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SECMP0059 Modification Report Consultation

1. Purpose

This is the Modification Report Consultation for SECMP0059 'Amendments to SEC Security Assessments for Non-Domestic Suppliers and Other Users'. We invite you to respond to this consultation in order to help inform the Change Board in its vote on this modification.

The Modification Report is included in this consultation pack, along with a response form containing the questions we seek your views on.

This consultation will close at **17:00** on **Thursday 10 January 2019**. The Change Board may not be able to consider late responses.

2. Summary of the proposal

What is the issue?

Non-domestic energy Suppliers

The SEC sets out 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. This has resulted in high levels of queries being sent to SECAS from non-domestic energy Suppliers asking for clarification on the nature of the second and subsequent User Security Assessment.

Other Users

At present, the SEC sets out the arrangements for the annual User Security Assessments for Other Users after the initial Full User Security Assessment. Other Users are required to have a Self-Assessment in year two and a further Self-Assessment in year three. The Security Sub-Committee (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.

What is the Proposed Solution?

Non-Domestic Suppliers

The SSC proposes that the SEC should 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. The SSC has proposed that the threshold for the supply of Non-Domestic Premises for which determines the type of User Security Assessment Supplier Parties are subject to, be set at 50,000, which if exceeded will obligate the Supplier Party to undergo a Full

User Security Assessment every year. To consider the risk associated to Supplier Parties with a combined portfolio of Domestic and Non-Domestic Premises, the SSC has proposed an equation that where the sum exceeds 250,000, the Supplier Party will also undergo a Full User Security Assessment every year. If the Supplier Party does not exceed the defined criteria, they will be subject to a Full Assessment in year one, a Verification User Assessment in year two, and a User Self-Assessment in year three.

Other Users

The SSC proposes to align the User Security Assessments for Other Users in SEC Section G8.47 with the existing arrangements for Small Suppliers. For clarification the proposed User Security Assessment guidelines for Other Users have been set out below:

- Year 1 – The Other User will schedule a Full User Security Assessment;
- Year 2 – The Other User will schedule a Verification User Security Assessment;
- Year 3 – The Other User will schedule a User Security Self-Assessment.

Will I be impacted?

SECMP0059 is expected to impact the following SEC Parties:

- All Supplier Parties
- Other Users

Full details of how this modification may impact you can be found in the Modification Report.

3. Contact

If you have any questions on this modification, please contact **Joe Hehir** on 020 7770 6874 or email sec.change@gemserv.com.