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MP286

‘Establishment of the Privacy Sub-Committee into the SEC’

Modification Report

Version 1.0

15 April 2025



About this document

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

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This document also has one annex:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) to deliver the Proposed Solution.

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1. Summary

This proposal has been raised by Emma Johnson of Centrica.

The Privacy Sub-Committee (PSC) was created by the SEC Panel under SEC Section C 'Governance' to manage privacy matters on its behalf. The PSC is responsible for assessing the appropriateness of Section I 'Data Privacy' and the Privacy Controls Framework (PCF), as well as setting the compliance status for Other Users undertaking Privacy Assessments.

Data which can be collected from Smart Meters is extremely valuable and can be used to help make Electricity Networks more efficient and consumers more informed about their energy usage. However, this data can also be used to identify behaviours and lifestyle choices of Energy Consumers. If this data is not managed properly, it could be used to the detriment of the Energy Consumer, the Smart Metering Implementation Programme (SMIP) and overall net zero ambitions.

The privacy responsibilities of the PSC in many ways mirror the security responsibilities of the Security Sub-Committee (SSC). Both groups maintain documentation, provide assurance and monitor Incidents.

The responsibilities of the PSC are set out in its Terms of Reference, outside of the SEC. Given the serious nature of the privacy requirements, the PSC Chair believes it should be a named Committee within the SEC in the same way as the SSC.

Given the critical nature of the SSC's role, it can raise Draft Proposals where it believes it is necessary to protect the security of the Smart Meters and associated infrastructure. Currently, the PSC does not have the power to raise Draft Proposals. This means that if the PSC identifies an issue, it must request a SEC Party who is a PSC member to raise the Draft Proposal on its behalf. This risks the PSC being unable to resolve all issues it has identified whilst carrying out its delegated investigatory powers.

The Proposed Solution is to establish the PSC into the SEC by adding its Terms of Reference into SEC Section I. This will allow the PSC to continue in its responsibilities delegated by the Panel. This would also mean that Panel would no longer be able to disband the PSC, meaning a SEC modification would be required if removal was sought. The Proposed Solution will also enable the PSC to raise Draft Proposals where it considers it necessary to do so.

This is a text-only change which impacts SEC Parties who are members of the PSC. Costs are limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort. The Change Sub-Committee (CSC) agreed an implementation approach for inclusion in the November 2025 SEC Release and will proceed as an Authority-Determined modification.

2. Issue

What are the current arrangements?

The PSC was created in January 2024 with delegated powers from the SEC Panel. Its duties follow a similar remit to the SSC, but also cover data ethics, emerging technologies and privacy statement of objectives. The specific duties and membership of the PSC are set out in its Terms of Reference. Some duties of the PSC are:

- Document Development and Maintenance
 - Maintaining the PCF, assessing SEC Party compliance against Privacy Assessments to identify risks and improvements, developing an Unambiguous Consent strategy, providing guidance on Data Protection Legislation and maintaining the SEC Memorandum of Understanding with the Information Commissioner's Office (ICO).
- Privacy Assurance
 - Reviewing the scope of Privacy Assessments, considering reports submitted by SEC Parties to the PSC, providing advice to the Panel and alerting the ICO or Authority where potential non-compliance has occurred.
- Monitoring and Advice
 - Assist Data Communications Company (DCC) and Users in relation to the causes of data privacy incidents, respond to consultations which may affect data privacy and assist in the change process and consider privacy implications of emerging technologies.

Other Sub-Committees with critical roles, such as the Technical and Business Architecture Sub-Committee (TABASC), Change Board and SSC have their roles and responsibilities detailed in the SEC.

What is the issue?

Privacy matters are important as a failure to act appropriately may negatively impact the image of the SMIP and ultimately be detrimental to wider net zero goals. It is critically important that the PSC is established within the SEC to ensure that data matters are dealt with appropriately and the responsibilities of the PSC can only be transferred or removed by a modification to the SEC, if industry agrees.

The PSC has a responsibility to periodically review Section I 'Data Privacy' and the PCF to ensure its effectiveness and appropriateness. At the conclusion of a review, if an issue is found, the PSC cannot subsequently raise a Draft Proposal to fix the identified problem. This is because the PSC currently does not have the power to raise Draft Proposals.

What is the impact this is having?

The PSC is an expert Panel that deal with critical and confidential issues. It may need to make changes to the areas it is responsible for to ensure data is protected. Without the ability to raise Draft Proposals the PSC risks being unable to fulfil its duties which have been delegated by Panel.

As the PSC cannot raise Draft Proposals, members of the PSC have been forced to raise Draft Proposals to rectify areas of the SEC which the PSC has identified as having issues. A recent example of this occurring is [MP283 'Data Breach Reporting'](#). Through its periodic assessment of the SEC, the PSC identified that there was no requirement for Other Users to report data breaches to them. The PSC sought to rectify this issue, however as it does not have the power to raise a Draft Proposals, it had to request that a PSC member raise the modification submission form to SECAS.

Without the ability to raise modifications, the PSC Chair has noted this means that Section I and the PCF are largely being amended based on ad hoc commercial interests, rather than with a view to the ongoing effectiveness and appropriateness of these documents.

Impact on consumers

Consumers will have increased protections resulting from this modification. The PSC will be enshrined within the SEC and cannot be dissolved without significant scrutiny and agreement by a majority of industry Parties at the Change Board. Without the ability to raise modifications, the PSC may be unable to rectify issues with consumer data and access to personal consumer data that could have a corresponding impact on a lack of faith in the SMIP and therefore net zero goals.

3. Solution

Proposed Solution

The Proposed Solution is to add the responsibilities of the PSC which are currently detailed in the PSC Terms of Reference into Section I 'Data Privacy'. Changes have also been drafted to Section D 'Modification Process' to allow the PSC to raise Draft Proposals.

The changes to the SEC required to deliver the Proposed Solution can be found in Annex A.

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

Breakdown of Other SEC Party types impacted			
	Shared Resource Providers		Meter Installers
	Device Manufacturers		Flexibility Providers
✓	DCC Other Users		MAPs/ MAMs

This modification indirectly impacts PSC members as they will no longer be asked to raise Draft Proposals on behalf of the PSC. Other Users are the only Party type within the Other SEC Party category who are impacted as they hold three seats on the PSC.

DCC Systems

DCC System changes/ traffic

There are no impacts on the DCC System or traffic across the DCC System because of this modification.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section D 'Modification Process'
- Section I 'Data Privacy'

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

Consumers

Consumers will have increased protections resulting from this modification. The PSC will be enshrined within the SEC and cannot be dissolved without significant scrutiny and agreement by a majority of industry Parties at the Change Board. Without the ability to raise modifications, the PSC may be unable to rectify issues with consumer data and access to personal consumer data that could have a corresponding impact on a lack of faith in the SMIP and therefore energy efficiency goals.

Other industry Codes

There are no impacts on other industry codes resulting from implementation of this modification.

Greenhouse gas emissions

There are no impacts on greenhouse gas emissions resulting from implementation of this modification.

5. Costs

SECAS costs

The estimated SECAS implementation cost to implement this as a stand-alone modification is one day of effort, amounting to approximately £600. This cost will be reassessed when combining this modification in a scheduled SEC Release. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

SECAS does not anticipate any costs on Parties because of this modification.

6. Implementation approach

Agreed implementation approach

The CSC approved an implementation approach of:

- **6 November 2025** (November 2025 SEC Release) if a decision to approve is received on or before 23 October 2025; or
- **26 February 2026** (February 2026 SEC Release) if a decision to approve is received after 23 October 2025 but on or before 12 February 2026.

SECAS expects this modification to undergo vote at Change Board in May 2025. Due to the changes to Section D 'Modification Process' this modification is Authority-Determined. SECAS believes the final determination by the Authority will take more than the three weeks between the Change Board vote and cut-off for inclusion in the June 2025 SEC Release. As such, that the next possible release the modification can be included in is the November 2025 SEC Release.

7. Assessment of the proposal

Sub-Committee input

As this modification only impacts the PSC, no other Sub-Committees were consulted on this modification.

Observations on the issue

The PSC Chair noted that this modification seeks to align the PSC with the SSC to enable it to appropriately resolve issues it has identified, such as data breaches, ensuring auditing procedures are appropriate and strengthening privacy controls for Energy Consumers.

Discussion points

SECAS discussed this topic with the Issues Group in March 2025. Two Parties noted that this modification should be approved to ensure the PSC can make necessary amendments to the SEC where they identify issues in their role as designated by Panel.

8. Case for change

Business case

Approval of the modification

The PSC has responsibilities delegated to it by Panel to manage all privacy matters on its behalf and ensure that appropriate privacy protections are in place to prevent serious data breaches. This modification will align the PSC with other critical Sub-Committees such as the SSC in the SEC. Enshrining the PSC into the SEC will ensure its powers cannot be dissolved without significant

scrutiny and industry agreement. It will also provide the PSC with the power to raise Draft Proposals to ensure that issues can be rectified. Without this power, there is a risk that the PSC may be unable to rectify issues with consumer data that could have a corresponding impact on a lack of faith in the SMIP and consequential effects on the UK's Energy Efficiency goals. This is especially important as the rollout progresses and Parties must install Smart Meters in homes where Consumers have concerns about their data and how it is used.

Against approval of the modification

No comments were received against approval of the modification.

Views against the General SEC Objectives

Proposer's views

The Proposer believes this modification better facilitates SEC objective (f¹). This is because the modification will ensure the PSC is able to fulfil its responsibilities and allow it to raise Draft Proposals to resolve issues it identifies and protect Consumers data.

Industry views

At the March 2025 Issues Group members supported this modification, noting it would make it easier for the PSC to resolve issues it identifies whilst carrying out its duties. They noted that PSC members can currently raise modifications on behalf of the PSC but agreed that this modification will ensure the PSC has powers to rectify issues where it sees fit to ensure Consumer data is protected.

Views against the consumer areas

Improved safety and reliability

This modification has a positive impact on improving safety and reliability.

Lower bills than would otherwise be the case

This modification has a neutral impact on lowering bills than would otherwise be the case.

Reduced environmental damage

This modification has a neutral impact on reducing environmental damage.

Improved quality of service

This modification has a neutral impact on improving quality of service.

¹ To ensure the protection of Data and the security of Data and Systems in the operation of this Code.

Benefits for society as a whole

This modification has a neutral impact on benefits for society as a whole.

Final conclusions

This modification will set out the responsibilities of the PSC into the SEC, aligning it with other Sub-Committees such as the SSC. It will also ensure the PSC is enshrined within the SEC and cannot be dissolved without significant scrutiny and agreement by a majority of industry Parties at the Change Board. The change is low cost and will also ensure that the PSC can raise Draft Proposals when they identify an issue ensuring that Consumer data is protected. This will help in preventing data breaches which could seriously harm the SMIP. Parties at the Issues Group were supportive of this change, noting it will ensure the PSC has the powers to complete all of its duties delegated by Panel.

Appendix 1: Progression timetable

Timetable	
Event/Action	Date
Draft Proposal raised	11 Mar 2025
Presented to CSC for initial comment	15 Apr 2025
CSC converts Draft Proposal to Modification Proposal	15 Apr 2025
Modification Report approved by CSC	15 Apr 2025
Modification Report Consultation	16 Apr – 12 May 2025
Change Board Vote	21 May 2025
Targeted Implementation	26 Jun 2025

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
ICO	Information Commissioner's Office
PCF	Privacy Controls Framework
PSC	Privacy Sub-Committee
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SMIP	Smart Metering Implementation Programme
SSC	Security Sub-Committee

Glossary	
Acronym	Full term
TABASC	Technical Architecture and Business Architecture Sub-Committee