SEC Newsletter

Published 20 December 2024

Welcome to the latest edition of the fortnightly newsletter from the Smart Energy Code.

Please get in touch by emailing the SECAS Helpdesk if you have any feedback.

SEC Panel & SECCo Board Headlines

This story is of interest to all SEC Parties

SEC Panel and SECCo Board meeting 135 took place on 17 and 18 December 2024. You can find the Headlines from these meetings by visiting the SEC Website. The next SEC Panel and SECCo Board meetings will be held on 28 January 2025.

SEC Quarterly Budgetary Report – Q2 2024/25

This story is of interest to all SEC Parties

The Panel has published its latest Quarterly Budgetary Report, providing the out-turn of the Panel Budget for the period 01 July – 30 September 2024. This Report was established earlier this year following feedback from SEC Parties, and provides transparency of information which had historically been made available to SECCo Board members only.

The Quarterly Budgetary Report can be read in conjunction with the previously published SEC Panel Budget, which contains detailed information about each element of the Budget and the SEC Quarterly Budgetary Report for Q1.

DCC Monthly Engagement Update

This story is of interest to all SEC Parties

The SEC Sub-Committee Chairs and SECAS meet monthly with the DCC engagement team and programme Directors to discuss key programme changes and impacts, engagement approaches, and share feedback. A summary of the meeting held in December 2024 can be found below:

- The DCC provided an update and engagement plan for both the **Long-Range Radio Committed Term (CT)** and **Future Connectivity North (FCN)** business cases. The DCC set out its plans to engage with the Communications Transition Group (CTG) on its CT activity in January 2025, with the CTG Terms of Reference needing to be updated to enable the group to lead on CT governance. The DCC showcased the 4G Coverage Enhancement plan with Chairs ahead of discussions at SEC Sub-Committees.

- The DCC provided an update on the draft **Data Services Provider (DSP) Integrated Plan**, explaining that the plan was being worked on with the preferred bidders and had been shared with the Implementation Managers Forum (IMF) and Technical Architecture and Business Architecture Sub-Committee (TABASC). The Testing Advisory Group (TAG) Chair queried the volume of AI dependent testing – the DCC would attend the TAG meeting in December 2024 to discuss this further. The DCC shared options for how DSP-impacting SEC Modifications will be managed as the solution is built and tested. Chairs supported the DCC's preference to adopt a pragmatic approach that avoids need for a blanket change freeze, allowing for change to be undertaken on both systems where industry feel it would be essential, while minimising testing and delivery risks or regret spend as the As-Is system reaches end of life. The DCC would now come to applicable committees to share the approach with industry, noting TABASC had already seen the proposal and not raised material objections.

Security Architecture Document (SAD) Review Project

This story is of interest to all SEC Parties

There is nothing SAD about the Security Sub-Committee's (SSC) next review project which commenced this month! The SEC defines the SAD as "a document that describes how the security controls in respect of smart metering relate to the architecture of the End-to-End Smart Metering System." SEC Section G7.19 (d) requires the SSC to "maintain the End-to-End Security Architecture to ensure that it is up to date". With SEC Panel approval, SSC has procured external expertise, to undertake the document review and updates.

The SAD is a classified document "for those who have a strict need to know in order to design, build or test components of the End-to-End Smart Metering System … undertake risk assessments and implement mitigations and security controls or to provide assurance of security risks … to protect and prevent harm". It:

- explains the approach and rationale that has been taken to developing security controls;
- describes how security controls relate to the architecture of the Smart Metering System;
- supports the SSC's requirement to review the Security Obligations and Assurance Arrangements;
- informs wider deliverables, such as SMETS or the development of SEC Modification Proposals;
- assists stakeholders in having a common technical understanding of the security controls to minimise risks and issues that may occur because of misinterpretations; and
- provides references to further details on implementation, further requirements, and regulatory detail.

SECAS and the SSC will provide a further update on the outcomes of the review, which is due to complete in July 2025.

Initial Pallet Validation (IPV) Update

This story is of interest to all SEC Parties

On 02 December 2024, the DCC went live with the IPV stage of its 4G Communications Hub and Network (CH&N) programme. IPV provides an opportunity for Energy Suppliers to install a limited number of 4G Comms Hubs to allow Suppliers and DCC to trial the operation of 4G Comms Hubs in the live environment prior to volume manufacture.

Suppliers need to complete at least 1,000 installs in a variety of premises across the Central and South regions in order to exit the IPV Phase and will be looking to successfully complete a number of different customer journeys to prove the Comms Hubs can operate in various scenarios. The IPV Approach Document lists the full set of exit criteria the DCC are required to meet before exiting the IPV Phase.

The DCC has successfully delivered 8,960 Comms Hubs to industry for installation and as of 12 December 2024, a total of 518 4G Comms Hubs have been installed, with a number of the customer journeys completed. The DCC is confident that it will be able to meet its exit criteria.

Once IPV has been successfully completed, the DCC will seek approval from DESNZ to commence with the mass manufacture of 4G Comms Hubs. This process will include seeking a recommendation from the SEC Panel pending all the exit criteria being met.

Modifications Update

This story is of interest to all SEC Parties & Device Manufacturers

New Draft Proposal

There has been one new Draft Proposal raised since the last newsletter. [Provide feedback to the Change Team] to help us understand whether this issue affects you.

Title	Issue	Solution
DP278 'MHHS SMETS1 Cache Solution Amendment'	MP256 'SEC Alignment with DCC SMETS1 MHHS Capacity' was implemented in June 2024. It introduced text changes to SEC Appendix AR 'SMETS1 Supporting Requirements' to align the SEC with the SMETS1 Service Providers (S1SP) data cache solution that is currently in place. Following the implementation of MP256, the DCC analysed data that shows the current parameters of its solution do not align with User behaviour. It has become apparent that different Users request 24 hours' worth of data with varying start and end times (e.g. some may request data from 00:30 to 00:30 whereas others may request data between 02:00 and 02:00). This means that current cached data may not be adequate for subsequent Service Reference Variants (SRVs).	The Proposed Solution is to amend the current MHHS SMETS1 cache solution to allow the cache to store half hourly consumption data for the period between the current day and up to 72 hours before the commencement of the current day. This is instead of the current 24 hours' worth of half hourly consumption data as per the MP256 solution and better aligns with User behaviour. The current 25-hour retention period will remain as-is.

Refinement Consultations

As a SEC Party, you can help influence the Proposed Solution, help determine the business case for change, and comment on how the proposal will affect your organisation. For more information and to respond to the consultation, download the consultation pack linked below and [send your response to the Change Team].

Request for Information	Closing Date	Impacted Parties	Link
MP085B 'Synchronisation of Smart Meter voltage measurement periods (meters currently installed)'	07 January 2025	Large Suppliers, Small Suppliers, Electricity Network Parties, Device Manufacturers	Download
MP085B proposes to populate the Maintenance Validity Period (MVP) end dates for pre-ESMETS v5.2 version within the TS Applicability Tables (TSAT). This will mean that pre-ESMETS v5.2 Devices can still be installed as the Installation Validity Period (IVP) will remain undetermined. This will reduce scrappage costs as Suppliers and or their contracted meter installers are likely to have existing stock that is yet to be installed. Once the MVP end date expires, the ESME will have to be updated to ESMETS v5.2 or later. The Proposed Solution will result in ESME Devices gaining additional functionality compared to their current ESMETS version. The proposed end date is 02 November 2028 to allow Manufacturers enough time to design and produce ESMETS v5.2 firmware updates and for Suppliers to roll them out across their Devices.			

Latest Modcast

This story is of interest to all SEC Parties

Listen to our latest Modcast now. In this special 'Christmas-cast' episode, we are joined by Marc Rhodes to round up SEC Changes and Releases in the last year, and then our guest speaker Ali Beard, the SEC Change Delivery Manager, will discuss the Modifications Improvement Project.

Stick around until the end for an opportunity to hear our own Tom Rothery in fine festive voice...

If you want to know more about any of the above, please email SEC.Change@gemserv.com or call us on 020 7090 7755.

SMDA Updates

This story is of interest to all SEC Parties

SMDA Ad-Hoc Testing Project

Following an initial approach from a Large Supplier in August 2024, the SMDA proactively collaborated with two Large Suppliers and a Meter Manufacturer to investigate an industry issue related to prepayment and consumer expected behaviour while using Emergency credit during non-disablement periods.

The expected consumer behaviour clarified by the DESNZ established the basis from which the Scheme Operator and SMDA Test House developed test scenarios designed to report SMETS2 device capability to cater for the consumer expected behaviour. The project was successfully completed in October 2024 with the outcomes against an agreed set of acceptance criteria provided to the involved Parties.

If you are looking for independent testing support to identify or resolve a Device issue, please contact SMDASO@gemserv.com

SMDA Review of the November 2024 SEC Release

The Scheme has reviewed the modifications included within the November 2024 SEC Release. The SMDA Sub-Committee have agreed that no changes to the Scheme are required to align with this Release.

GSME Device Uplift

GSME Devices with Full Assurance on the SMDA November 2019 SEC Release Baseline have been uplifted to Full Assurance on the SMDA November 2020 SEC Release Baseline.

The Scheme Operator and Test House have identified that there are no testing differences between the SMDA November 2019 SEC Release Baseline to the SMDA November 2020 SEC Release baseline for GSME devices. These devices were uplifted without any form of exemption testing and at no additional cost to Manufacturers.

The Devices are now listed on the Device Assurance Register. For more information on device testing please contact smdaso@gemserv.com.

DP218 Consultation: Changes to the DCC Charging Methodology

This story is of interest to all SEC Parties

DP218 'Review of the SEC Charging Methodology' – Consultation on proposed changes to DCC charges | Smart DCC

This consultation has been prepared by the DCC alongside Frontier Economics, as a follow-up to the previous Request For Information (RFI) issued in April 2024. This consultation poses a series of questions on the implications, risks and benefits associated with proposed changes to ensure that DCC's Charging Methodology remains in line with its Licence obligations. The proposal includes:

- Updating Fixed Charges for Core Users; and
- Introducing usage-based charges for Other Users.

This consultation represents the next stage of the SEC modification DP218 'Review of the SEC Charging Methodology' which industry initiated to examine reforms to DCC charging. The DCC is required by its Licence to keep its charging policy under review. There are currently a range of drivers prompting a re-examination of DCC's Charging Methodology, including increasing divergence between use of the DCC Network and DCC's own charging objectives set out in SEC Section C 'Governance', as well as industry demand for change.

All SEC Parties are invited to respond to this Consultation by 5pm on **03 February 2025**, to: consultations@smartdcc.co.uk. Response templates and more information can be found on the DCC website.

Questions on this Consultation? Look at the Upcoming Events section later in this newsletter for details of a webinar being hosted in January 2025, which provides an opportunity to ask your clarification questions.

Ofgem Energy Code Reform Consultation

This story is of interest to all SEC Parties

Energy code reform: consultation on code manager selection | Ofgem

Ofgem is seeking views on its proposed code manager selection process. The consultation closes on **30 January 2025**. The proposals include three main steps for each appointment:

- **Eligibility Check** – making sure candidates are qualified and suitable.
- **Licensing Review** – checking if candidates have solid plans to do the job well.
- **Setup and Assurance** – confirming they're ready to start in their new role.

Ofgem has published draft forms and guidance for the eligibility and licensing assessment stages of the selection process alongside the consultation document. It has also published arrangements for determining a competitive or non-competitive appointment for a Licensed Code Manager.

Ofgem is proposing that there is: a non-competitive selection for the Balancing and Settlement Code (BSC) and Retail Energy Code (REC); and either a competitive or non-competitive selection for the consolidated Gas Code and Electricity Commercial and Technical Codes, following a public Expression of Interest process (EOI).

Ofgem has delayed deciding whether the SEC will use a competitive or non-competitive selection process until its governance transition is complete. Their rationale for competitive or non-competitive selection is primarily based on:

- **Speed of delivery**: time needed to undertake the selection process versus an existing entity that may possess the right experience and expertise; and whether the code has been consolidated and there may be more than one incumbent to consider
- **Value for money**: including whether there is likely to be sufficient interest to justify a competitive process, and sufficient value in running a competition (in terms of both cost savings and quality of outcomes); and whether competitive pressure is likely to be available through alternative mechanisms

Further Industry Consultations

This story is of interest to all SEC Parties

DCC price control consultation: regulatory year 2023 to 2024 | Ofgem

SEC Parties are invited to consider this Ofgem consultation, closing on **03 January 2025**. Ofgem is consulting on the DCC price control for the regulatory year 2023/24.

Consultation on the second version of SEC Appendix AV - CPA Transition Approach Document | DESNZ

SEC Parties are invited to consider this DESNZ consultation, closing on **08 January 2025**. DESNZ is consulting on the second version of SEC Appendix AV – CPA Transition Approach Document which sets out plans for updating security standards in the SEC.

BCDR Test Schedule April 2025 – March 2026 | Smart DCC

SEC Parties are invited to consider this DCC consultation, closing on **10 January 2025**, with respect to its proposed Business Continuity Disaster Recovery Test Schedule for April 2025 to March 2026.

VWAN consultation on the SEC Variation Testing Approach Document | Smart DCC

SEC Parties are invited to consider this DCC consultation, closing on **16 January 2025**. The DCC is consulting on the SEC Variation Testing Approach Document for the Virtual Wide Area Network.

Previous SEC Webinars now available!

This story is of interest to all SEC Parties

SEC Parties are reminded you can now access the 29 November 2024 SEC Security Assessment Webinar, and all previous Webinars on the SEC website. You must be logged in to access.

Upcoming Events and SEC Meetings

DP218 DCC Consultation FAQ Webinar (13 January 2025)

On 09 December 2024, the DCC issued a consultation for DP218 'Review of the SEC Charging Methodology'. The consultation is open to anyone to make comments and closes on 03 February 2025.

On 13 January 2025, SECAS will be hosting an online webinar for respondents who have queries on the DCC Consultation to pose their questions to the DCC and its consultants.

- **When**: 13 January 2025 (2pm – 3.30pm).
- **Who**: All SEC Parties and anyone who is interested in responding to the DP218 DCC Consultation.
- **How**: Please confirm your attendance by close of play on 10 January 2025 to SEC.Change@gemserv.com.

Understanding the SEC Panel Draft Budget 2025 – 2028 (20 January 2025)

In January 2025, the SEC Panel will issue a consultation on its Draft Budget for the period 2025-2028. As in previous years, SECAS will host a webinar to allow SEC Parties the opportunity to raise questions on the Draft Budget in support of their consultation responses.

- **When**: 20 January 2025 (2pm – 4pm).
- **Who**: All SEC Parties.
- **How**: Please confirm your attendance by close of play on 17 January 2025 to SECAS@gemserv.com

Please note there are no further SEC meetings or events for the remainder of December.

View all upcoming industry events, consultations, and publications from SECAS, the DCC, DESNZ and Ofgem in the Industry Events Calendar.

The next SEC Newsletter will be published in mid-January 2025.

We thank all SEC Parties for their support and hard work throughout the past twelve months.

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We wish you a very Merry Christmas!