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<b>Paper Reference:</b>	<b>SECCB_26_2301_03</b>
<b>Action:</b>	<b>For Decision</b>

## SECMP0059 Change Board vote

### 1. Purpose

[SECMP0059 'Amendments to SEC Security Assessments for Non-Domestic Suppliers and Other Users'](#) has undergone Modification Report Consultation and is now being presented to the Change Board for vote. The Change Board is invited to determine whether SECMP0059 should be approved or rejected under Self-Governance.

This paper provides a high-level summary of the key points. Full details can be found in the Modification Report in Appendix A and the responses received to the Modification Report Consultation in Appendix B.

### 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

## 3. Modification Report Consultation responses

We received nine responses to the Modification Report Consultation, and the full responses received can be found in Appendix B.

Eight respondents (five Large Suppliers, two Small Suppliers and one other respondent) believed that SECMP0059 should be approved and welcomed the clarification it brought for User Security Assessments for Supplier Parties with portfolios made up of Non-Domestic Premises. Furthermore, respondents agreed that the modification enhanced the levels of Security Assurance Assessments and provided clarification for Other Users as well as Supplier Parties. Those respondents that expressed a view on the SEC Objectives agreed with the Proposer's view that this modification would better facilitate SEC Objectives (a)<sup>1</sup> and (f)<sup>2</sup>. Two respondents also believed that this modification would better facilitate SEC Objective (g)<sup>3</sup> as it would provide clarity on the SEC obligations relating to Security Assurance Assessments for all Users.

Though they supported the modification, one Small Supplier reiterated their comments from the Working Group Consultation and did not agree with the threshold set for determining the types of User Security Assessment for Suppliers with portfolios made up of Non-Domestic Premises. Their reason being that business premises are not always clearly defined and therefore can be difficult to record and report on, which may lead to inconsistent, unreliable calculations that do not reflect the

<sup>1</sup> To facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.

<sup>2</sup> To ensure the protection of Data and the security of Data and Systems in the operation of this Code.

<sup>3</sup> To facilitate the efficient and transparent administration and implementation of this Code.

number of Smart Metering Systems served by a Supplier. It was their view that a threshold based on the number of meters or metering points would be a more accurate measure and alleviate the risk of inaccuracy posed by a threshold based on premises. They went on to add that Small Suppliers whose portfolio did not comfortably exceed 50,000 Non-Domestic Premises would find it difficult to ascertain whether they exceeded the threshold and suggested they may need additional reporting and manual intervention to identify businesses operating from shared premises. For clarity, this respondent still believed the modification's proposed solution should be approved.

Another respondent who supported the modification commented that it had been hard to ascertain the User Security Assessments a Supplier Party would undergo if they used a Shared Resource as the Security Controls Framework (SCF) v1.15 had not been updated to reflect SECMP0059. We responded to this comment and advised the respondent that the SCF had not been updated to reflect SECMP0059 as it could not be assumed that this modification would be accepted. We also added that, if and when the modification is approved, the SCF would be updated to clarify the position in respect of the number of Non-Domestic Premises and to also clarify the implications for Shared Resource Providers.

One respondent (an Other Party) was neutral against the modification and expressed their concern with the approach this modification was taking to protect the Smart Metering System Ecosystem with regard to the Other User solution. It was their view this modification's approach to User Security Assessments for Other Users would be unenforceable as the number of organisations becoming DCC Users increases. The respondent suggested an alternate approach to enhance the security of the Smart Metering System Ecosystem similar to that of Denial of Service (DoS) protection of the DCC interfaces. However, they recognised the need for the modification in the interim and provided a neutral response to the modification.

## 4. Next steps

### Determination approach

The Panel has determined that SECMP0059 is a Self-Governance Modification. The Change Board's vote will therefore form a decision on the modification.

This decision will be subject to a 10 Working Day objection period where Parties can refer the decision to the Panel. If no objection is received, the Change Board's decision will be final.

### Implementation approach

The Panel has agreed the following implementation approach of:

- 28 February 2019 (February 2019 SEC Release) if a decision to approve is received by 14 February 2019; or
- 10 Working Days following approval if a decision to approve is made after 14 February 2019.

This means that if the Change Board approves SECMP0059 and no objections are raised within 10 Working Days, SECMP0059 would be implemented on 28 February 2019.

## 5. Recommendations

The Change Board is requested to:

- **AGREE** that SECMP0059 should proceed to vote;
- **DETERMINE** whether SECMP0059 should be **APPROVED** or **REJECTED** under Self-Governance; and
- **PROVIDE** rationale for this decision against the General SEC Objectives.

Joe Hehir

SECAS Team

16 January 2019

### Attachments

- **Appendix A:** SECMP0059 Modification Report
  - **Annex A:** Legal Text
  - **Annex B:** SECMP0059 Working Group Consultation Responses
- **Appendix B:** SECMP0059 Modification Report Consultation responses