Smart Energy Code

SEC End of Regulatory Year Report

2022 - 2023

Version 1.0

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1. Introduction

This End of Regulatory Year Report highlights activities undertaken by the SEC Panel and its Sub-Committees in delivering the operation of the Smart Energy Code (SEC), supported by the Smart Energy Code Administrator and Secretariat (SECAS) team.

Sections 2 – 7 cover the Panel and Board and Sub-Committee activities and key SECAS functional areas of Technical Operations, Change Management, Security and Privacy, and Party Engagement. Section 8 provides insight into the Smart Metering Device Assurance (SMDA) activity, and Section 9 provides an overview of the Alternative Home Area Network (Alt HAN) activities.

The Panel evaluation of whether the SEC continues to meet the SEC Objectives can be found in Section 11.

2. SEC Panel and SECCo Board

The Panel recognises that the current environment in the Energy industry is extremely challenging, and it has responded to key changes such as the Ofcom announcement of 2G/3G sunsetting and subsequent DCC Network Transition, by recently establishing a new Sub Committee, the Communications Transition Group (CTG), which will work closely with the DCC and industry to ensure that impacts are fully understood and planned for.

The complexity, range and interrelatedness of change impacting DCC systems and the SEC, requires central co-ordination, prioritisation, oversight and governance. Previously, the SEC Panel and its Sub-Committees have tended to look at each DCC project individually. However, given the number, scale and interdependencies of the recent and future planned changes, this ad hoc approach was deemed by the SEC Panel to be a sub-optimal approach of ensuring satisfactory outcomes. There have been clear examples of SEC Parties being dissatisfied with engagement on the development and execution of DCC Programme plans and therefore the SEC Panel felt compelled to instigate a new way of working with the DCC, as it continues to lead a number of User impacting Programmes. A number of these programmes require procurement, including the Communications Service Provider (CSP) 2/3G WAN contract for Central and South, Data Service Provider (DSP) Data Systems and DSP Service Management Systems (DSMS).

To assist the Panel, SECAS, working with the DCC, established a Programme Assurance Policy (PAP) as a means of engaging on programmes, where SEC Parties requirements needed to be considered. The PAP ensures that the Panel and its Sub-Committees are provided with consistent, timely and clear documentation on DCC projects, to enable the input of User needs through SEC governance, and to help provide assurance to Users of DCC programmes and support DCC in successful delivery. Through this framework, the Panel has monitored the DCC’s programmes holistically, such as thoroughly reviewing the design options for the new DSP; receiving valuable comments and feedback from the Panel Sub-Committees and ensuring, as much as possible that, User and SEC requirements are met. The Panel therefore recommended the solution options it believed to be more suitable to DESNZ, based on the Sub-Committees’ assessment of the options presented.

As part of this initiative a full suite of User-impacting DCC Programmes and where they sit in their programme lifecycle is captured and reported monthly to the SEC Panel and SEC Parties via the SEC website to provide better visibility. It has been apparent to the Panel for some time that SEC Parties have concerns about the transparency of the DCC procurement process and decisions that the DCC takes, which ultimately SEC funding Parties pay for. Therefore, in March the Panel and DCC agreed to a trial to provide greater transparency and assurance to the SEC Panel on procurement. To that end, a sub-set of Panel members agreed to attend a workshop with DCC in April to provide greater transparency and visibility over the commercial process followed by DCC for the DSMS contract.

The Panel has also supported the progression of a Performance Assurance Framework (PAF). Currently, the Panel deals with any performance-related matters as they arise. However, managing performance-related matters on a case-by-case basis is challenging and does not necessarily serve the SEC Parties in the best way in ensuring that all Parties are meeting their requirements.

A project undertaken on the Panel's behalf has concluded that the implementation of a risk based PAF under the SEC would give confidence to Parties that: the obligations set out in the SEC are being fulfilled; that Parties are not being disadvantaged by the failure of any one Party to meet its obligations; and that performance risks and issues are dealt with in a standardised manner. The PAF is therefore being progressed through the modification framework.

SECAS also continues to work with the DCC to develop new reporting on the interoperability of SMETS1 and SMETS2 Device Models which will be delivered in the 22/23 Regulatory Year.

SECAS has continued to support the Panel in the drafting of industry consultation responses, notably in response to Ofgem's Code Reform, DCC Review Phase 1, and DCC Price Control Regulatory Year 21/22. Panel also commented to Ofgem on the outcome of the first Independent Audit of the DCC Contract Management Capability.

In addition, Panel responded to the DESNZ Delivering a Smart Secure Electricity System, and DCC Communication Hub and Networks Financing and Regulatory consultations. In several consultations Panel feedback has been taken on board and reflected in determinations and ongoing actions.

The Panel developed and published the SEC Panel Budget for the next three regulatory years, which is available here.

In March, the Panel bade farewell to its Chair for the past nine years, Peter Davies, and welcomed Angela Love, who brings extensive industry experience and insight to the role. SECAS supported the recruitment process and handover of responsibilities from the outgoing to the incoming SEC Panel Chair.

The SECCo Board granted the release of funds for Projects approved by the Panel, running competitive procurement exercises to ensure value for money as well as completing its standard contractual and commercial obligations. This year, this included the negotiation of improved commercial terms with the User Competent Independent Organisation which will benefit SEC Parties directly in their Security and Privacy Assessments. Mindful of cost pressures on industry, SECAS has simplified the Business Architecture Model (BAM) hosting solution at a greatly reduced cost.

3. Technical Operations

3.1 Technical Architecture and Business Architecture Sub-Committee (TABASC)

The TABASC continues to provide input and support to discussions regarding the current and future smart metering ecosystem. The TABASC provides views to both the SEC Panel and DESNZ transitional governance forums regarding the impact of proposed changes on the Technical Specifications or the Technical and Business Architecture.

A key focus for the TABASC has been providing input to the DSP re-procurement programme, reviewing the DCC's proposed architectural options for the to-be DSP and to what extent each of these options delivers on the mandatory and desirable business needs. The TABASC has been in discussion with the DCC on the technical aspects of these options, in particular how the resilience of the technology choice behind each option would benefit the DCC User and SEC Parties. Ultimately, the TABASC challenged some of the DCC’s assumptions behind the benefits attained by its Users, for example, the cost saving from moving to a cloud-hosted DSP. The TABASC has also been in discussion with the DCC on its CSP North Scaling & Optimisation programme where it has provided the DCC with views on what technology may be suitable for initial implementation. This has supported the DCC as it moves forward to impact assessing these technologies.

The TABASC has also been providing input into the DSMS re-procurement programme, reviewing the business requirements, and potential impact to DCC User systems and business processes. The TABASC has questioned the DCC on how the identified business requirements will meet the SEC in its current form, and how the DCC plans to address any gaps. From a Balancing and Settlement Code (BSC) perspective, the TABASC also looked at the technical and business architectural impacts of Meter Splitting (BSCMP375) and its impact on smart metering, noting that this is something that can be supported using the current architecture. The outputs of this study are very useful to those SEC Parties wishing to become Virtual Lead Parties (VLP) and take part in sub-boundary point metering activities.

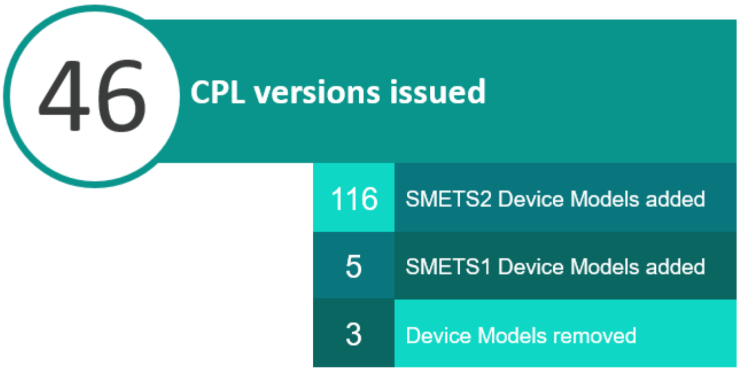
Following the implementation of MP209 ‘Lifetime CPA Certificates’ in August 2022, SECAS has amended numerous entries on the Central Products List (CPL) that held Commercial Product Assurance (CPA) certificates which were due to expire. Device Manufacturers are now issued with new Lifetime CPA certificates that are subject to a risk review.

MP172: ‘Reduced CPA & CPL requirements for innovation and Device field trials’ was implemented in February 2023 which allows Device Manufacturers to add a limited number of Trial Devices on the CPL without obtaining full CPA certification, subject to approval from the Security Sub-Committee (SSC).

There are two modifications which, when implemented, will affect the CPL in the coming year, MP222: ‘CPL submission efficiency improvements’ and MP168: ‘CPL security improvements’. These Modifications will allow greater efficiency and security when providing new CPL submission to SECAS.

CPL activities have been high this year, highlights of which are included below:

Figure 1: CPL Versions Issued



An increasing number of SMETS2 Device Models have been added to the CPL, along with associated updates being made to the Firmware Information Repository (FIR) (accessed once logged in to the SEC website) which allows SEC Parties to view information about firmware updates and contact information for the relevant meter manufacturer. The Plain English Mapping spreadsheet has also been updated on a regular basis to provide information relating to new SMETS1 and 2 Device Models.

3.2 Testing Advisory Group (TAG)

The TAG provides assurance to Users that appropriate testing is being undertaken by the DCC. The TAG has worked with the DCC to build a relationship that allows for robust challenge in a transparent and supportive manner. TAG scrutiny has ensured that any issues identified are categorised correctly and that the testing methodology appropriately mitigates any identified issues.

During the year, the TAG oversaw and agreed the DCC's SEC Release Testing Approach Documents (TADs) which form part of the November 2022 and June 2023 SEC Releases; alongside assessing and agreeing test completion for the November 2022 Release.

The TAG reviewed the testing of several SMETS1 uplifts. This included agreeing the depth and breadth of testing to be carried out on each Release, and approving test completion for Systems Integration Testing. Additionally, the TAG oversaw testing for Great Britain Companion Specification 4.1 (GBCS 4.1), including approving test completion for GBCS 4.1 Communications Hubs 3 (CH3).

The TAG also supported several DCC programmes. This included reviewing TADs, monitoring testing progress, and approving test completion for programmes such as Enduring Change of Supplier (ECoS), alongside inputting into business needs for programmes such as Data Service Provider (DSP) Re-Procurement.

3.3 Operations Group (OPSG)

The OPSG continued to meet twice a month, with one meeting reserved for reviewing SEC operational reports. The OPSG has been seeking to review the reports produced by the DCC to ensure they better reflect User needs and experience of actual performance. The Performance Measures Review Group (PMRG) was established for this purpose and to coordinate feedback on DCC reports in a single place.

During the year, the OPSG has been regularly reviewing the operational status of DCC critical services. The OPSG also regularly reviews DCC Service Performance and provides updates to the SEC Panel on areas for concern. Notably, the Major Incident management process has been a topic of attention due to the high volumes, particularly during Q1 2023. The OPSG has worked with the DCC to provide more detailed reporting with insights around the root cause analysis of Major Incidents.

The OPSG monitored DCC programmes, ensuring feedback has been sought from members, and essential updates, including engagement plans, are provided by the DCC. DCC programmes monitored were DSP Re-procurement, 4G Communications Hub & Network (CH&N), OMS & Logistics, DCC Service Management System (DSMS) procurement, Enduring Change of Supplier (ECoS) readiness and also GBCS 3.2 and 4.1 readiness.

The OPSG reviewed the DCC Annual Outage and Business Continuity and Disaster Recovery (BCDR) plan. Although the number of outage windows in the plan was higher than desired, it was significantly lower than the previous 12 months and was therefore endorsed by OPSG for Panel approval. The OPSG however has made it clear to DCC that the level of outages needs to decrease as it is currently unacceptable. As such they have provided recommendations to the DCC on the overall Service Outage Strategy.

The OPSG has contributed to several SEC Releases, endorsing go-live for the June 2022, November 2022 and February 2023 SEC Releases. The OPSG has also handed over its work on Performance Assurance of SEC Parties to the modifications process, and set up the Performance Measures Review

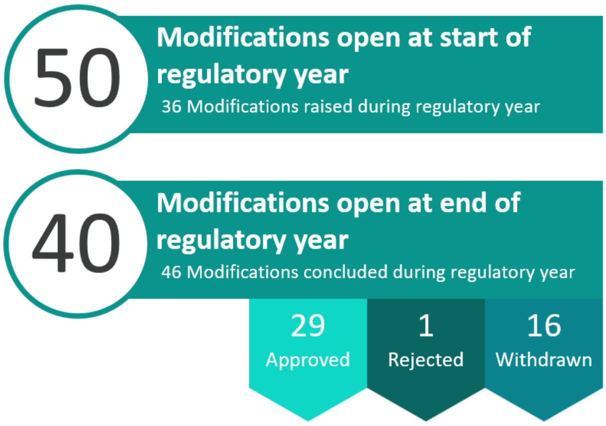
Group (PMRG) to align performance measures that are reported by DCC. Additionally, the OPSG has input into CSP N Scaling and Optimisation, Price Change and Energy Bill Support Scheme (EBSS), monitoring ‘Other SEC Party’ usage of DCC services, Spurious Alerts, Alternative Home Area Network (Alt HAN), monitoring Market wide Half Hourly Settlement (MHHS), DCC Enduring Services (PKI-E) Strategy Issues and Risks.

4. Modifications and Releases

4.1 Progression of change

The throughput of change has been strong this year. SECAS received 36 new Draft Proposals in 2022-23, adding to the 50 already open at the start of the year, and progressed 46 modifications to a final outcome, resulting in 40 open modifications at the end of the year. Figure 3 sets out the number of modifications raised, progressed and closed in the year.

Figure 2: Modifications Opened and Closed in 22-23



The Change Sub-Committee (CSC) continued to oversee the progression of modifications under delegated authority from the Panel, with the Change Board making the final decisions on whether each change should be approved or rejected.

Twenty-nine approved Modification Proposals were implemented via scheduled and ad hoc SEC Releases this year. Key modifications implemented this year included:

- MP096 ‘DNO Power Outage Alerts’, which reviewed the timescales in which the DCC needs to provide Power Outage and Restoration Alerts (POAs/PRAs) to Electricity Network Parties and enhanced the reporting on this. POAs and PRAs are a primary benefit that Electricity Network Parties receive from smart meters, and enhancing the performance around these will aid in their quickly detecting power outages on their networks.
- MP104 ‘Security Improvements’, which implemented a validation check to ensure Users are using the correct User Role Signing Private Keys when Digitally Signing XML format Service Requests, enhancing the security of the DCC network.
- MP172 ‘Reduced CPA & CPL requirements for innovation and Device field trials’, which will enable Device Manufacturers to place limited numbers of Trial Devices on the live DCC network, subject to approval by the SSC, without obtaining full CPA Certification for their Device Model. This change will aid with innovation around new Devices.

Alongside these, SECAS has implemented five Secretary of State directed designations to the SEC. The five designations impacted the following SEC documents:

- SEC Appendix J 'Enduring Testing Approach Document'
- SEC Appendix AB ‘Service Request Processing Document’
- SEC Appendix AD ‘DCC User Interface Specification’
- SEC Appendix AK 'SEC Variation Testing Approach Document for SMETS1 Services'
- SEC Appendix AL 'SMETS1 Transition and Migration Approach Document'

4.2 Modification framework enhancements

SECAS continues to work closely with the DCC to reduce the costs and timescales for delivering system changes under the SEC. Over the last year, the average timescales for the DCC to complete a DCC Preliminary Assessment has been maintained at 25WD and has been reduced for a DCC Impact Assessment from 71 WD to 50 WD. SECAS has been working with the DCC to develop further initiatives that will be rolled out in 2023/24 to reduce these timescales further.

SECAS also endeavours to engage with smaller Parties on modifications outside of the standard Working Group meetings and modification consultations. It continues to present regular updates on modifications to the Small Supplier and Other SEC Party engagement calls and has regular sessions with several Device Manufacturer groups to update them on relevant changes. Despite these efforts, SECAS finds Small Supplier engagement and representation difficult to achieve and is therefore looking at other ways of engagement.

4.3 Cross-Code engagement

SECAS continues to participate in the Code Administration Code of Practice (CACoP) Forum which presents an opportunity to discuss and share cross-Code activities. SECAS is chairing the Forum in 2023 and will be using its year in the chair to focus on sharing knowledge, ways of working and lessons learnt across the Code bodies, to help improve consistency between processes and procedures. The Forum will also be actively engaging with Ofgem over the upcoming Code Reform and Consolidation and identifying initiatives it can deliver in advance of this that would support the principles and aspirations of this work.

SECAS also continues to actively participate in the Cross-Code Steering Group (CCSG). This group is responsible for assessing new modifications and change proposals raised across the six retail Energy Codes (including the SEC) to identify potential cross-Code impacts. This year saw Code modifications raised/approved to facilitate market-wide half-hourly settlement (MHHS).

SECAS has been involved in the ongoing work to deliver MHHS. MP162 ‘SEC changes required to deliver MHHS’ was raised to progress the DCC System changes required for the full MHHS solution, with this change being approved by the Authority in November 2022 for implementation in June 2024. SECAS and the DCC have been working closely with the Elexon MHHS Programme and the Authority throughout the progression and subsequent delivery of this modification. This was particularly evident following the Authority’s sending back of the MP162 Modification Report in September 2022, requesting that the costs to technically implement the new User Role were separated from the broader DCC costs to deliver MHHS, such as capacity increases to account for the additional traffic. SECAS and the DCC subsequently turned this request around in six weeks.

5. Security and Privacy Provisions

The Security space this year has continued to see a growth in activity with the creation of two Security Assessment Frameworks, applying to both the DCC annual CIO assessment and Device Triage Assurance arrangements.

SECCo extended the User CIO contract for a further two years after securing an improved commercial position, and three funded events, including an introduction to Triage workshop for industry, and a refresh session on Security and Privacy Assessments for SEC Parties. The SSC has worked with the User CIO to address feedback on the User Security Assessment approach, completing a full review of all SEC Security Obligations, identifying improvements to the Assurance approach, and implementing updates to the User Security Controls Framework.

Seeking to improve engagement with the SSC and SMKI PMA, the DCC has sought earlier input on security considerations and controls at the high-level design stages of their programmes and maintained consistent engagement in the build-up to ECoS go live, planned for June 2023. The SMKI PMA collaborated with the DCC in completing the SMKI Document set review and implementing the required changes throughout the SEC. Both the SSC and SMKI PMA continue to apply pressure on the DCC to resolve the outstanding requirements to enable an effective SMKI Recovery Process and Emergency Suspension of Services, should this ever be required, including setting up a sub-group of the Smart Metering Incident Response Team (SMIRT) to specifically support this process. It has been a protracted process due to the level of engagement required between Sub-Committees, DCC and Subject Matter Experts to analyse the potential scenarios that could arise. It is therefore a continuing challenge to agree Work Instructions to enable the DCC to meet the SEC obligations in Section H10, but this is a focus for the coming months and is on track for resolution.

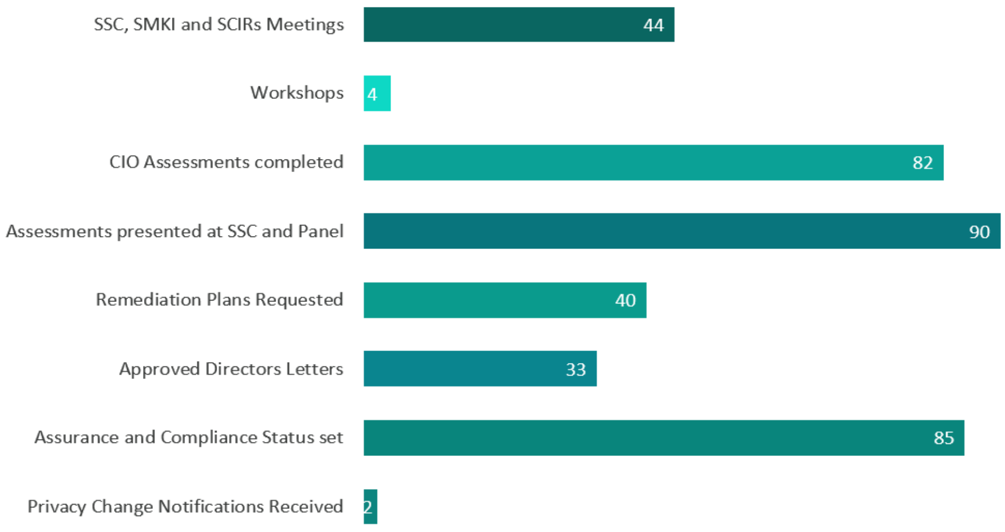
This year has seen an increased focus on the SSC's Central Products List (CPL) monitoring duties, SECAS has enhanced the data analysis and tracking information provided at SSC meetings, and to impacted Suppliers, to assist in remediation activities and ensure removal decisions can be made avoiding any impacts to pre-payment meter customers. A lack of reliable data on pre-payment meter volumes has created challenges for setting removal dates for device firmware versions with expired certificates, and being confident this will have no unforeseen impact on PPM customers. The DCC has agreed to work with SECAS to re-assess and scope the requirements of a replacement report which DCC is aiming to deliver in the next year.

The SSC's CPA Issue Resolution Group (SCIRS) continues to work with Industry, DESNZ and NCSC to resolve all CPA related issues. The main achievements this year include reaching agreement with the NCSC on the Security Characteristics Review and publishing the updated documents. The SSC and SCIRS also worked to implement the Assurance Arrangements for Triage, embedding the required security obligations into the SEC, and provided support and guidance for organisations wishing to introduce innovative trial Devices. The SSC/SCIRS Chair and User CIO have also attended Community of Meter Asset Providers (CMAP) meetings and visited a prospective Triage Facility in preparation for the first assessment anticipated in the coming year.

Privacy topics have started to feature regularly on the Panel's monthly agenda including consideration of several innovative approaches to consumer consent, collaboration with RECCo on their Open Data Access project and a consultation on changes to the Privacy Controls Framework.

SSC has been monitoring National Cyber Security Centre (NCSC) advice about Quantum Computing for several years and has recently been recommended to take action in regard to the latest phase of National Institute for Science and Technology (NIST) research published last year. SSC will therefore be commencing a project in the coming year to assess the NIST recommended candidates to understand which may be best suited to mitigating the risks to smart metering operations from Quantum Computing and to protect Critical National Infrastructure.

Figure 3: Security and Privacy Statistics

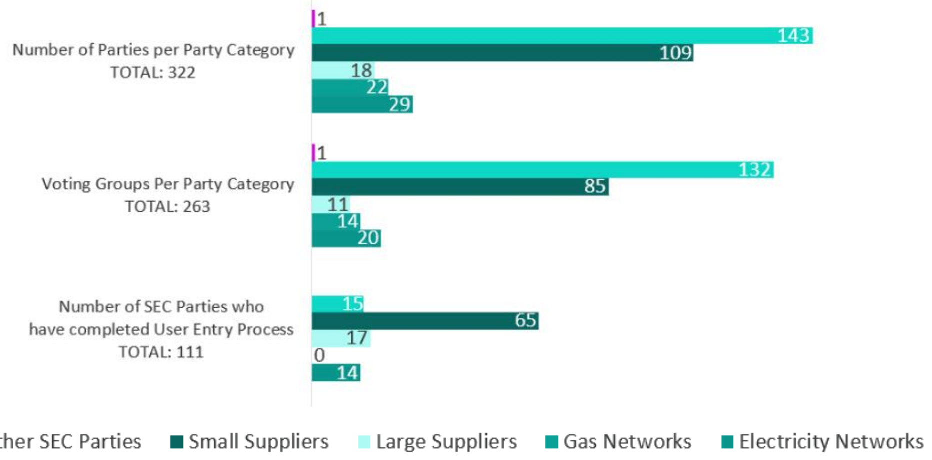


6. Party Engagement

6.1 Market Entry and Exit

The SEC Panel oversees applications from organisations wishing to become a SEC Party and manages the exit of Parties under SEC Section C2.3. This year, 14 new Parties joined the SEC, with 22 Parties leaving through expulsion and 10 Parties withdrawing from the SEC. The Party count now stands at 322 (representing 263 Voting Groups).

Figure 4: Total number of SEC Parties, Voting Parties per Party Category and UEP Status



6.2 User Entry Process

SEC Section H1 sets out the User Entry Process (UEP) which Parties must complete before they can access DCC Services as a Live DCC User. Four Parties successfully completed this process this year, resulting in 112 current Parties having completed this process.

6.3 Defaults, Disputes and Supplier of Last Resort

In 2022-23, there were 22 instances where Defaulting Parties were subsequently expelled from the SEC. 19 Small Supplier SEC Parties are still going through the Supplier of Last Resort (SoLR) process. One Large Supplier Party, Bulb Energy Limited, entered Special Administration.

SECAS has continued to follow and refine its Events of Default process with the DCC, as common causes have been observed and effective strategies for managing these identified.

6.4 Engagement

SECAS has continued to increase engagement and provide key updates to SEC Parties by encouraging greater transparency.

Short topic-focused webinars have continued to be a highly useful tool to keep SEC Parties informed of relevant updates and enable SECAS to engage with Parties remotely. The Introduction to the SEC webinar remains the most popular. SEC Parties value the opportunity to submit questions to the speakers in real time, which generates a lot of engagement. Webinar attendees can answer multiple-choice poll questions to provide snapshot feedback.

SEC Parties, once logged in, can view the slides and video recordings of all our previous webinars here. SECAS hosted 15 live webinars in 2022 – 2023, averaging about 47 attendees per webinar.

SECAS has continued to facilitate monthly Small Supplier and Other SEC Parties engagement calls. These calls provide a valuable opportunity for Parties to share their thoughts and feedback with their respective SEC Panel representatives. SECAS presents updates from the Change Board, highlighting any Modifications which are particularly relevant to the Party group. At the Small Supplier engagement call, representatives from the Sub-Committees also attend to provide a deep dive into relevant topics discussed. The DCC and Alt HAN Co also attend to provide regular updates.

SECAS presents a quarterly update to help Electricity Networks keep informed of relevant updates and enable SECAS to gain insight and explore potential solutions to the challenges experienced by Electricity Networks.

SECAS re-introduced the SEC Change Modcast which is an audio snapshot of the upcoming SEC Modifications and Releases. The SEC LinkedIn page has been used as a channel to engage with Parties, and there has been an increase in the number of followers as well as level of interaction. Over 800 individuals subscribe to receive the monthly SEC Newsletter.

Last year's annual customer satisfaction survey demonstrated very good satisfaction levels across the SECAS services. With SECAS acting on any areas which the feedback suggested could be improved. Notably, SECAS has made Papers for Panel and Sub-Committee meetings clearer, more concise and with all technical terms explained. The Change Modification process has been enhanced to improve the level of support provided in shaping and developing a solution, and timescales are improving. SECAS is challenging issues raised by SEC Parties to ensure that raising a modification is the right route to address it and has created an Issues framework to support it. The SEC Panel has agreed a project to upgrade the SEC website to improve user experience and bring better stability and functionality to website users.

7. Smart Metering Device Assurance (SMDA)

The Smart Meter Device Assurance Sub-Committee (SMDASC) has been facilitating a review of its offering to industry. Initial findings have led to changes in the governance of the Scheme, including the merging of the SMDA Management Panel Sub-Group with the SMDASC, to centralise discussions on the scheme and ensure focus on the more technical areas. Recommendations are now escalated to the SEC Panel for final decisions, in line with the other SEC Sub-Committees.

The SMDA Exemption Procedure and Change Processes have also been updated to bring clarity for Device manufacturers and improve transparency, by enabling industry to publicly comment on proposed changes through formal consultation prior to sign off by SEC Panel. SMDA test scripts have also been made available to Device manufacturers, to support them with testing readiness.

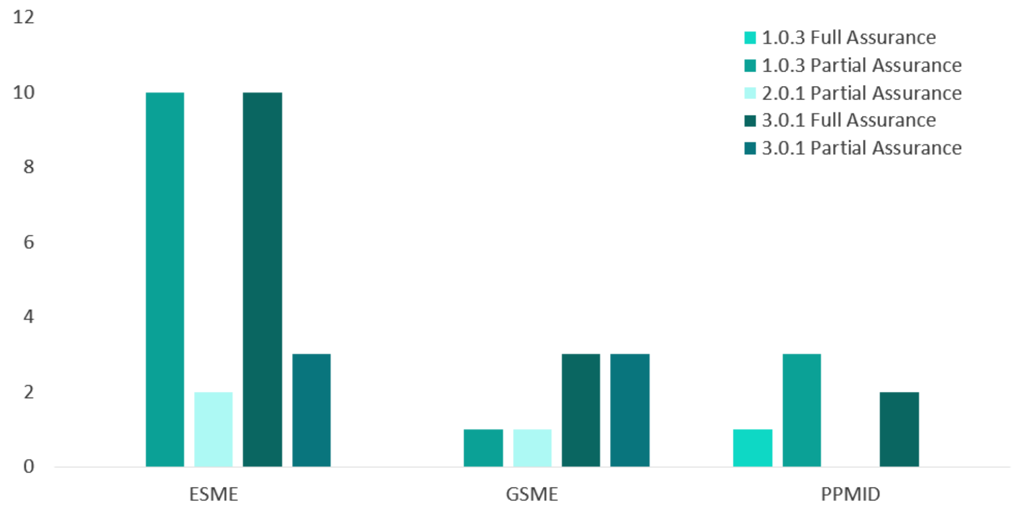
The review is being concluded soon to ensure SMDA provision is fit for purpose going forward.

In addition, baseline changes were introduced throughout the year, with the November 2020 and 2021 baselines published in May and June 2022 respectively. The Scheme also included the WNC Communications Hub into its testing regime from February 2023, following completion of a pilot test programme, industry consultation and sign off by SMDASC and Panel. Work has also been progressed with Network Operator Parties with the focus on inclusion of additional test scenarios to build further confidence in the assurance of devices.

There has been a large increase in the number of Devices being tested, assured and added onto the Scheme's Device Assurance Register (DAR), with 15 Devices being added in the past year, taking the total up to 39 Devices overall (see Figure 6 below).

Lastly, the Scheme Operator and the SMDA Test House have completed independent confidence testing for Alternative Home Area Network (Alt HAN) bridge devices. Alt HAN is now seeking to have these bridge devices included within the scope of the SMDA Scheme and added to the DAR. Further discussion will take place on this initiative at future SMDASC meetings.

Figure 5: SMDA Assurance on Devices, by type of assurance and baseline version.



8. Alt HAN Activities

Alt HAN delivered the objectives and deliverables agreed with the Alt HAN Forum and reflected in the Alt HAN Approved Budget 2022-23 and in line with the Joint Industry Plan milestones. This has included completing the activities required to deliver version 2 of the Alt HAN Bridge 1 device capable of installation on the distribution network side of the electricity meter. Design and test activities ran throughout 2022 allowing the Alt HAN Forum to agree to enter Safe Launch during this period in accordance with its revised Joint Industry Plan (JIP) milestones. Safe Launch has commenced with three Energy Suppliers participating in a controlled and monitored low volume launch of the products into customer premises. The devices installed during this period performed as expected with continued connectivity and communication across the HAN providing information to the customers.

Energy Suppliers commenced the forecast and ordering of Alt HAN devices for later in 2023 in anticipation of Mass Rollout, extending the technical eligibility options for their smart rollout plans.

The Alt HAN contractual framework was also made more inclusive through changes to enable Meter Equipment Managers (MEMs) to access services directly when nominated by an individual supplier. This arose from industry discussions and a proposal brought forward by a MEM in collaboration with Alt HAN. The Forum made the necessary changes to the Supplier Contract and introduced the MEM Agreement. This will enable Suppliers to delegate certain activities to their appointed MEM and should facilitate smaller Suppliers engagement in the Alt HAN arrangements.

In parallel to the redevelopment of Bridge 1, work was progressed to further test the solution to support remote gas meter installations where power isn't available for an Alt HAN bridge close to the gas meter (Solution C), with changes and close cooperation with a selection of meter manufacturers to align to the solution. The Alt HAN Forum considered whether to enhance the devices to provide an Over the Air (OTA) upgrade capability via the DCC but determined the time and costs were too prohibitive. Instead, the Forum progressed work on a local device reset approach that would allow Energy Suppliers and their agents to reset devices for local re-use, thereby reducing wastage and need for returns.

A separate project was progressed during the year related to establishing the necessary operational, contractual and regulatory arrangements to allow a pilot of a coordinated approach to resolving Crowded Meter Rooms (CMRs) that would otherwise prevent the installation of Alt HAN (or in some cases) smart metering. The Alt HAN Forum approved a pilot which commenced in early 2023 and will run into the next Regulatory Year. The evidence from the pilot will provide the information necessary to allow the Forum to determine if it's effective to stand up an enduring service during 2023.

The Company completed its transition to a fully employee led business during the year, retaining only limited subject matter expertise consultant support on a call off basis. This has delivered resourcing cost savings, alongside creating a strong and inclusive organisational culture built around the principles of People, Passion, Pride.

9. Delivery of SEC Objectives

With regard to the foregoing activities and achievements for the Regulatory Year 2022-23, the SEC continues to meet the SEC Objectives as outlined in the table below.

Objective	Notes
First General SEC Objective - to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.	This General SEC Objective continues to be met through activities that the Panel and the Sub-Committees undertake, including: • Supporting DCC Release activities through the Panel, OPSG and TAG decision-making activities; • SMDA has been brought under the SEC, and testing through this Scheme seeks to assure the interoperability and interchangeability of Devices; • The Panel's SMETS Interoperability project facilitated the development of reporting requirements which will enable the ongoing monitoring of Device Model proliferation, firmware versions and Service Request success as part of assuring Device combination interoperability. This reporting will be implemented in early 2023-24; • Sub-Committees continually monitoring the installation, operation and interoperability of Devices, reporting any issues to the Panel as required; • Supporting the assessment and refinement of Modification Proposals and delivery of SEC Releases, with oversight from the CSC and continuous improvement process; • SECAS and the Panel Chair attending the BEIS/DESNZ Groups and keeping the Panel and Parties appraised of developments through the monthly Transitional Governance Update paper. Consultation responses have also been submitted where appropriate from the SEC Panel or Sub-Committees.
Second General SEC Objective - to enable the DCC to comply at all times with the General Objectives of the DCC (as defined in the DCC Licence), and to efficiently discharge the other obligations imposed upon it by the DCC Licence.	Where there is a dependency on the SEC operations for the DCC to comply with its Licence, the Panel has acted promptly and proactively to ensure that it achieves its responsibilities in a consultative manner, whilst not frustrating the process for the DCC to meet its obligations. The majority of the DCC's obligated reporting has been delegated by the Panel to the OPSG for review, with any issues being highlighted to the Panel as required. DCC progress in delivering against its obligations is monitored through an update from the DCC Panel Member provided at SEC Panel meetings, regular meetings with the DCC, and monitoring of consultations, activities and updates at industry meetings.
Third General SEC Objective - to facilitate Energy Consumers' management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems.	Energy Consumers are able to access data derived from their electricity and gas usage following DCC Go-Live and take up of DCC Services. The impacts on Energy Consumers are monitored by the Panel and supplemented by the consumer representation of Citizens Advice at both the Panel and SECCo Board meetings. SECAS has engaged closely with Citizens Advice, providing them with tailored information on modifications and other areas of interest to enable them to be more involved in

Objective	Notes
	consumer impacting areas rather than across the whole smart arrangements. SECAS maintains its relationship with Smart Energy GB to align key communications and share insight with SEC Parties at meetings and engagement events.
Fourth General SEC Objective - to facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy.	The development of the overall market design and DCC Services under the SEC, together with the technical and security framework, support the aim to facilitate effective competition under this objective. All Party Categories are represented on the SEC Panel and Sub-Committees to ensure their differing needs are represented. SECAS hosts monthly Small Supplier and Other SEC Party (OSP) Engagement Calls which provide a channel for SEC Parties to raise industry issues relating to their SEC Party category. SECAS is working to identify any patterns in the issues being raised and triaging these into common issues groups for investigation. A project to better understand the growing Other SEC Party category and future needs is also in development. Information is available on the SEC Website for all Parties, regardless of Party Category. CodeWorks enables Parties to view only the obligations relevant to their SEC Party type.
Fifth General SEC Objective - to facilitate such innovation in the design and operation of Energy Networks (as defined in the DCC Licence) as will best contribute to the delivery of a secure and sustainable Supply of Energy.	SECAS continue to engage with the Network Parties, ensuring that they are fully appraised of new SEC content and their implications. SECAS conducts one on one engagement calls with certain Network Parties to get their feedback on the services provided and identify any improvement areas as well as understand what adds value to them. The OPSG has overseen work to correct DNO certificates in installed Devices and the number of incorrect certificates has reduced to under 1% for all Users within the last 12 months. The TABASC developed a SMETS-based integrated solution to BSC P375 which provides DNO's with better information regarding on-site activities behind the boundary point and the impact on network design and operation should they choose to utilise it.
Sixth General SEC Objective - to ensure the protection of Data and the security of Data and Systems in the operation of this Code.	This SEC Objective continues to be met, with the SEC security requirements and architecture ensuring appropriate protections, responses and remediations are in place. The SSC continues to assess and monitor the remediation of Users' non-compliances with the SEC security obligations. The SSC monitors Devices with certificates that are approaching expiry or have been withdrawn. The Panel reviews its Panel Information Policy on an annual basis to ensure it remains fit for purpose. SECAS has also published complimentary data protection and data retention policies for governing Data.

Objective	Notes
	SECAS is reviewing a draft Memorandum of Understanding with the Information Commissioner to enhance information sharing processes.
Seventh General SEC Objective - to facilitate the efficient and transparent administration and implementation of this Code.	The SEC Panel and SECCo Board have demonstrated their commitment to this objective through undertaking the Panel Duties in accordance with the Panel Objectives as laid out in the SEC. SECAS supports this General Objective through issuing communications to SEC Parties, including providing updates on Sub-Committee activities, modifications going through the process, and the SEC Panel budget. Continued effort has been made this year to use the lowest classification possible for Committee papers to increase transparency to SEC Parties, whilst preserving sensitive information. SECAS has continued to offer remote and virtual services to encourage engagement with SEC Parties, including remote meetings, webinars, monthly engagement calls with Other SEC Parties; and the use of Virtual Assessments for Security and Privacy assessments.
Eighth General SEC Objective - to facilitate the establishment and operation of the Alt HAN Arrangements.	The Alt HAN Arrangements are detailed in Section Z of the SEC, setting out the roles and responsibilities of the Alt HAN Forum, Board and Relevant Suppliers. These bodies continue to operate effectively as decision-making entities. The work of the Forum is now supported by a total of four sub-groups, having consolidated activities of other sub-groups to ensure we use stakeholder time more efficiently. In 2022/23 Alt HAN made significant progress in expanding the number of energy suppliers involved in the Alt HAN activities and acceded to the Alt HAN Contract for services. The Alt HAN contractual framework was also made more inclusive through changes to enable Meter Equipment Managers (MEMs) to access services directly when nominated by an individual supplier. Energy Suppliers are now ordering the Alt HAN devices for a mass roll out in July 2023, and participating in the quarterly ordering and forecasting windows for future deliveries. Work to support remote gas meter installations where power is not available was undertaken in 22-23 with the support of meter manufacturers to align the solution. The Alt HAN Forum approved a pilot which commenced in early 2023 relating to the necessary operational, contractual, and regulatory arrangements to resolving Crowded Meter Rooms (CMRs) that would otherwise prevent the installation of Alt HAN (or in some cases) smart metering.
Transition Objective - the efficient, economical, co-ordinated, timely, and secure process of transition to the Completion of Implementation.	SEC Section X outlines the transitional arrangements. Progress and outputs of the Transition Working Groups are monitored monthly and Panel and SECAS operations have been fully prepared to receive updated Code content and SEC Subsidiary Documents upon designation.
Charging Objectives - First Relevant Policy Objective.	The Charging Methodology within the SEC continues to meet this Objective and the Charges applicable within the reporting period were calculated in accordance with this methodology.

Objective	Notes
Charging Objectives - Second Relevant Policy Objective.	The Charging Methodology within the SEC continues to meet this Objective and the Charges applicable within the reporting period were calculated in accordance with this methodology.
Charging Objectives – Third Relevant Policy Objective.	The Charging Methodology within the SEC continues to meet this Objective and the Charges applicable within the reporting period were calculated in accordance with this methodology. SECAS and the DCC have raised DP218 'Review of the SEC Charging Methodology' following an investigation by the SECCo Board and feedback from Parties around the distribution of Fixed Charges only being to Suppliers and Electricity Network Parties, with other User types not picking up any costs despite making use of relevant services. This Draft Proposal is investigating this issue and assessing whether changes should be made to the allocation of Charges that would better facilitate this Charging Objective.