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MP134

‘Use of SMKI Certificates relating to a SoLR event’

Modification Report

Version 0.3



About this document

This document is a 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

1. Summary.....	2
2. Issue.....	4
3. Solution	5
4. Impacts	7
5. Costs	8
6. Implementation approach	9
7. Assessment of the proposal	10
Appendix 1: Progression timetable	11
Appendix 2: Glossary	12

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 Easton Brown from the Data Communications Company (DCC).

When a Supplier fails, the Authority use its Supplier of Last Resort (SoLR) powers to revoke a licence and select and appoint a SoLR. Only the failed Supplier (or its agent) will hold the Smart Metering Key Infrastructure (SMKI) Private Keys that enable Critical Commands to be sent that will be actioned by the meter, until the new Supplier can replace the Certificates. This can take anywhere between two and four weeks.

Consumers with prepayment meters will continue to run down credit during a SoLR process and whilst the new supplier onboards the consumers (knowing enough information about the consumers to populate systems and service them). During a 'disorderly exit' SoLR process there is a risk that a consumer could lose energy supply. It may take a significant amount of time before the new Supplier can issue Critical Commands, such as Emergency Credit, to recommence supply.

The Smart Energy Code Administrator and Secretariat (SECAS) has been working with the industry and Ofgem to identify resolutions to the issues that arise during a SoLR event. This modification has been raised to implement the part of that solution that does not involve changes to DCC Systems.

This modification has no lead time and no DCC or SEC Party costs associated. It will impact Suppliers the DCC and Other SEC Parties. If approved this modification is recommended for implementation in the November 2020 SEC Release to protect consumers over the 2020/2021 Winter period.

2. Issue

What are the current arrangements?

Supplier of Last Resort (SoLR) is a process developed by the gas and electricity industry to manage the exit of a failed supply business and to transfer the consumers to a replacement Supplier where a trade sale is not possible. It affects, and is implemented by, several industry codes.

When a Supplier fails, the Authority use its SoLR powers to revoke a licence and select and appoint a new Supplier. Appointing a new Supplier using the SoLR powers will take a few days. Following appointment, it is likely that the new Supplier will require a period of time to onboard and service the new customers.

What is the issue?

Only the relevant Supplier (or its agent) will hold the Private Keys that enable Critical Commands to be sent that will be actioned by the meter. The new Supplier needs to be able to replace the Certificates with its own Certificates on the Device to enable it to service the customers.

Consumers with prepayment meters will continue to run down credit during a SoLR process and whilst the new Supplier onboards the consumers (knowing enough information about the consumers to populate systems and service them). During a 'disorderly exit' SoLR process there is a risk that a consumer could lose energy supply.

What is the impact this is having?

In the event of a Supplier failure, consumers with smart meters in prepayment mode may lose supply and it may take a significant amount of time before the new Supplier can issue Critical Commands, such as Emergency Credit, to recommence supply.

3. Solution

Proposed Solution

The Authority monitors Supplier activities and identifies and engages with Suppliers at risk of failure. Furthermore, Suppliers ought to proactively engage with the Authority if they recognise they are at risk of failure. Ofgem have stated they would always prefer a commercial solution, in the first instance, to resolve a Supplier failure. This proposed solution only applies if the failing Supplier uses a Shared Resource Provider (SRP) and no commercial solution is likely.

Various actions are required as part of the solution. These actions are categorised into those taken before, during or after the SRP is required to take action to maintain a consumer's continuity of supply.

- Pre-Make Safe: Determining whether there is a need to instruct the SRP to take action to maintain supply.
- Make-Safe: The actions that an SRP, or other, will take to maintain supply.
- Post-Make Safe: The actions required to revert to normal operation.

These actions required will function as a guidance that need to be taken by the relevant parties.

Pre-Make Safe actions

The Authority monitors Supplier activities and identifies and engages with Suppliers at risk of failure. Suppliers ought to proactively engage with the Authority if they recognise they are at risk of failure.

Make-Safe action by the SRP will not be required if the Supplier in question:

- does not supply consumers using smart meters in Prepayment mode;
- proactively arranges for a "trade sale" of the business or its customer base; or
- engages and commits to continuing to serve the consumer until a SoLR is appointed, or they will take the Make-Safe activities themselves.

In this case, the SRP Make-Safe process is not required and ends.

Make-Safe actions – one time only

These actions need to be taken by the SRP of the failed Supplier and rely on that SRP holding the failed Supplier's private key materials to sign Service Requests. Furthermore, the actions can be completed prior to the SoLR being appointed by the Failing Supplier's SRP, assuming the SRP holds the Supplier's private keys and has the capability to initiate these actions.

Set a 24/7 Non-Disconnect Calendar

The SRP sends Service Request (SR) 2.1 with the existing configuration except that ElectricityNonDisablementCalendar or GasNonDisablementCalendar, as appropriate, would be configured such that the meter will not disable supply when credit is depleted. Once the SoLR is able to service the consumer they will return the configuration as appropriate, taking care that dis-applying the non-disablement period would not disable supply.

Set Payment Mode to Credit

The SRP sends SR1.6 to set a meter's Payment Mode from Prepayment to Credit, thus preventing exhausting meter credit from disabling supply.

Once the SoLR is able to service the consumer it will return the Payment Mode as appropriate, taking care that setting to Prepayment would not disable supply.

Set a large Emergency Credit

The SRP sends SR2.1 with the existing configuration except that a large Emergency Credit value is set, which might delay the point at which the meter will disable supply when credit is depleted.

Once the SoLR is able to service the consumer they will return the Emergency Credit value as appropriate, taking care that this would not disable supply.

Make Safe actions – ongoing

These actions may be required several times between the start of the event (Failing Supplier not servicing the consumer) and end (SoLR servicing the consumer). As such, they may require agreement that the Failing Supplier's credentials can continue to be used for a defined short period after the point at which the SoLR is appointed.

Continue to Vend

The Payment Service Provider (PSP) and SRP maintain the capability for the consumer to procure top-ups via existing channels. Once the SoLR is able to service the consumer it will replace the Certificates on the meter and service them using its own credentials.

Post-Make Safe Actions

The required post-Make Safe actions are determined by whether:

- the SoLR wishes to take on the Failed Supplier's systems, assuming this is possible;
- there is a Change of Supplier (CoS) to the SoLR; or
- whether the Make-Safe action was one-off or ongoing.

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

Large and Small Suppliers will be impacted by having access to a failed Suppliers Devices if appointed as SoLR. Shared Resource Providers will also have access if Suppliers they act for are either failing or appointed as SoLR. The DCC will need to ensure the transfer is implemented.

DCC System

There are no DCC System changes associated with this modification.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section L 'Smart Metering Key Infrastructure and DCC Key Infrastructure'
- Appendix AA 'Threshold Anomaly Detection Procedures'
- Appendix B 'Organisation Certificate Policy'

The changes to the SEC required for this modification can be found in Annex A.

Consumers

This change will have a positive impact on consumers who will be protected from going off supply if they have a prepayment meter when experiencing a situation of SoLR.

Other industry Codes

This change will have no impact on other industry codes.

Greenhouse gas emissions

This change will have no impact on greenhouse gas emissions.

5. Costs

DCC costs

There are no anticipated DCC costs in 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 anticipated costs to SEC Parties in this modification.

6. Implementation approach

Recommended implementation approach

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.

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) agreed that the issue is understood. The CSC agreed that the change would have a positive impact on consumers and would be an improvement on the current arrangements.

The SMKI PMA noted the importance of the trust model within SMKI certificates not being broken as a result of the proposed changes.

The SSC noted a similar perspective in ensuring the proposed changes in the solution do not present any consequential risks in any scenarios.

Views against the General SEC Objectives

Proposer's views

Objective (c) ¹

The Proposer believes this modification will better facilitate SEC Objective (c) as it will protect consumers with a prepayment meter during a disorderly exit in a SoLR process.

¹ Facilitate energy consumers' management of their use of electricity and gas through the provision of appropriate information via smart metering systems.

Appendix 1: Progression timetable

This Modification has entered into the Refinement process. The Refinement Consultation will be issued on the 06 July.

Timetable	
Event/Action	Date
Draft Proposal raised	29 May 2020
Presented to CSC for comment	w/c 1 Jun 2020
Panel converts Draft Proposal to Modification Proposal	19 Jun 2020
Modification discussed with Working Group	1 Jul 2020
Refinement Consultation	13Jul – 31 Jul 2020
Modification Report presented to Panel	14 Aug 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-Committees
DCC	Data Communications Company
DCCKI	Data Communications Company Key Infrastructure
PSP	Payment Service Provider
SEC	Smart Energy Code
SECAS	Smart Energy Code Administration Services
SMKI	Smart Meter Key Infrastructure
SoLR	Supplier of Last Resort
SR	Service Request
SRP	Shared Request Provider