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SECMP0059

‘Amendments to SEC Security Assessments for Non-Domestic Suppliers and Other Users’

Modification Report

Version 0.4

About this document

This document is the Modification Report for SECMP0059 'Amendments to SEC Security Assessments for Non-Domestic Suppliers and Other Users'. It provides detailed information on the background, issue, solution, costs, impacts and implementation approach. It also summarises the discussions that have been held and the conclusions reached with respect to this Modification Proposal.

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This document also has two annexes:

- **Annex A** contains the redlined changes to the SEC required to deliver the proposed solution.
- **Annex B** contains the full responses received to the Working Group Consultation.

1. Summary

Non-Domestic Suppliers

Until recently, non-domestic energy Suppliers were not required to be a Data Communications Company (DCC) User but, following a consultation, the Department for Business, Energy and Industrial Strategy (BEIS) announced that some energy Suppliers to Non-Domestic Premises must become DCC Users by 31st August 2018 (the "DCC User Mandate"). However, as this was not the case at the time at the time the current User Security Assessment guidelines were incorporated into the SEC, the SEC is silent on the guidelines for Supplier Parties with a portfolio made up of Non-Domestic Premises.

The proposed solution introduces User Security Assessment criteria that considers Supplier Parties that have a portfolio made up of Non-Domestic Premises. The proposed criteria will also consider Supplier Parties that have a mixed portfolio of Domestic and Non-Domestic Premises as well as the different levels of risk associated with each of the different types of premise.

Other Users

The Security Sub-Committee (SSC) has noted that the existing SEC obligations were established with the expectation that the Other User role would be undertaken by price comparison websites seeking consumer consent to access an individual's consumption data. However, the SSC considers that the security profile for the Other User role has changed since the existing SEC obligations for security assurance were established and should be amended to reflect this. SEC Section G8.47 sets out the arrangements for the annual User Security Assessments of Other Users after the initial Full User Security Assessment. Other Users are currently required to perform a Self-Assessment in year two and a further Self-Assessment in year three.

The SSC proposes that SEC Section G8.47 is amended to align it with the security profile of Supplier and Network Parties who supply gas or electricity to 250,000 or less Domestic Premises and that in year 2 of becoming a SEC Party, Other Users schedule a Verification User Security Assessment, instead of a User Security Self-Assessment.

Impacts

This modification is a text-only modification that will impact all Supplier Parties with a portfolio that includes Non-Domestic Premises and all Other Users; there are no system changes required. Implementation costs are limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort in implementing the changes to the SEC. If approved, SECMP0059 is proposed for implementation in the February 2019 SEC Release or as soon as possible thereafter.

2. Background

Non-Domestic Suppliers

The smart metering mandate uses a site-based definition to identify the sites which are in scope of the non-domestic rollout. Energy Supply Licence Conditions require energy Suppliers to install smart meters (or in some circumstances, advanced meters) at gas sites where the annual consumption is below 732MWh per year and all electricity sites in Profile Classes 1-4 (the majority of non-domestic electricity consumers are in Profile Classes 3 and 4).

Until recently, non-domestic energy Suppliers were not required to be a DCC User but, following a consultation, BEIS announced that some energy Suppliers to Non-Domestic Premises must become DCC Users by 31st August 2018 (the "DCC User Mandate").

SECAS has received numerous queries from Non-Domestic energy Suppliers asking for clarification on the nature of the second and subsequent User Security Assessment. The SSC considers that the SEC should be amended to provide clarity.

Other User Parties

The SSC has noted that the existing SEC obligations were established with the expectation that the Other User role would be undertaken by price comparison websites seeking consumer consent to access an individual's consumption data. This would largely be governed by the privacy assurance arrangements in SEC Section I 'Data Privacy' and would be subject to very few security risks. SEC Section G8.47 sets out the arrangements for the annual User Security Assessments of Other Users after the initial Full User Security Assessment. Other Users are required to perform a Self-Assessment in year two and a further Self-Assessment in year three.

What is the issue?

Second and subsequent User Security Assessments for non-domestic energy Suppliers

At present, SEC Sections G8.40 to G8.43 explain the arrangements for the type of User Security Assessment for the second and subsequent User Security Assessment for Suppliers who supply gas and/or electricity to Domestic Premises. However, the SEC is silent on the arrangements for the second and subsequent User Security Assessment for Suppliers who supply gas and/or electricity to Non-Domestic Premises.

SECAS has received numerous queries from Non-Domestic energy Suppliers asking for clarification on the nature of the second and subsequent User Security Assessment. The SSC considers that the SEC should be amended to provide clarity.

Second User Security Assessments for Other Users

The SSC is now aware that the Other User role is being considered by organisations wishing to undertake remote diagnostic analysis of Devices and to 'join' and 'unjoin' Type 2 Devices, in addition to obtaining consumption data on a large scale e.g. for university research. It is possible that other innovative applications will also be considered within the Other User role. As a result, the SSC considers that the security profile for the Other User role has changed since the existing SEC

obligations for security assurance were established and that a Self-Assessment in the second year is no longer proportionate to the security risks.

SECMP0059 was raised by the SSC on 31 August 2018 to resolve this issue.

3. Solution

Proposed Solution

Non-Domestic Suppliers

The SSC has considered the security risks that arise from the supply of energy to Non-Domestic Premises and has proposed that the threshold for the supply of Non-Domestic Premises determining the type of User Security Assessment Supplier Parties are subject to, be set at 50,000.

To account for Supplier Parties that have a combined portfolio of Domestic Premises and Non-Domestic Premises, the SSC has proposed that these Supplier Parties use an equation to determine which User Security Assessments they should undergo. This equation considers the different levels of risk that different types of premises pose.

The SSC proposes to clarify that in assessing the number of Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems that number shall, where any Shared Resources form part of both its User Systems and the User Systems of another User, be deemed to include any Non-Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for that Supplier.

The SSC's proposed User Security Assessment guidelines for Supplier Parties that exceed the thresholds have been set out below:

Supplier Party exceeds criteria: User Security Assessments			
No. of Premises	**User entry / Year one**	**Year two**	**Year three**
Exceeds 250,000 Domestic Premises	Full Assessment	Full Assessment	Full Assessment
Exceeds 50,000 Non-Domestic Premises	Full Assessment	Full Assessment	Full Assessment
(5N) + D > 250,000 [1]	Full Assessment	Full Assessment	Full Assessment

Supplier Parties that do not meet any of the criteria in the table above will undergo the following User Security Assessments set out below:

Supplier Party does not exceed criteria: User Security Assessments		
User entry / Year one	**Year two**	**Year three**
Full Assessment	Verification User Assessment	User Self-Assessment

Other Users

The SSC proposes that SEC Section G8.47 is amended to align it with the security profile of Supplier and Network Parties who supply gas or electricity to 250,000 or less Domestic Premises and that in year 2 of becoming a SEC Party, Other Users schedule a Verification User Security Assessment, instead of a User Security Self-Assessment. For clarification the proposed User Security Assessment guidelines for Other Users going forward have been set out below:

- **Year 1** – The Other User will schedule a Full User Security Assessment;

[1] Where N is the number of Non-Domestic Premises and D is the number of Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Responsible Supplier.

- **Year 2** – The Other User will schedule a Verification User Security Assessment;
- **Year 3** – The Other User will schedule a User Security Self-Assessment.

Legal text

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

Following the Working Group Consultation, the draft legal text was amended considerably. These changes are explained in detail in Section 7 of this document.

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

This modification will affect the annual User Security Assessments for all Supplier Parties with a portfolio including Non-Domestic Premises who are affected by the BEIS Government Response, and the User Security Assessments for all Other Users.

DCC System

There are no DCC System impacts as a result of this modification.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section G 'Security'

Other industry Codes

There are no other codes expected to be impacted as a result of this modification.

Greenhouse gas emissions

This modification will not have an impact on Greenhouse Gas Emissions.

5. Costs

DCC costs

There are no DCC costs as a result of this modification.

SECAS costs

The estimated SECAS implementation costs to implement this modification is two days of effort, amounting to approximately £1,200. The activities needed to be undertaken for this are:

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

SEC Party costs

No SEC Party costs are anticipated to implement this modification.

6. Implementation approach

Recommended implementation approach

The Working Group is recommending an implementation date of:

- **28 February 2019** (February 2019 SEC Release) if a decision to approve is received on or before 14 February 2019; or
- **10 Working Days** following approval if a decision to approve is made after 14 February 2019 (if this modification is approved under Self-Governance, it will be implemented 10 Working Days after the end of the 10 Working Day referral period commencing after the Change Board vote).

This is the earliest SEC Release that this modification can be targeted for.

7. Discussions and development

User Security Assessment criteria - Is the threshold of 50,000 Non-Domestic Premises appropriate?

The Working Group were asked to consider whether the threshold which determines the type of User Security Assessments Non-Domestic Suppliers undergo should be set at 50,000 non-domestic premises. Members agreed that the threshold of 50,000 premises had been chosen via load data provided by National Grid. One Working Group member noted that load data could not be applied to gas and that it was a factor worth noting when applying the proposed User Security Assessment guidelines to Supplier Party with a portfolio weighted towards the supply of gas. The Working Group agreed that the threshold for determining the types of User Security Assessments undergo be left at 50,000 premises.

Monitoring Supplier Non-Domestic Premise portfolios

A Working Group member raised a concern as to how Supplier Parties' non-domestic portfolios would be monitored as the SSC would need to know these in order to identify which Supplier Parties were above or below the threshold of 50,000 Non-Domestic Premises. The Proposer clarified that the SSC relied on Supplier Parties self-declaring the number of Non-Domestic Premises they supplied electricity and/or gas to. As a result, a question was added to the Working Group Consultation asking if and how Supplier Parties monitor the number of Non-Domestic Premises they supply electricity and/or gas to. Most Supplier Parties that responded to this question advised that they did report on Non-Domestic Premises via reporting mechanisms. However, one respondent advised that reporting on Non-Domestic Premises had proved challenging as Non-Domestic Premises often serve a number of different businesses, some with more than one meter. The respondent added that removing duplicate addresses can be a time consuming, manual exercise with industry address data often being unreliable.

Should the thresholds be based on the number of Non-Domestic Premises or the number of meters within those premises?

The SEC Panel queried whether the threshold for determining the types of User Security Assessments a Supplier Party should be subject to be specific to the number of Non-Domestic Premises they supply or to the number of electricity and/or gas meters within those premises they supply. A Working Group member clarified that the current wording in the SEC for User Security Assessments relates to the number of premises a Supplier Party supplies electricity and/or gas to, not the number of meters they supply electricity and/or gas to. It was also noted that to change the wording to use meters rather than premises would mean having to change Ofgem's and the industry's perception on User Security Assessment guidelines, and could have wider consequences than SECMP0059 was intending. The Working Group agreed to align the wording for User Security Assessments with those already in the SEC and leave this threshold as 'premises', not 'meters', and believed this question should be picked up separately.

Are there any reasons why Other Users should not undergo a User Security Verification Assessment in the second year?

The Working Group were asked to consider whether there could be any valid reasons as to why Other Users shouldn't have a User Security Verification Assessment in the second year. They agreed that having a Verification User Security Assessment instead of a User Security Self-Assessment was not expected to have any material effects on Other Users, based on the experience of Users who have already undergone these types of assessment.

The Working Group discussed the proposal to align the User Security Assessments for Other Users with those of Small Suppliers. Some members considered that there would be many Other Users who wouldn't communicate with DCC anywhere near as much as Small Suppliers. However, it was agreed that User Security Assessments were not based upon the frequency of communications between SEC Parties and DCC but to the security risks the relevant category of User posed.

How should Shared Resources be catered for?

Shared Resources were discussed in relation to the part of the modification covering Non-Domestic Suppliers, and a Working Group member noted that they needed to be subject to the same provisions. In response to this the Proposer advised that SEC Section G8.63 'Shared Resource Providers' needed to have a paragraph added to it in the legal text that covered the obligations for Non-Domestic Suppliers. These provisions were subsequently covered in Section G8.48(a) rather than via the approach that was initially discussed in the Working Group. The Working Group was content with this alternative approach.

Working Group's consideration of industry consultation responses

Consideration of the draft legal text

There were six responses to the Working Group Consultation, all of which agreed that the proposed solution better facilitated the SEC Objectives and, considering the potential impacts and costs, as well as the cost to deliver the modification, agreed that the modification should be approved.

However, three respondents did not believe that the draft legal text changes delivered the intent of the modification. As a result, the draft legal text was amended considerably;

- Section G8.40 was reworded to make it clearer to Users, with the meaning of this section remaining the same.
- The proposed additions of Sections G8.43A and G8,43B were removed and amalgamated into the existing Sections G8.41 and G8.42 respectively.
- Section G8.41 was then reworded to include an obligation that considered Supplier Parties that had a combined portfolio of Domestic Premises and Non-Domestic Premises with an aggregated volume of over 250,000 premises.
- Section G8.42 has been simplified to clarify that where a User does not meet any of the criteria under SEC Section G8.41, they will subsequently undergo the User Security Assessments outlined in Section G8.42(a), (b) and (c).
- The proposed addition of Section G8.43C was removed and instead amalgamated with the existing Section G8.43.

- Section G8.48(a) has been amended so that it also accounts for Supplier Parties with a portfolio of Non-Domestic Premises.
- Lastly, two housekeeping changes have been addressed as part of the draft legal text. Grammatical errors in Section's G1.10 b) and G8.44 c) have been rectified.

The SSC's consideration of industry consultation responses

Following further consideration of the amended draft legal text and consultation responses by the Security Sub-Committee, Section G8.41 had further amendments made to it. The Security Sub-Committee agreed with a consultation response that the proposed draft legal text for Section G8.41(c) was too simplistic and did not account for the different levels of risk associated with the different types of premises for a Supplier Party with a mixed portfolio. To account for this an equation, which had been proposed by a Working Group member, was added to the obligation that accounted for the different risks of different types of premises. All Supplier Parties would be required to carry out this equation and where the sum exceeded 250,000, the Supplier Party would be required to undertake a Full User Security Assessment each year. Where the sum was equal to or below 250,000, the Supplier Party would be required to undertake a Verification User Security Assessment. The Working Group were consulted on this amendment and had no objections.

8. Conclusions

Benefits and drawbacks

The Proposer and the Working Group have identified the following benefits and drawbacks in implementing this modification:

Benefits

Working Group members believe that this modification would provide clarity on the types of User Security Assessment Non-Domestic Suppliers need to undergo in their second and third years, as the SEC is currently silent on these. Furthermore, this modification would provide a suitable threshold to determine the types of User Security Assessments Non-Domestic Suppliers should undergo based upon the number of Non-Domestic Premises they supply electricity and/or gas to.

Working Group members also believe that this modification would align the security obligations for Other Users with the security profile of the types of Organisations that now fill the Other Users category and those that may do in the future. This is because there are Organisations now wishing to undertake remote diagnostic analysis of Devices and to 'join' and 'unjoin' Type 2 Devices in addition to obtaining consumption data on a large scale e.g. for university research.

Drawbacks

A possible drawback was identified by the Working Group in the proposed solution's reliance upon Supplier Parties recording the number of Non-Domestic Premises they supplied electricity and or gas to. This drawback was reiterated by a consultation respondent who raised the difficulties that their organisation had in trying to accurately report the number of Non-Domestic Premises they supplied electricity and/or gas to.

General SEC Objectives

Objective (a)[2]

The Proposer believes that SECMP0059 will better facilitate SEC Objective (a) as this change would ensure that Non-Domestic Suppliers and Other users have clarity on the security assurance objections.

Objective (f)[3]

The Proposer believes that SECMP0059 will better facilitate SEC Objective (f) as this change would provide assurance of compliance with SEC security obligations.

[2] Facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.

[3] Ensure the protection of Data and the security of Data and Systems in the operation of this Code.

Working Group members' views

Objective (a)

The **majority** of the Working Group believe that this modification better facilitates SEC Objective (a), because this modification would ensure that Non-Domestic Suppliers and Other Users have clarity on the security assurance objections. However, some members felt that it would better facilitate SEC Objective (g)[4] rather than (a), because they felt the wording of SEC Objective (g) was more appropriate to the Proposer's rationale.

Objective (f)

The **unanimous** view of the Working Group is that this modification better facilitates SEC Objective (f). This is because this modification would provide assurance of compliance with SEC security obligations for Non-Domestic Supplier Parties. In addition, the User Security Assessments for Other Users would be aligned with the security threat of roles that now occupy the Other Users category.

Consultation respondents' views

The consultation respondents **unanimously agreed** that the proposed solution better facilitated the SEC Objectives and should be approved. However, there were mixed responses as to which SEC Objectives the modification better facilitated with some respondents suggesting that SEC Objectives (d)[5], (e)[6] and (g)[7] would be better facilitated.

Sub-Committee views

The SSC considered the Working Group Consultation responses and decided to make further amendments to one section of the legal text affecting Supplier Parties and their User Security Assessments. This was resulting from respondent's suggestion that the legal text needed to account for the different levels of risk with the different types of premises. The SSC agreed to use a simple equation to account for the different levels of risk associated with different types of premise.

Panel's conclusions

The Panel will consider this report at its December 2018 meeting.

[4] To facilitate the efficient and transparent administration and implementation of this Code.

[5] To facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy.

[6] 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.

[7] To facilitate the efficient and transparent administration and implementation of this Code.

Appendix 1: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	**Full term**
BEIS	Department for Business, Energy and Industrial Strategy
DCC	Data Communications Company
DMR	Draft Modification Report
Mwh	Megawatt Hour
SEC	Smart Energy Code
SSC	Security Sub-Committee

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SECMP0059 'Amendments to SEC Security Assessments for Non-Domestic Suppliers and Other Users'

Legal text – version 0.5

About this document

This document contains the redlined changes to the SEC that would be required to deliver this Modification Proposal.

These changes have been prepared against SEC Version 6.2.

Section G 'Security'

Housekeeping change to Section G1.10:

SMETS1 Smart Metering Systems

G1.10 Any reference in Sections G2 to G9 to:

(a) a SMETS1 SMS shall be treated as being a reference to an Enrolled SMETS1 SMS only;

(b) a Smart Metering System shall be treated as including a~~n~~ SMETS1 SMS only if it is an Enrolled SMETS1 SMS;

(c) a Device shall be treated as including a SMETS1 Device only if it forms part of or is ancillary to an Enrolled SMETS1 SMS.

Security Assurance Assessments: Post-User Entry Process:

Security Assurance Assessments: Post-User Entry Process

G8.40 ~~A User shall schedule a User Security Assessment with the User Independent Security Assurance Service Provider or a User Security Self-Assessment in accordance with the provisions of Sections G8.41 to G8.47.~~ Within 12 months after completion of the User's initial Full User Security Assessment (or after the Follow-up Security Assessment where there was one), for the purposes of the User Entry Process, ~~pursuant to which the~~a User shall schedule a User Security Assessment with the User Independent Security Assurance Provider in accordance with the provisions of Sections G8.41 to G8.47. The initial Full User Security Assessment will be deemed complete when the Panel set an assurance status of:

(a) approved; or

(b) approved, subject to the User:

(i) taking such steps as the User proposes to take in its User Security Assessment

Response in accordance with Section G8.26(b); or

(ii) both taking the steps referred to in (i) above and being subject to a Follow-up Security Assessment by such date as the Panel may specify.

Supplier Parties

G8.41 Where a User is a Supplier Party and either:

(a) the number of Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Responsible Supplier exceeds 250,000~~,~~; or

(b) the number of Non-Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Responsible Supplier exceeds 50,000; or

(c) (5N) + D > 250,000

where N is the number of Non-Domestic Premises and D is the number of Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Responsible Supplier,

~~-~~the User Security Assessment required by Section G8.40 shall be a Full User Security Assessment and the User shall schedule a further Full User Security Assessment within 12 months after each Full User Security Assessment.

G8.42 Where a User is a Supplier Party ~~and the number of Domestic Premises supplied with~~of electricity and/or gas to Domestic Premises and/or Non-Domestic Premises through one or more Smart Metering Systems for which it is the Responsible Supplier ~~is equal to or less than 250,000~~ but does not meet any of the criteria specified under Section G8.41, the User Security Assessment required by Section G8.40 shall be a Verification User Security Assessment and the User shall:

(a) within 12 months after each Verification User Security Assessment schedule a User Security Self-Assessment; and

(b) within 12 months after each User Security Self-Assessment, schedule a Full User Security Assessment with the User Independent Security Assurance Service Provider; and

(c) within 12 months after each Full User Security Assessment, schedule a Verification User Security Assessment with the User Independent Security Assurance Service Provider.

G8.43 In assessing for the purposes of Sections G8.41 and G8.42 the number of Domestic Premises and Non-Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which a User is the Responsible Supplier, that number shall, where any Shared Resources which are not provided by a Shared Resource Provider form part of both its User Systems and the User Systems of another User, be deemed to include any Domestic Premises or Non-Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which that other User is the Responsible Supplier.

Network Parties

G8.44 Where a User is a Network Party and the number of Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Electricity Distributor and/or the Gas Transporter exceeds 250,000, the User Security Assessment required by Section G8.40 shall be a Verification User Security Assessment and the User shall:

(a) within 12 months after previous Verification User Security Assessment, schedule a second Verification User Security Assessment with the User Independent Security Assurance Provider;

(b) within 12 months after each second successive Verification User Security Assessment, schedule a Full User Security Assessment with the User Independent Security Assurance Service Provider; and

(c) within 12 months after each Full User Security Assessment, schedule a Verification User Security Assessment with the User Independent Security

Assurance Service Provider.

G8.45 Where a User is a Network Party and the number of Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Electricity Distributor and/or the Gas Transporter is equal to or less than 250,000, the User Security Assessment required by Section G8.40 shall be a Verification User Security Assessment and the User shall:

(a) within 12 months after each Verification User Security Assessment, schedule a User Security Self-Assessment;

(b) within 12 months after each User Security Self-Assessment, schedule a Full User Security Assessment with the User Independent Security Assurance Service Provider; and

(c) within 12 months after each Full User Security Assessment, schedule a Verification User Security Assessment with the User Independent Security Assurance Service Provider.

G8.46 In assessing for the purposes of Sections G8.44 and G8.45 the number of Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which a User is the Electricity Distributor and/or the Gas Transporter, that number shall, where any Shared Resources form part of both its User Systems and the User Systems of another User, be deemed to include any Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which that other User is the Electricity Distributor and/or the Gas Transporter.

Other Users

G8.47 Where a User is neither a Supplier Party nor a Network Party, Section G8.40 requires the User to schedule a User Security ~~Self-~~Verification Assessment and the User shall:

(a) within 12 months after the previous User Security ~~Self-~~Verification Assessment, schedule a ~~second Successive~~ User Security Self-Assessment;

(b) within 12 months after the ~~second successive~~ User Security Self-Assessment

schedule a Full User Security Assessment with the User Independent Security Assurance Service Provider; and

(c) within 12 months after each Full User Security Assessment, schedule a User Security ~~Self-~~Verification Assessment.

Interpretation

G8.48 Section G8.49 applies where:

(a) pursuant to Sections G8.41 to G8.43, it is necessary to determine, in relation to any Supplier Party, the number of Domestic Premises and Non-Domestic Premises that are supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Responsible Supplier; or

(b) pursuant to Sections G8.44 to G8.46, it is necessary to determine, in relation to any Network Party, the number of Domestic Premises that are supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Electricity Distributor and/or the Gas Transporter.

G8.49 Where this Section applies:

(a) the determination referred to in Section G8.48 shall be made at the time at which the nature of each annual security assurance assessment for the relevant User falls to be ascertained; and

(b) the DCC shall provide all reasonable assistance that may be requested by that User or the Security Sub-Committee for the purposes of making that determination.

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SECMP0059 'Amendments to SEC Security Assessments for Non-Domestic Suppliers and Other Users' Working Group Consultation responses

About this document

This document contains the full collated responses received to the SECMP0059 Working Group Consultation.

Question 1: Do you agree that the proposed solution better facilitates the SEC Objectives and should therefore be approved?

Question 1			
Respondent	**Category**	**Response**	**Rationale**
E.ON Energy Solutions	Large Supplier	Yes	It is not quite clear within the Draft Modification Proposal which objectives the Proposer believes this Modification facilitates, though we have assumed a and f, with the Working Group showing support for the facilitation of objective g. If our assumption is correct then we agree with both the proposer and the Working Group. This Modification will better ensure the protection and security of Systems in the operation of the Code and of Smart Metering Systems through ensuring that any Security issues are identified and resolved within such a timeframe as befits the risk to Systems and Smart Meters, thus we believe this Modification better facilitates SEC objectives a and f. We further believe that the clarification made to the legal text will enable more efficient administration of this Code, therein facilitating SEC objective g.
Haven Power Limited	Small Supplier	Yes	We consider SECMP0059 better facilitates SEC Objectives (f) To ensure the protection of Data and the security of Data and Systems in the operation of the Code, and (a) To facilitate the efficient provision, installation and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises.
IcoSS	Non-SEC Party	Yes	ICoSS is of the view that implementation of the SECMP0059 proposed solution better facilitates SEC objectives d) and g) by providing clearly-defined and cost-effective arrangements for the second and subsequent User Security Assessments for Suppliers who supply gas and/or electricity to Non-Domestic Premises. The same SEC objectives are also better facilitated by the proposed solution in relation to User Security Assessments for Other Users.

Question 1			
Respondent	**Category**	**Response**	**Rationale**
EDF Energy	Large Supplier	Yes	We agree that the SECMP0059 proposed solution better facilitates the SEC objectives as follows: (f) as the change will ensure that the SEC obligations relating to Security Assurance Assessments cater appropriately for the risk posed by Suppliers with non-domestic meters in their portfolio. This change will also ensure that the SEC obligations relating to Security Assurance Assessments for Other Users are proportionate to the potential risk they pose, based on the advice of the Security Sub-Committee (g) as the change will clarify the SEC obligations relating to Security Assurance Assessments for all Users.
SSE	Large Supplier	Yes	
Utiligroup	Small Supplier	Yes	Yes, this addresses SEC Objectives E and F, as it will help reduce the risk to the continued operation of the network and ensure the appropriate level of security is maintained for the inherently higher risk Users, who supply the Non-domestic market.

Question 2: Will your organisation be impacted due the implementation of this modification?

Question 2			
Respondent	**Category**	**Response**	**Rationale**
E.ON Energy Solutions	Large Supplier	No	We will not incur any direct impact as a result of this Modification being implemented, though we will derive assurance of the total Smart Metering Infrastructure from it.
Haven Power Limited	Small Supplier	Yes	As a non-domestic electricity supplier, Haven Power will be impacted by the implementation of this modification.
IcoSS	Non-SEC Party	No	We do not believe that any impact to ICoSS members will result from the implementation of this modification, other than the positive effect of the clarity that such implementation will provide.
EDF Energy	Large Supplier	No	As a Large Supplier of domestic premises we do not believe that the implementation of this Modification will have an impact on us, and specifically on the Security Assurance Assessments we are obliged to undertake.
SSE	Large Supplier	Yes	
Utiligroup	Small Supplier	Yes	Yes, the modification may bring forward the date that, as a shared resource provider, we pass the threshold that would result in a Full User Security Assessment each year.

Question 3: Will your organisation incur any costs due to the implementation of this modification?

Question 3			
Respondent	**Category**	**Response**	**Rationale**
E.ON Energy Solutions	Large Supplier	Yes	Though only our portion of the implementation costs.
Haven Power Limited	Small Supplier	No	We do not anticipate incurring any costs as a direct result of the implementation of this modification.
IcoSS	Non-SEC Party	No	We do not believe that ICoSS members will incur any additional costs beyond those already required in relation to User Security Assessments as a result of the implementation of this modification.
EDF Energy	Large Supplier	No	Aside from our share of the implementation costs noted in the Draft Modification Report, we do not believe that we will incur any costs due to the implementation of this modification.
SSE	Large Supplier	Neutral	By using a third party provider for Smart Services, our requirements include the undertaking of a security assessment each year. This will be priced into the contract so we do not expect any additional charges to be incurred.
Utiligroup	Small Supplier	Yes	Potentially yes, the modification may result in an additional Full User Security Assessment, which incur a higher cost than a Verification User Security Assessment or Self-Assessment

Question 4: Having considered the potential impacts and costs to your organisation, as well as the cost to deliver the modification, do you agreed that SECMP0059 should be approved?

Question 4			
Respondent	**Category**	**Response**	**Rationale**
E.ON Energy Solutions	Large Supplier	Yes	As given above, we believe that the relevant SEC objectives would be better facilitated by the implementation of this Modification than they are today
Haven Power Limited	Small Supplier	Yes	While we agree with the intent of this change, we do not agree with the threshold for determining the types of User Security Assessments a Supplier is subject to being specific to the number of non-domestic premises. We appreciate the desire to align the wording already in the SEC, but business premises are not always clearly defined and asking suppliers to determine a threshold by number of premises could be open to interpretation leading to inconsistent, unreliable calculations that do not reflect the number of Smart Metering Systems served by a supplier. Non-domestic premises are very different to domestic premises as a number of separate businesses may operate from one premises, each with their own energy supply. In our view, a threshold based on the number of meters or metering points would be a more accurate measure.
IcoSS	Non-SEC Party	Yes	Yes, please see our answer to Question 1 above.
EDF Energy	Large Supplier	Yes	We are not aware of any reason that this Modification should not be approved, subject to ensuring the legal text accurately reflects the intent of the Modification.
SSE	Large Supplier	Yes	
Utiligroup	Small Supplier	Yes	Yes, the impact to us is minimal and shouldn't prevent this modification from being approved

Question 5: Do you believe that the draft legal text changes deliver the intention of the modification?

Question 5			
Respondent	**Category**	**Response**	**Rationale**
E.ON Energy Solutions	Large Supplier	No	Not entirely: G8.43C requires that the number of Non-Domestic Premises supplied through a Smart Metering System (SMS) be included within the number of Domestic Premises where any Shared Resources form part of the User Systems of the User subject to clauses G8.44 and G8.45, and the User Systems of another User. However, G8.43 stipulates these requirements are applicable to both Responsible Suppliers and clauses G8.44 and G8.45; G8.44 and G8.45 are applicable to Network Parties rather than to Responsible Suppliers. We would therefore request some clarification as to the intention of this clause, and any subsequent impact to G8.63. We have the following additional comments on the legal text: We note that the current drafting of G8.40 may lead to some interpretation difficulties when aligning this text with the requirements of G8.43B. The latter (G8.43B) notes that the User Security Assessment required subject to G8.40 is the Verification User Security Assessment. However, G8.40 as written currently, separates the requirement to have User Security Assessment from the stipulation of this being required within 12 months of the User's initial Full User Security Assessment via two distinct literary clauses (i.e. the full stop in place of a conjunctive). In order to avoid such ambiguity, we would request that the Working Group consider re-wording G8.40 such that it is clear that the User Security Assessment as required by G8.43B is to be scheduled within 12 months of the User's Full Security Assessment. We would

Question 5			
Respondent	**Category**	**Response**	**Rationale**
			suggest something to the effect of "Within 12 months after completion of the User's initial Full User Security Assessment (or after the Follow-up Security Assessment where there was one), a User shall schedule a User Security Assessment with the User Independent Security Assurance Service Provider or a User Security Self-Assessment in accordance with the provisions of Sections G8.41 to G8.47. The initial Full User Security Assessment being referred to herein being for the purposes of the…" This would additionally permit the same clarity to apply to G8.41; G8.42; G8.44; G8.45, and G8.47. G8.43C contains an instance of Other User in the last paragraph in which 'other' is written in lower case, we believe this ought to be capitalised to the reflect the defined term. G8.44C contains a double space between 'User' and 'Security' which we believe ought to be removed.
Haven Power Limited	Small Supplier	Yes	The draft legal text delivers the intention of the modification.
IcoSS	Non-SEC Party	Yes	Yes, we believe that the legal text as drafted should result in the intent of the modification being delivered.
EDF Energy	Large Supplier	No	The content of new Section G8.43C does not appear to be correct – this refers to Sections G8.44 and G8.45 which does not seem to be appropriate as these are part of the obligations on Network Parties. Is this correct (and if so what is the intent) or should this refer to G8.43A and G8.43B? We would also question whether creating separate obligations for non-domestic premises is wholly appropriate. It would seem to make more sense for the obligations to remain the same

Question 5			
Respondent	**Category**	**Response**	**Rationale**
			but to apply where the 'number of Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Responsible Supplier exceeds 250,000 or number of Non-Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Responsible Supplier exceeds 50,000. Setting these out as separate obligations could lead to confusion regarding the need for separate User Security Assessments for the different types of customer.
SSE	Large Supplier	Yes	
Utiligroup	Small Supplier	No	No, we do not believe the legal text addresses the scenario of a User operating a portfolio that includes both domestic and non-domestic premises. Under the current text a User or Shared Resource provider that has a portfolio of 249,000 domestic and 49,000 non-domestic premises would be in scope for the lighter assessment schedule, however they would carry the same or greater risk than a User in excess of 250,000 domestic or 50,000 non-domestic premises. This may be an edge case for a Supplier, but given the nature of a Shared Resource is a virtual certainty.

Question 6: Do you agree with the recommended implementation date?

Question 6			
Respondent	**Category**	**Response**	**Rational**
E.ON Energy Solutions	Large Supplier	Neutral	It is not appropriate for Parties to be asked whether they agree with flouting the Release Management Policy; it is for the Panel to determine changes to a Release. For clarity, we would not object to the proposed implementation date if Panel were to approve it.
Haven Power Limited	Small Supplier	Yes	
IcoSS	Non-SEC Party	Yes	Yes, the recommended implementation date seems reasonable.
EDF Energy	Large Supplier	Yes	We believe the recommended implementation date should be achievable; however this depends on the lead times required by those Parties that are materially impacted by this Modification.
SSE	Large Supplier	Neutral	Due to current workloads between now and February, we would appreciate a later implementation date if possible to be certain that we can facilitate the necessary changes in time.
Utiligroup	Small Supplier	Yes	

Question 7: As a Supplier Party, does your Organisation monitor the number of Non-Domestic premises they supply electricity and/or gas to? If 'yes', please could you advise how your Organisation monitors this?

Question 7			
Respondent	**Category**	**Response**	**Rationale**
E.ON Energy Solutions	Large Supplier	Yes	We monitor this via existing reporting requirements.
Haven Power Limited	Small Supplier	No	We routinely monitor the number of relevant meter points (MPANs) and the number of meters. We have previously received requests for the number of non-domestic premises supplied through a Smart metering system, and it has proved challenging to provide accurate data. Non-domestic premises often serve a number of different businesses, so one premises could potentially serve multiple businesses, some with more than one meter. Removing duplicate addresses can be a very time consuming, manual exercise. Industry address data is often unreliable and it is not always clear that meters occupy the same non-domestic premises.
IcoSS	Non-SEC Party	Neutral	ICoSS is not a Supplier Party. However, we are confident that all Non-Domestic suppliers have a strong incentive to monitor the number of Non-Domestic premises that they supply energy to for the purposes of hedging and balancing.
EDF Energy	Large Supplier	Yes	We are able to identify the number of Non-Domestic premises we supply electricity and/or gas to within our systems, although we are not generally required to for external reporting purposes. As a Large Domestic Supplier we would not need to monitor Non-Domestic premises specifically in order to comply with this new SEC Obligation.

Question 7			
Respondent	**Category**	**Response**	**Rationale**
			It is our understanding that the volumes of premises that need to be counted for the purposes of Security Assurance Assessments are those where there are Enrolled Smart Metering Systems. It would usually (although not exclusively) be the case that there would be one Communications Hub (or Communications Hub function) per premises. It should be possible for a User to identify the number of Communications Hubs with which they are associated from the DCC's Smart Metering Inventory; we believe that this would be a reasonable proxy for the number of premises for the purposes of these obligations.
SSE	Large Supplier	Yes	As part of our Smart metering obligations, SSE produce reports of its non-domestic customers every month. Through business separation our non-domestic supply business has different gas and electric supplier ID to our domestic supply business.
Utiligroup	Small Supplier	Unknown	Uknown

Question 8: Do you have any further comments on SECMP0059?

Question 8		
Respondent	**Category**	**Comments**
E.ON Energy Solutions	Large Supplier	We would be interested to understand the views of Network Operators with regard to utilising a premises threshold rather than a consumption threshold.
Haven Power Limited	Small Supplier	We have no further comments.
IcoSS	Non-SEC Party	ICoSS has no further comment to make in relation to SECMP0059.
EDF Energy	Large Supplier	The current solution takes quite a simplistic approach to risk – a User will need to undertake a Full User Security Assessment if they supply either 250,000 domestic premises, or 50,000 non-domestic premises, or both. This means that a User, who supplies just fewer than 250,000 domestic premises, and just fewer than 50,000 non-domestic premises, would not be subject to a Full User Security Assessment even though the level of risk associated with their portfolio may justify it. It is not clear whether such scenarios have been considered by the Security Sub-Committee when proposing the new requirement on Users. It may be appropriate to consider a different approach that takes into account the risk associated with these types of mixed portfolios. One possible approach would be to consider the size of a Supplier portfolio relative to the thresholds in the SEC, for example: $\frac{\text{Number of domestic premises}}{250{,}000} + \frac{\text{Number of non-domestic}}{50{,}000}$ Where the result of this equation is greater than 1, then a Supplier User would qualify for a Full User Security Assessment.

Question 8		
Respondent	**Category**	**Comments**
SSE	Large Supplier	
Utiligroup	Small Supplier	