



Modification Proposal:	Smart Energy Code (SEC) Modification Proposal 0008: Provision of a DCC Alert for Quarantined Service Requests		
Decision:	The Secretary of State ¹ directs that the Modification Proposal be made		
Target audience:	Data Communications Company (DCC), SEC Parties, the SEC Panel, Ofgem and other interested parties		
Date of publication:	29 September 2017	Implementation date:	28 June 2018

Background

In order to help detect anomalous activity and events, Users and the DCC set Anomaly Detection Thresholds (ADTs). ADTs set a level for the number of Service Requests (SRs) or Signed Pre-Commands that can be issued during a certain period or a level of a data value within a Signed Pre-Command. When a User's ADT is exceeded, the DCC places all SRs/Signed Pre-Commands into 'quarantine' and stops them from reaching Devices. The DCC then notifies the User via email that the SRs/ Signed Pre-Commands have been quarantined. If the User does not see the DCC email notifying that SRs/Signed Pre-Commands have been quarantined they may attempt to re-send them. This could lead to excessive network traffic and may in turn lead to network availability problems.

The Modification Proposal

The Modification Proposal (MP) recommends that additional functionality is added to DCC Systems so that when an ADT has been breached the DCC will automatically send a DCC Alert notifying Users that a particular SR or Signed Pre-Command is quarantined. This would be in addition to the current email notification.

The MP was raised by Scottish Power Retail on 1 March 2016. The proposer stipulated that the implementation of this modification would better facilitate SEC Objectives (a)² and (f)³, because it would:

- provide for a proactive approach that minimises threshold breaches, reducing the overheads and reliance on mailboxes and manual interventions, and developing more intuitive and efficient systems in line with SEC Objective (a); and
- provide for more secure solutions in terms of meeting SEC security obligations by allowing DCC Users to more quickly and efficiently alerted to breaches of ADTs in line with SEC Objective (f).

¹ References to the "Secretary of State", "BEIS", "we" and "our" are used interchangeably in this document. This decision is made on behalf of the Secretary of State

² The first General SEC Objective is to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain

³ The sixth General SEC Objective is to ensure the protection of Data and the security of Data and Systems in the operation of this Code.



Change Board⁴ recommendation

At Change Board meetings on 19 April and 23 August 2017, a majority of the Change Board categories considered that the MP would better facilitate the achievement of the SEC Objectives, and the Panel therefore recommended its approval.

The rationale of the majority of the Change Board for approving the proposal was as follows:

- The increase in automation efficiency helps parties and makes it easier and more efficient for the User to action and track instances where SRs are quarantined, therefore this MP will better facilitate General SEC Objective (a);
- While the quoted DCC system implementation costs were considered high, they approved the modification with respect to General SEC Objective (a) in line with rationale provided within the report; and
- The Modification Proposal aids the efficient investigation into the cause of a quarantined SR, outweighing any drawbacks, along with increasing the security of end-to-end processes; therefore, better facilitates General SEC Objectives (a) and (f).

DCC Impact assessment

The DCC carried out an impact assessment (IA) on the DCC systems and submitted the final version of the IA to the SEC Panel on 1 March 2017. DCC indicated that implementing the MP would entail updating DUIS (and associated XML schema), SRs, DCC and user systems, reporting and service management systems. No security concerns or impacts on the Technical and Business Architecture were found by relevant sub-committees with regard to the implementation of the modification in the IA; the Security Sub-committee raised concerns when the Mod was originally proposed, but the issues were resolved prior to the final DCC IA.

Secretary of State's decision

We have in accordance with Section D9.2, had regard to

- (a) the Secretary of State's objectives and statutory duties under the Electricity Act 1989 and the Gas Act 1986;
- (b) whether or not the approval of the variation would better facilitate the achievement of the SEC Objectives than if the variation was rejected;
- (c) the decision of the Change Board in respect of the Modification Proposal.

We have concluded that:

⁴ The Change Board is a sub-committee of the SEC Panel, established and constituted pursuant to and in accordance with Section D8 of the Smart Energy Code.



- Making the modification would be consistent with the Secretary of State's principal objective and general duties under the Electricity and Gas Acts; and
- The modification would better facilitate the achievement of the SEC Objectives, in particular the first General SEC Objective;

The Secretary of State has therefore decided that the MP should be approved.⁵

Reasons for our decision

We consider this MP will better facilitate the achievement of SEC objective (a) and has a neutral impact on the other applicable objectives.

a) to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain;

The Proposer stipulated that the MP would better facilitate SEC Objective (a) based on the reasoning below:

- it offers a more responsive level of notification compared to email notifications;
- it removes the requirement for manual intervention in DCC Service User systems;
- it allows DCC Service Users to develop much more intuitive systems that have the ability to monitor and alert at a granular Service Request level; and
- it reduces the dependency on the use of email, mailboxes, auto-forwarding rules and the need for specific and detailed DCC service knowledge for both in and out of hours support staff.

During the Working Group consultation, its members were supportive of the MP because it gives the ability to DCC Users to develop more intuitive and active Service Request Management, increase automation and reduce the dependency and cost overhead on email, mail boxes, manual intervention and the requirement of having Authorised Responsible Officers available 24/7. These benefits were also drawn out in the consultation responses, which also mention increased automation, the ability to develop more robust systems, reduced overheads and faster response times as benefits. One respondent also provided a scenario where prepayment top ups are being backed up in quarantine, potentially severely affecting customers. It was argued that the change would enable Users to respond more quickly to resolve this type of issue, improving the customer experience. During the first Change Board vote, three members of the Change Board did not believe that the MP would better facilitate SEC Objective (a) as there is already a process in place to address ADT breaches.

⁵ The decision is based on (a) the estimated DCC cost stipulated in the DCC IA and FMR considered as the maximum cost and (b) the implementation date of June 2018.



In view of the arguments put forward by the parties in the Final Modification Report (FMR) and consultation documents, which are summarised above, it is our view that SEC Objective (a) is better facilitated by the approval of this MP.

f) to ensure the protection of data and the security of data and systems in the operation of the Smart Energy Code;

The proposer argued that the recommended change in solution is more secure in terms of meeting the SEC security obligations, as alerts for quarantined Service Requests provide a more responsive level of notification compared to an email.

During the Working Group consultation stage, most parties argued that the SEC Objective (f) is better met by this MP as the response time and reliance on human input is decreased. Some respondents to the MR consultation made further arguments that increased automation and faster response time provides better security, therefore better facilitates SEC Objective (f), whereas others were of the opinion that an effective solution to address ADT breaches already exists so Objective (f) would not be better facilitated by the addition of alerts.

We find that insufficient evidence was presented to demonstrate that the security of data and systems will be improved by this measure and that that SEC Objective (f) will be better facilitated. It is our view that this MP will have a neutral impact on SEC Objective (f).

(X1.2) The objective to be achieved pursuant to this Section X (the “Transition Objective”) is the efficient, economical, co-ordinated, timely, and secure process of transition to the Completion of Implementation.

The proposer noted the DCC Service Users’ requirement for receiving and managing alerts already exists and therefore requires minimal change in terms of incorporating an additional alert type. The DCC has estimated the total cost of updating their system to be £980,000. During the Working Group consultation stage, the respondents who provided monetary estimates of costs and benefits of implementing the modification indicated somewhat higher estimated quantified costs than benefits with regard to updating their own systems.

Whereas the joint indicative monetary cost to the industry and the DCC somewhat outweighs the benefits, non-monetary benefits in relation to SEC Objective (a) need to be taken into account when comparing costs and benefits. Further to this, the only mandatory costs for this MP are those relating to the DCC, and Users can choose whether or not to implement the changes. It is to be expected that Users will only implement the changes where they see clear benefits of doing so and will therefore not incur unnecessary cost.

Based on the majority industry views expressed during the Working Group and FMR Consultation, the Change Board votes and our analysis of costs and impacts associated with this MP, it is our view that the benefits of the MP outweigh the costs and that the SEC Transition Objective is met.



Department for
Business, Energy
& Industrial Strategy

Decision notice

1. In accordance with Condition 23 of the DCC Licence and section D of the SEC as varied by section X2.3, the Secretary of State hereby directs that Modification Proposal SECMP008: ***Provision of a DCC Alert for Quarantined Service Requests*** be made.

Duncan Stone
Head of Delivery
Smart Metering Implementation Programme

(an official of the Department for Business, Energy & Industrial Strategy authorised to act on behalf of the Secretary of State)