

ENERGY

SMART METERS

**DRAFT MODIFICATIONS TO THE STANDARD CONDITIONS OF ELECTRICITY AND
GAS SUPPLY LICENCES AND THE SMART ENERGY CODE (SMART METERS No. 1 of
2019)**

Presented to Parliament pursuant to section 89 of the Energy Act 2008

Draft modifications to the standard conditions of Electricity and Gas Supply Licences and the Smart Energy Code laid before Parliament under section 89(3) of the Energy Act 2008; draft to lie for forty days pursuant to section 89(4) of that Act, during which period either House of Parliament may resolve that the licence modifications or the modifications to the Smart Energy Code not be made.

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DRAFT MODIFICATIONS TO THE STANDARD CONDITIONS OF ELECTRICITY AND GAS SUPPLY LICENCES AND THE SMART ENERGY CODE (SMART METERS No. 1 of 2019)

The Secretary of State makes the following licence modifications and modifications to the Smart Energy Code in exercise of the powers conferred by section 88(1) of the Energy Act 2008 ("the Act").

The Secretary of State has consulted the holders of any licence being modified, the Gas and Electricity Markets Authority and such other persons as the Secretary of State considered appropriate in accordance with section 89(1) of the Act.

A draft of these modifications has been laid before Parliament in accordance with section 89(3) of the Act. Neither House of Parliament resolved, within the 40-day period referred to in section 89(4) of the Act, that the Secretary of State should not make the modifications.

Interpretation

1 In these modifications –

- (a) "Smart Energy Code" means the document of that title required to be maintained and in force in accordance with condition 21 of the smart meter communication licences; and
- (b) "smart meter communication licences" means –
 - (i) the licence granted to Smart DCC Limited on 20 September 2013 pursuant to sections 7AB(2) and (4) of the Gas Act 1986; and
 - (ii) the licence granted to Smart DCC Limited on 20 September 2013 pursuant to sections 6(1A) and (1C) of the Electricity Act 1989.

Modifications to the Smart Energy Code

2 The Smart Energy Code is modified, in accordance with paragraphs 3 to 10 below, with effect from the day after the day on which this instrument is made.

3 In Section A, in Section A1, in Section A1.1 –

- (a) in the definition of "CESG" after "means" delete "the UK Government's national technical authority for information assurance" and insert "NCSC (and any reference to CESG in the Code shall be read as a reference to NCSC)";
- (b) in the definition of "CESG Tailored Assurance Service (CTAS)" after "administered by" delete "CESG" and insert "NCSC";

- (c) in the definition of "CPA Assurance Maintenance Plan" after "agreed with the" delete "CESG" and insert "NCSC";
- (d) in the definition of "CPA Safety Characteristics" after "from time to time on the" delete "CESG" and insert "NCSC";
- (e) in the definition of "DCC Individual Live System", in sub-paragraph (c), after "where the part used by each" delete "DCI" and insert "DCO";
- (f) in the definition of "DCC Live Systems" –
 - (i) in sub-paragraph (a), after "to which the activities fall within paragraph (b), (c), (f)" delete "or (g) below) processing" and insert ", (g), (h) or (i) below) processing (including Countersigning of SMETS1 Responses, SMETS1 Alerts and S1SP Alerts, but not Countersigning of SMETS1 Service Requests)"; and
 - (ii) replace existing sub-paragraph (b) with new sub-paragraph (b) as follows –
 - "(b) (other than to the extent to which the activity falls within paragraph (i) below) Threshold Anomaly Detection (other than that carried out by a DCO) and (other than to the extent to which the activity falls within paragraph (d), (f), (g), (h) or (i) below) Cryptographic Processing relating to the generation and use of a Message Authentication Code and Countersigning SMETS1 Service Requests";
- (g) in the definition of "DCC Systems" after "including the" delete "SM WAN" and insert "SMETS1 SM WAN and the SMETS2+ SM WAN,";
- (h) in the definition of "DCC Total System" after "including the DCC User Interface," delete "SM WAN" and insert "the SMETS1 SM WAN, the SMETS2+ SM WAN";
- (i) in the definition of "Instruction" –
 - (i) after "the SMETS1 Service Provider" delete "following receipt of a SMETS1 Service Request by the DCC";
 - (ii) after "to execute" delete "the" and insert "particular"; and
 - (iii) after "functionality" delete "necessary to permit the DCC to take the necessary Equivalent Steps";
- (j) in the definition of "SIMCH Aerial" after "connect to the" insert "SMETS2+";
- (k) in the definition of "SM WAN" –
 - (i) after "means" delete "either or both of"; and
 - (ii) after "the SMETS1 SM WAN" delete "and/or" and insert "or";
- (l) in the definition of "SMETS1 SMSO" after "(or used to provide)" insert "some or all of the";
- (m) in the definition of "SMETS1 Supporting Requirements" after "Appendix" delete "AJ" and insert "AM";
- (n) in the definition of "Threshold Anomaly Detection" –

- (i) in sub-paragraph (b), after "when acting as" delete "an" and insert "a DCO or a";
- (ii) in sub-paragraph (b)(i), after "of a particular type" insert "generated,"; and
- (iii) in sub-paragraph (c), before "quarantine those communications" insert "(other than in the case of Threshold Anomaly Detection applied by a DCO)";
- (o) delete in their entirety the following definitions –
 - (i) CESG CHECK;
 - (ii) CESG Listed Advisor Scheme (CLAS); and
 - (iii) CESG Tailored Assurance Service (CTAS); and
- (p) insert in alphabetical order the following new definitions –

"Certified Cyber Professional (CPP)	means the scheme of that name which is administered by NCSC, or any successor to that scheme.
CHECK	means the scheme of that name which is administered by NCSC, or any successor to that scheme.
CPA Certificate Remedial Plan	means a remedial plan for resolving the security issues that have resulted in or arisen from (or will result in or arise from) the cancellation, withdrawal, or expiry without renewal, of a Device Model's CPA Certificate, as further described in the CPL Requirements Document.
NCSC	means the UK Government's National Cyber Security Centre (or any successor organisation).
SMETS1 Installation	means a SMETS1 CHF installed in respect of an Energy Consumer's premises, the SMETS1 GPF which is part of the same SMETS1 CH, the SMETS1 ESME with which the SMETS1 CHF can communicate, and the set of other Devices (if any) which are authorised to communicate over the HAN to which the CHF controls access. The set of other Devices within a SMETS1 Installation shall include at most one SMETS1 GSME, at most one SMETS1 PPMID, at most one SMETS1 IHD and at most one SMETS1 CAD.
Tailored Assurance Service (CTAS)	means the scheme of that name which is administered by NCSC, or any successor to that scheme."

4 In Section F, in Section F2 –

- (a) in Section F2.2, after "Device Models in accordance with the CPL Requirements Document" insert "(including as described in Section F2.7A)";
- (b) in Section F2.3(c), delete "CESG" and insert "NCSC";
- (c) in Section F2.4(c), before "issues commercial" delete "CESG" and insert "NCSC";

- (d) in Section F2.7, after "is due to expire." insert "The Panel shall also provide to the Parties any notice concerning CPA Certificates which the NCSC asks the Panel to provide to the Parties.";
- (e) after existing Section F2.7 insert a new heading and new Sections F2.7A and F2.7B as follows –

"Consequence of Expiry, Withdrawal or Cancellation of Assurance Certificates

F2.7A Where:

- (a) a CPA Certificate for a Device Model expires or is withdrawn or cancelled by the NCSC, then the Security Sub-Committee shall determine whether to remove that Device Model from the Central Products List in accordance with the CPL Requirements Document, which may provide for a CPA Certificate Remedial Plan to be imposed;
- (b) any other type of Assurance Certificate for a Device Model is withdrawn or cancelled by the Assurance Certification Body that issued the certificate, then the Panel shall remove that Device Model from the Central Products List.

F2.7B Where a Party disagrees with any decision of the Security Sub-Committee made in accordance with the CPL Requirements Document:

- (a) to remove or not remove a Device Model from the Central Products List;
- (b) to not approve the Party's CPA Certificate Remedial Plan (where the Security Sub-Committee has determined that a CPA Certificate Remedial Plan is to be imposed on the Party),

that Party may refer the matter to the Authority for its determination, which shall be final and binding for the purposes of this Code."; and

- (f) in Section F2.10A, delete existing sub-paragraphs (a) and (b) and insert new sub-paragraphs (a) and (b) as follows –

"(a) each combination of SMETS1 Device Models and communication services provider in relation to which the DCC has demonstrated through testing (which may include testing of a different combination that the DCC considers to be substantively equivalent) that it is able to successfully process SMETS1 Service Requests and relevant SMETS1 Alerts (the "**SMETS1 Eligible Product Combinations**"), including the date on which each entry was first added to the list; and

(b) each combination of SMETS1 Device Models and communication services provider) in relation to which the DCC is at that time:

- (i) considering whether testing or development is required to demonstrate the capability; or
- (ii) developing and/or testing the capability,

to successfully process SMETS1 Service Requests and relevant SMETS1 Alerts (the "**SMETS1 Pending Product Combinations**").".

5 In Section G –

- (a) in Section G1, after existing Section G1.10, insert a new heading and new Sections G1.11, G1.12 and G1.13 as follows –

"The SMETS1 CSP System

G1.11 Section G1.12 applies to the DCC in respect of those parts of the DCC Total System which:

- (a) comprise those Systems used by any DCC Service Provider in order to support the provision of Communications Services by the DCC in relation to SMETS1 Devices; and
- (b) do not constitute those Systems used by the DCC in its role as a SMETS1 Service Provider or as a DCO that do not also support the provision of Communications Services by the DCC in relation to SMETS2+ Devices,

and, for the purposes of Section G1.12, those parts of the DCC Total System shall be known as the **"SMETS1 CSP System"**.

G1.12 Where this Section G1.12 applies, the DCC may comply with its obligations under the provisions listed in Section G1.13 by, in each case, ensuring that the records, processes or procedures described in that provision are, in respect of the SMETS1 CSP System, compliant with:

- (a) the standard specified in that provision; or
- (b) an alternative standard or methodology that reflects Good Industry Practice in respect of the subject matter of the standard specified in that provision, and that is capable of verification as such by the DCC Independent Security Assurance Service Provider in accordance with Section G9.

G1.13 The provisions listed in this Section G1.13 are the provisions at Sections G2.13, G2.18, G2.26, G2.27, G4.6 and G5.7.";

- (b) in Section G2 –

- (i) in Section G2.13, after "an organisation which is a" delete "CESG"; and
- (ii) in Section G2.29(e), after "traffic over the" delete "SM WAN" and insert "SMETS1 SM WAN and the SMETS2+ SM WAN";

- (c) in Section G3 –

- (i) in Section G3.7, after "an organisation which is a" delete "CESG"; and
- (ii) in Section G3.15, after "Signed Pre-Commands," delete "Commands, Instructions to SMETS1 Devices,";

- (d) in Section G7 –

- (i) in Section G7.19(d), after "up to date;" delete "and";

- (ii) in Section G7.19(e), after "controls that are in place" delete the full stop "." and insert "; and";
- (iii) after existing Section G7.19(e), insert new Section G7.19(f) as follows –
 - "(f) liaise and work with the NCSC to develop and maintain CPA Security Characteristics that set out the levels of security required for Smart Meters, Communications Hubs and HCALCs that are proportionate and appropriate taking into consideration the security risks identified in the Security Risk Assessment.";
- (iv) in Section G7.20(d), after "keep under review the" delete "CESG" and insert "NCSC";
- (v) in Section G7.20(g), after "Total System;" delete "and";
- (vi) in Section G7.20(h), after "to that performance" delete the full stop "." and insert "; and";
- (vii) after existing Section G7.20(h), insert new Section G7.20(i) as follows –
 - "(i) provide advice and information to the Authority in relation to any actual or potential non-compliance with the CPA Security Characteristics of any Device or apparatus in respect of which a CPA Certificate is issued or required.";
- (viii) in Section G7.21(h), after "the Security Requirements;" delete "and";
- (ix) in Section G7.21(i), after "it may request" delete the full stop "."; and
- (x) after existing Section G7.21(i), insert new Section G7.21(j) as follows –
 - "(j) provide the Authority with such information and documents as it may reasonably request in relation to any matter referred by a Party to the Authority for determination pursuant to Section F2.7B.";
- (e) in Section G8 –
 - (i) in Section G8.3(f)(i), after "Sections G3 to G6" insert "or any CPA Certificate Remedial Plan";
 - (ii) in Section G8.5(a), after "is a" delete "CESG Tailored Assurance Service (CTAS)" and insert "CTAS";
 - (iii) in Section G8.6(a), after "members of the" delete "CESG Listed Adviser Scheme (CLAS)" and insert "Certified Cyber Professional (CPP) scheme";
 - (iv) in Section G8.13, after "under Sections G3 to G6" insert "or any CPA Certificate Remedial Plan";
 - (v) in Section G8.14(b)(i), after "under Sections G3 to G6" insert "or any CPA Certificate Remedial Plan"; and
 - (vi) after existing Section G8.63, insert a new heading and new Section G8.64 as follows –

"CPA Certificate Remedial Plan Preparation

G8.64 Where a User is a Supplier Party, the User shall ensure that it has in place (and periodically reviews) a policy for creating and managing compliance with CPA Certificate Remedial Plans."; and

(f) in Section G9 –

- (i) in Section G9.2(c)(ii), after "of Sections G2 and G4 to G6" insert "or any CPA Certificate Remedial Plan"; and
- (ii) after existing Section G9.15, insert a new heading and new Section G9.16 as follows –

"CPA Certificate Remedial Plan Preparation

G9.16 The DCC shall ensure that it has in place (and periodically reviews) a policy for creating and managing compliance with CPA Certificate Remedial Plans."

6 In Section H –

(a) in Section H5 –

- (i) after existing Section H5.7 and the heading SMETS1, insert new Section H5.8 as follows –

"H5.8 A SMETS1 Smart Metering System is eligible to be Enrolled when the combination of SMETS1 Devices of which it is comprised form all or part of a SMETS1 Installation for which all the Devices are of Device Models which either:

- (a) comprise a combination of Device Models listed on the SMETS1 Eligible Product Combinations; or
- (b) could as a result of the application of an existing firmware upgrade or upgrades become a combination of Device Models listed on the SMETS1 Eligible Product Combinations.";

- (ii) renumber existing Sections H5.8 and H5.9 as Sections H5.9 and H5.10 respectively; and
- (iii) in renumbered Section H5.10, after "Inventory, Enrolment and" delete "Withdrawal" and insert "Decommissioning";

(b) in Section H8 –

- (i) in Section H8.3, after "(unless the Panel agrees otherwise" insert "and subject to any contrary provisions in the SEC Subsidiary Documents applying in relation to the SMETS1 SM WAN and/or the Systems of the SMETS1 Service Providers";
- (ii) in Section H8.4, after "the Planned Maintenance for that month" insert "(subject to any contrary provisions in the SEC Subsidiary Documents applying in relation to the SMETS1 SM WAN and/or the Systems of the SMETS1 Service Providers)"; and
- (iii) in Section H8.5, after "at the request of a Party" insert "and subject to any contrary provisions in the SEC Subsidiary Documents applying in relation to the SMETS1 SM WAN and/or the Systems of the SMETS1 Service Providers";

- (c) in Section H9 –
 - (i) in Section H9.13, after "that Major Incident shall" insert "(subject to any contrary provisions in the SEC Subsidiary Documents applying in relation to the SMETS1 SM WAN and/or the Systems of the SMETS1 Service Providers)"; and
 - (ii) in Section H9.14, after "that Major Incident shall" insert "(subject to any contrary provisions in the SEC Subsidiary Documents applying in relation to the SMETS1 SM WAN and/or the Systems of the SMETS1 Service Providers)";
- (d) in Section H10 –
 - (i) in Section H10.11, after "The DCC Shall" insert "(subject to any contrary provisions in the SEC Subsidiary Documents applying in relation to the SMETS1 SM WAN and/or the Systems of the SMETS1 Service Providers)"; and
 - (ii) in Section H10.13, after "occurrence of a Disaster" insert "(subject to any contrary provisions in the SEC Subsidiary Documents applying in relation to the SMETS1 SM WAN and/or the Systems of the SMETS1 Service Providers)"; and
- (e) in Section H14 –
 - (i) in the main body of Section H14.31 (after Section H14.31(e)) –
 - (A) after "to a simulation of the" insert "SMETS2+"; and
 - (B) after "the Statement of Service Exemptions)." insert "For the avoidance of doubt, the DCC shall not be obliged by this Section H14.31 to provide a connection to a simulation of the SMETS1 SM WAN."; and
 - (ii) in Section H14.36A –
 - (A) after "request that the DCC" insert "determines whether or not testing is required, and where it determines that testing is required,"; and
 - (B) after "tests one or more combinations of SMETS1 Device Models" insert "and communication services provider".

7 In Section I, in Section II, after existing Section II.12 insert a new heading and new Section II.13 as follows –

"Permission for Gas Supplier to Store Data on Shared SMETS1 Installation

II.13 In the case of a SMETS1 GSME which forms part of the same SMETS1 Installation as a SMETS1 ESME, and where the Gas Supplier for the SMETS1 GSME is a different person to the Import Supplier for the SMETS1 ESME, the Import Supplier hereby agrees to permit the Gas Supplier to store Data on the SMETS1 GPF which forms part of that SMETS1 Installation in the manner envisioned by SMETS1."

8 In Section L –

- (a) in Section L3, in the table in Section L3.18, after the last row entry, insert four new rows as follows –

"

commissioningPartyFileSigning	The DCC	[Not Applicable]	[Only relevant during SMETS1 Migration]
requestingPartyFileSigning	The DCC	[Not Applicable]	[Only relevant during SMETS1 Migration]
s1SPMigrationSigning	The DCC	[Not Applicable]	[Only relevant during SMETS1 Migration]
commissioningPartyXmlSigning	The DCC	[Not Applicable]	[Only relevant during SMETS1 Migration]

"; and

- (b) in Annex A to Section L, in Table 1, after the last row entry insert four new rows as follows –

"

commissioningPartyFileSigning	132
requestingPartyFileSigning	131
s1SPMigrationSigning	130
commissioningPartyXmlSigning	133

".

9 In Section N –

- (a) in Section N1, in Section N1.1, in the definition of "SMETS1 Meter" after "the other requirements of" delete "the document entitled the 'Smart Metering Equipment Technical Specification' that was designated on 18 December 2012 and amended and restated on 31 March 2014 (but not the SMETS set out in Schedule 9)" and insert "SMETS1 (but not a version of the SMETS with a Principle Version of 2 or more)";

- (b) in Section N2 –

- (i) delete existing Sections N2.2 and N2.3 and insert new Sections N2.2 and N2.3 as follows –

"N2.2 The communication services to be provided in respect of particular SMETS1 Meters (the "**SMETS1 Services**") shall:

- (a) be set out in the amendments to this Code (or where any such amendments have been proposed but not yet made, in such proposed amendments to this Code) pursuant to which those SMETS1 Meters become eligible for Enrolment; or

- (b) prior to any such amendments being proposed, be determined in accordance with the Secretary of State's directions from time to time under Section N4A (Further Initial Enrolment Analysis).

N2.3 Not used"; and

- (ii) after existing Section N2.13, delete the heading "Data Privacy" and existing Section N2.13; and
 - (c) in Section N6, in Section N6.3(j), after "amendment of the" delete "Certified" and insert "Central".
- 10 In Section P, in Section P1 –
- (a) in Section P1.4, after "identified in the" delete "Certified" and insert "Central"; and
 - (b) in Section P1.5, after "is identified in the" delete "Certified" and insert "Central".

Modifications to the standard conditions of electricity supply licences

- 11 The standard conditions of electricity supply licences granted or treated as granted under section 6(1)(d) of the Electricity Act 1989 are modified, in accordance with paragraph 12 below, with effect from the day after the day on which this instrument is made.

- 12 In standard condition 54 –

- (a) after existing paragraph 54.1 and the heading "**PART A: SMETS1 SMART METERING SYSTEMS**", insert a new heading and new paragraphs 54.2 and 54.3 as follows –

"General Duty – SMETS1 Smart Metering Systems"

54.2 Paragraph 54.3 applies in respect of each Domestic Premises and Designated Premises at which:

- (a) the licensee is the Relevant Electricity Supplier;
- (b) there is a SMETS1 Smart Metering System that is not Enrolled; and
- (c) the SMETS1 Smart Metering System is not Eligible for Enrolment, (the **relevant SMETS1 premises**).

54.3 Where this paragraph applies the licensee shall take all reasonable steps to facilitate the SMETS1 Smart Metering System at the relevant SMETS1 premises becoming Eligible for Enrolment as soon as is reasonably practicable.";

- (b) renumber existing paragraphs 54.2 to 54.10 as paragraphs 54.4 to 54.12 respectively; and
- (c) in renumbered –
 - (i) paragraph 54.4, before "applies in respect of" delete "54.3" and insert "54.5";
 - (ii) paragraph 54.6, before "applies in respect of" delete "54.5" and insert "54.7";
 - (iii) paragraph 54.8, before "applies in respect of" delete "54.7" and insert "54.9"; and

- (iv) paragraph 54.10, before "applies in respect of" delete "54.9" and insert "54.11".

Modifications to the standard conditions of gas supply licences

- 13 The standard conditions of gas supply licences granted or treated as granted under section 7A(1) of the Gas Act 1986 are modified, in accordance with paragraph 14 below, with effect from the day after the day on which this instrument is made.

- 14 In standard condition 48 –

- (a) after existing paragraph 48.1 and the heading "**PART A: SMETS1 SMART METERING SYSTEMS**", insert a new heading and new paragraphs 48.2 and 48.3 as follows –

"General Duty – SMETS1 Smart Metering Systems"

- 48.2 Paragraph 48.3 applies in respect of each Domestic Premises and Designated Premises at which:

- (a) the licensee is the Relevant Gas Supplier;
- (b) there is a SMETS1 Smart Metering System that is not Enrolled; and
- (c) the SMETS1 Smart Metering System is not Eligible for Enrolment,
(the **relevant SMETS1 premises**).

- 48.3 Where this paragraph applies the licensee shall take all reasonable steps to facilitate the SMETS1 Smart Metering System at the relevant SMETS1 premises becoming Eligible for Enrolment as soon as is reasonably practicable.";

- (b) renumber existing paragraphs 48.2 to 48.10 as paragraphs 48.4 to 48.12 respectively; and
- (c) in renumbered –
 - (i) paragraph 48.4, before "applies in respect of" delete "48.3" and insert "48.5";
 - (ii) paragraph 48.6, before "applies in respect of" delete "48.5" and insert "48.7";
 - (iii) paragraph 48.8, before "applies in respect of" delete "48.7" and insert "48.9"; and
 - (iv) paragraph 48.10, before "applies in respect of" delete "48.9" and insert "48.11".

Name

Minister of State

Date:

Department for Business, Energy and Industrial Strategy