live. The processes being audited had evolved over time and experience into more appropriate and relevant processes. The audit had identified these differences and the SMKI PMA were supportive of retaining the current processes, and that changes should be made to SEC Appendix D.

Support for Change

The SMKI PMA has agreed the changes to the SEC are necessary, as the audit requirements in the SEC were set before go-live. The processes being audited have evolved over time into more appropriate and relevant processes.

The CSC and all the Sub-Committees were supportive of this change.

Views against the General SEC Objectives

Proposer's views

The Proposer believes this modification better facilitates SEC objective (f)[1] by ensuring the most up to date and appropriate practices that are currently being used are defined in the SEC.

[1] Ensure the protection of data and the security of data and systems in the operation of the SEC.

Appendix 1: Progression timetable

If the Panel agrees DP110 should become a Modification Proposal, SECAS and the CSC recommend it should then proceed directly to the Report Phase, as it has been discussed and agreed by the DCC and the SMKI PMA.

Timetable	
Action	**Date**
Draft Proposal raised	
Presented to CSC for comment and recommendations	28 Jan 2020
Preparation and agreement of legal text with Proposer	Feb – Apr 2020
Panel converts Draft Proposal to Modification Proposal	15 May 2020
Modification Report Consultation	18 May – 8 Jun 2020
Change Board vote	24 Jun 2020

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**
CSC	Change Sub-Committee
DCC	Data Communications Company
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SMKI	Smart Metering Key Infrastructure
SMKI PMA	SMKI Policy Management Authority
SMKI-RAPP	SMKI Registration Authority Policies and Procedures