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Action:	For Information

Delivering a Smart and Secure Electricity System

1. Purpose

This paper provides a summary of the government conclusions to its consultation concerning interoperability and cyber security of energy smart appliances and remote load control. A copy of the government response can be found [here](#). The Panel is requested to note the content of this paper.

2. Background

The government consulted on its proposals in July 2022. The SEC Panel provided its response in September 2022 and the Government published its conclusions in March 2023. The consultation set out areas perceived as barriers to greater use of Demand Side Response (DSR) by domestic and small non-domestic scale. The consultation touched on a wide range of areas not all of which relate to the SEC or DCC activities.

The Panel provided a general response, distilled into four themes where impacts to the SEC, or potential activities to be undertaken within the SEC, may assist with resolving issues discussed in the consultation. This summary is based on the four themes in the Panel response.

3. Provision of Time of Use (ToU) Data in a common format

Consultation Proposal	Outcome
Energy Suppliers to make time of use tariff data openly available in common format, over the internet.	Government to consult further on technical and governance solution for interoperability of time of use tariff data. Confirmed Energy Suppliers will have to make ToU tariff data openly available over the internet.

The consultation proposed SEC as a potential governance vehicle to deliver solutions. Panel supported the proposal but noted concerns about level of detailed requirements and how any framework and set up to co ordinate and manage a common format would be paid for.

Government response confirms that it will consult further in 2023 on both the technical and governance requirements, noting responses identified that both REC and BSC may be suitable alternative governance models.

4. Energy Smart Appliance (ESA) Interoperability Standards & Minimum Standards for Cyber Security

Consultation Proposal	Outcome
To establish regulatory requirements to promote adoption of ESA standards via approved or mandated approach. Use of standard based on PAS 1878 for future regulation of ESA. Standards apply to domestic scale ESA including private EV charge points, heat pumps, storage heaters and heat batteries. Minimum device level cyber security for ESAs and adoption of ETSI 303 645 as an appropriate standard.	Require compliance with standards for ESA including EV charge points, batteries and heating appliances through proportionate regulation. To work with industry and BSI to develop standard based on PAS 1878. Require compliance with cyber security requirements using ETSI 303 645 standard.

The Panel response supported the proposals for cyber security and standards, noting that the SSC were responding separately. The Panel response further noted from a governance perspective, that the SEC has good working practices for managing security related issues and risks and a similar approach could be applicable for security standards proposed for ESA.

The Panel response noted TABASC had considered if there were any technical implications for smart metering but concluded that until there was a better understanding of how DSR would be offered, it was difficult to comment. The TABASC concluded that trying to incorporate more into the SEC at a time when DCC core services and levels of services to customers was paramount, the timing was not optimal.

Government confirms that adoption of ESA standards underpinned via appropriate regulations will be required for ESA, and that it will consult further with industry on the regulatory approach. The Government further confirm that PAS 1878 will be the starting point for regulation and that government will work with industry to deliver that standard development.

Government also confirms that ESA will have to comply with ETSI 303 645 cyber security standard in advance of a longer term solution being developed.

5. Common Systems

Consultation Proposal	Outcome
The consultation considered a need for common systems in areas of Public Key Infrastructure (PKI), anomaly detection and communication networks.	Government is working with NCSC on security assessment for ESA and DSR to inform security architecture and common system approach.

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Options considered; DCC Licence, New Licensed body, new central body to procure systems, approved service providers.	Government does not anticipate creating a new licensed body with a similar remit to DCC.
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The Panel response agreed with proposals to establish PKI and anomaly detection thresholds. The Panel response noted that requirements for common systems would be ultimately subject to the outcome of the NCSC assessment, stating that it was not possible to provide a view of resources required to support any common system approach until the security assessment had completed.

The government response notes that work is ongoing to complete the NCSC risk assessment and expects industry to input to this work before making a final judgement.

6. Delivery Framework

Consultation Proposal	Outcome
A phased approach for implementing governance was considered, including options to establish a not-for-profit delivery body or building on existing SEC framework.	Government to continue to work with industry to develop governance model. Work to consider interdependencies between ESA standards, common systems and assurance and cost recovery options. Government to consider overall impacts and will consult further.

The Panel response highlighted concerns with utilising either new or existing governance frameworks, noting the level of change required to the SEC and challenges which the introduction of ESA might bring, such as charging for services and Panel / Sub Committee working arrangements. The Panel response also noted that if the DCC is not utilised for communications, the SEC may not be the most appropriate governance vehicle. The Panel response further noted the convergence of both Code Reform and DCC Licence renewal in a similar period to the ESA DSR governance proposals.

The Government has confirmed it is still working with industry to consider the most appropriate way forward and will consult further.

7. Recommendations

The Panel is requested to **NOTE** the contents of the paper.

Tim Newton

SECAS Team

18 April 2023