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Paper Reference:	SECP_74_1511_19
Action:	For Decision

DP091 Problem Statement

1. Purpose

Draft Proposal [DP091 'Updating Security Assurance Status'](#) was raised by the Security Sub Committee (SSC). The Change Sub-Committee believes this Draft Proposal is ready to be converted to a Modification Proposal. We are recommending that this modification be progressed directly to the Report Phase and that the Panel approves the Modification Report, the implementation approach, and that MP091 is a Self-Governance Modification.

This paper provides a high-level summary of the key points. A copy of the problem statement submitted by the Proposer can be found in Appendix A, and the draft Modification Report can be found in Appendix B.

2. Summary of the proposal

What is the issue?

Once a Party completes their Full User Security Assessment (FUSA), the SEC Panel assigns them one of four assurance statuses. Two of these, "Provisionally Approved" and "Deferred", indicate significant security deficiencies that require substantial remediation, the severity of which is not reflected in the current SEC terminology.

The Security Sub Committee (SSC) believes that the assurance status set should be clear to Parties and accurately reflect the situation. As such, it proposes to amend these assurance status' as follows:

- "Provisionally Approved" to "Deferred"; and
- "Deferred" to "Rejected".

Additionally, there is no current provision for the SSC to require a Party to undertake a second FUSA. The SEC only allows for updates to the original User Security Assessment Response. The SSC believes it would be more appropriate that where a Party is set a status of "Rejected", a second FUSA is more appropriate than an updated User Security Assessment Response. A second FUSA would provide assurance that the significant deficiencies have been addressed.

What is the proposed solution?

This modification proposes to amend SEC Section G to reflect the new Assurance Statuses and allow the SSC to require a further FUSA be completed where a User has a status set as "rejected".

3. Proposed progression

The Change Sub-Committee has agreed that this Draft Proposal is ready to be converted to a Modification Proposal and should progress directly to the Report Phase.

The issue and solution put forward focus solely on the provisions of setting security assurance statuses and appear self-evident. Since the SSC is the expert group for security matters, and is charged with progressing User Security Assessment Responses, we do not believe there would be any benefit of sending the Modification Proposal to the Refinement Process and discussing it at a Working Group meeting.

Determination approach

This Modification should be treated as a Self-Governance proposal since it relates to the day to day running of the SEC and the proposed changes will not have any material impact on Parties.

Implementation approach

We recommend that this Modification is implemented on **27 February 2020** as part of the February 2020 SEC Release, if a decision to approve is made at the Change Board on 20 December 2019.

This will allow Parties time to understand the changes between approval at the December Change Board meeting, and implementation as part of the February 2020 Release. There will only be two potential SSC meetings during this time where the change could be in effect. However, including this change as part of a scheduled SEC Release will provide clarity and certainty over obligation changes.

4. Recommendations

The Panel is requested to:

- **AGREE** that DP091 is ready to be converted to a Modification Proposal;
- **AGREE** that MP091 should be progressed to the Report Phase;
- **APPROVE** the Modification Report;
- **APPROVE** the implementation approach; and
- **AGREE** that MP091 should be progressed as a Self-Governance Modification.

Adam Lattimore

SECAS Team

8 November 2019

Attachments:

- **Appendix A:** DP091 problem statement
- **Appendix B:** MP091 Modification Report
 - **Annex A:** MP091 legal text

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DP091 ‘Updating Security Assurance Status’

Problem statement – version 1.0

About this document

This document provides a summary of this Draft Proposal, including the issue or problem identified, the impacts this is having, and the context of this issue within the Smart Energy Code (SEC).

Proposer

This Draft Proposal has been raised by Gordon Hextall on behalf of the Security Sub-Committee (SSC).

What is the issue or problem identified?

Unclear Assurance Status

SEC Section G 'Security' states that once a Party has completed their Full User Security Assessment (FUSA) the SEC Panel shall assign them an assurance status.

Section G8.36 sets out four potential assurance statuses:

1. **Approved**;
2. **Approved subject to** the Party taking the mitigating steps outlined in FUSA;
3. **Provisionally approved** subject to the Party taking the mitigating steps outlined in FUSA, undertaking a Follow-up Security Assessment and the Panel approving the results of this; and
4. **Deferred** subject to the Party amending its User Security Assessment Response to resolve issues that are inadequately addressed, resubmitting their User Security Assessment Response and the Panel reconsidering that Party's assurance status.

The first two assurance statuses allow the Party to complete the User Entry Process. However, the latter two assurance statuses do not and indicate significant security deficiencies that require substantial remediation.

Having reviewed over 150 User Assessments the SSC believes the current wording to be potentially confusing as to what the statuses actually mean. It would like the wording to be clear and obvious to Parties. It is proposing to amend "Provisionally Approved" to "Deferred" and amend "Deferred" to "Rejected" as that more accurately reflects the situation and is in line with original policy intent.

Instructing a second FUSA

The SSC also believes it would be more appropriate that where a Party is set a status of "Rejected" ("Deferred" under the current drafting) a second FUSA is more appropriate than an updated User Security Assessment Response. A second FUSA would provide assurance for all Parties, and the DCC, that the (significant) deficiencies have been addressed.

How does this issue relate to the SEC?

SEC Section G8.36 sets out the assurance status the Panel can set (noting that this responsibility has been delegated to the SSC).

What is the impact this is having?

The current wording in the SEC is confusing. This can create the wrong impression for Parties as to what the consequence of their assurance status actually is. Removing any confusion over what the assurance status means and making it clear and obvious to Parties what is expected will make the process clearer for all.

In addition, the SSC does not currently have the ability to request a new FUSA be completed even though that may be the most appropriate course of action to efficiently and effectively resolve issues and address concerns raised.

After reviewing the Section, the SSC believes this is a sensible change to ensure greater clarity regarding different User Assessment outcomes.

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MP091 'Updating Security Assurance Status'

Modification Report Version 0.1

About this document

This document is the Modification Report for [MP091 'Updating Security Assurance Status'](#). 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 one annex:

- **Annex A** contains the redlined changes to the SEC required to deliver the proposed solution.

1. Summary

Once a Party completes their Full User Security Assessment (FUSA) the SEC Panel assigns them one of four assurance statuses. Two of these, “Provisionally Approved” and “Deferred”, indicate significant security deficiencies that require substantial remediation, the severity of which are not reflected in the current SEC terminology.

The Security Sub Committee (SSC) believes that the assurance status set should be clear to Parties and accurately reflect the situation. As such it proposes to amend these assurance status as follows:

- “Provisionally Approved” to “Deferred”; and
- “Deferred” to “Rejected”.

Additionally, there is no current provision for the SSC to require a Party to undertake a second FUSA if they are set a status of “rejected”. The SEC only allows for updates to the original User Security Assessment Response.

The SSC believe where a Party is set a status of “Rejected” a second FUSA is more appropriate than an updated User Security Assessment Response. A second FUSA would provide assurance for all Parties, and the Data Communications Company (DCC), that the significant deficiencies have been addressed.

This modification will not directly impact any SEC Parties and cost will be limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort in updating the SEC. If approved, this modification will be implemented in the February 2020 SEC Release.

2. Background

Unclear Assurance Status

SEC Section G 'Security' states that once a Party has completed their Full User Security Assessment (FUSA) the SEC Panel shall assign them an assurance status.

Section G8.36 sets out four potential assurance statuses:

1. **Approved;**
2. **Approved subject to** the Party taking the mitigating steps outlined in the FUSA;
3. **Provisionally approved** subject to the Party taking the mitigating steps outlined in FUSA, undertaking a Follow-up Security Assessment and the Panel approving the results of this; and
4. **Deferred** subject to the Party amending its User Security Assessment Response to resolve issues that are inadequately addressed, resubmitting their User Security Assessment Response and the Panel reconsidering that Party's assurance status.

The first two assurance statuses allow the Party to complete the User Entry Process. However, the latter two assurance statuses do not and indicate significant security deficiencies that require substantial remediation.

Having reviewed over 150 User Assessments the SSC believes the current wording to be potentially confusing as to what the statuses actually mean. It would like the wording to be clear and obvious to Parties. It is proposing to amend "Provisionally Approved" to "Deferred" and amend "Deferred" to "Rejected" as that more accurately reflects the situation and is in line with original policy intent.

Instructing a second FUSA

Currently, if a Party is set a status of "Rejected" ("Deferred" under the current drafting) the SSC requires them to amend their User Security Assessment Response. The SSC believe that where a Party is set a status of "Rejected" a second FUSA is more appropriate than an updated User Security Assessment Response. A second FUSA would provide assurance for all Parties, and the DCC, that the significant deficiencies have been addressed

3. Solution

Proposed Solution

MP091 will amend the titles of the Security Assurance Status in Section G8.36 as follows:

- “Provisionally Approved” will be amended to “Deferred”; and
- “Deferred” will be amended to “Rejected”

Additionally, where a Party is set a status of “Rejected” the SSC will require a second FUSA to be undertaken.

Legal text

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

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

There will be no direct impacts on Parties in implementing this modification. However, all Parties may be affected if they are subsequently given a status of “Rejected” and need to undergo a subsequent FUSA.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section G ‘Security’

Other industry Codes

There will be no impact on any other codes.

Greenhouse gas emissions

There will be no impact on greenhouse gas emissions.

5. Costs

DCC costs

There will be no DCC costs in implementing 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.
- Aligning guidance documentation

SEC Party costs

There will be no SEC Party costs to implement this modification.

6. Implementation approach

Recommended implementation approach

It is recommended this Modification Proposal be implemented on **27 February 2020** (February 2020 SEC Release) if a decision to approve is received on or before 20 December 2019.

This will allow Parties time from any potential approval at the December Change Board to implementation as part of the February 2020 SEC Release to prepare for the changes. There will only be two potential SSC meetings where the change could be in effect. However, including this change as part of a scheduled SEC Release will provide clarity and certainty over obligation changes and provide a more efficient implementation approach.

7. Conclusions

Benefits and drawbacks

The Proposer has identified the following benefits and drawbacks in implementing this modification:

Benefits

- It provides clarity to Parties by making the Assurance Status clear and obvious.
- It provides flexibility for the SSC to require the most appropriate actions where significant defects have been identified.

Drawbacks

No drawbacks have been identified.

Proposer's rationale against the General SEC Objectives

Objective (g)¹

The Proposer believes that MP091 will better facilitate SEC Objective (g) as it allows for more efficient processing of User Security Responses, whilst providing greater transparency and clarity to Parties.

Sub-Committee views

The SSC discussed and supported this Proposal at its meeting on 9 October 2019.

¹ Facilitate the efficient and transparent administration and implementation of the SEC

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
DCC	Data Communications Company
FUSA	Full User Security Assessment
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SSC	Security Sub Committee



If you have any questions on this modification, please contact:

Adam Lattimore

020 7770 6921

adam.lattimore@gemserv.com

Smart Energy Code Administrator and Secretariat (SECAS)

8 Fenchurch Place, London, EC3M 4AJ

020 7090 7755

sec.change@gemserv.com

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MP091 ‘Updating Security Assurance Status’

Annex A

Legal text – version 0.1

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 drafted against SEC Version 6.17.

Section G 'Security'

Amend Sections G8.19, G8.36, G8.37 and G8.38 as follows:

G8.19 A "Follow-up Security Assessment" shall be an assessment carried out by the User Independent Security Assurance Service Provider, following a User Security Assessment, in accordance with the provisions of Section G8.29~~8~~.

Panel: Setting the Assurance Status

G8.34 Following the completion of that initial Full User Security Assessment, the Security Sub-Committee shall ensure that copies of both the User Security Assessment Report and User Security Assessment Response are provided to the Panel.

G8.35 Following the receipt by it of the User Security Assessment Report and User Security Assessment Response, the Panel shall promptly consider both documents and (having regard to any advice of the Security Sub-Committee) set the assurance status of the Party, in relation to its compliance with each of its obligations under Sections G3 to G6 in the relevant User Role, in accordance with Section G8.36.

G8.36 The Panel shall set the assurance status of the Party as one of the following:

- (a) approved;
- (b) approved, subject to the Party:
 - (i) taking such steps as it proposes to take in its User Security Assessment Response in accordance with Section G8.26(b); or
 - (ii) both taking such steps and being subject to a Follow-up Security Assessment by such date as the Panel may specify,
- (c) ~~provisionally approved~~deferred, subject to and:
 - (i) the Party having first taking such steps as it proposes to take in its User Security Assessment Response in accordance with Section G8.26(b) and been subject to a Follow-up Security Assessment; and

- (ii) the Panel having determined that it is satisfied, on the evidence of the Follow-up Security Assessment, that such steps have been taken; or
- (d) ~~deferred~~~~rejected~~, and subject to:
 - (i) the Party shall have a second Full User Security Assessment amending its User Security Assessment Response to address any issues identified by the Panel as being, in the opinion of the Panel, not adequately addressed in that response as submitted to the Security Sub-Committee; and
 - (ii) upon completion of the second Full User Assessment the Panel will reconsidering the assurance status in accordance with Section G8.35 ~~in the light of such amendments to the User Security Assessment Response.~~

Approval

G8.37 For the purposes of Sections H1.10(c) and H1.11 (User Entry Process Requirements):

- (a) a Party shall be considered to have successfully demonstrated that it meets the applicable security requirements of this Section G8 when:
 - (i) the Panel has set its assurance status to 'approved' in accordance with either Section G8.36(a) or (b); or
 - (ii) the Panel has set its assurance status to ~~'provisionally approved'~~'deferred' in accordance with Section G8.36(c) and the requirements specified in that Section have been met; and
- (b) the Panel shall notify the Code Administrator as soon as reasonably practicable after the completion of either event described in paragraph (a)(i) or (ii).

Obligations on an Approved Party

G8.38 Where the Panel has set the assurance status of a Party to 'approved² subject to' ~~one of the requirements~~ specified in Section G8.36(b), the Party shall take the steps to which

that approval is subject in accordance with that section.