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# DP144

## ‘Charging of Random Sample Privacy Assessments’

### Modification Report

Version 0.2

17 November 2020

Corporate member of  
Plain English Campaign  
Committed to clearer  
communication

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## About this document

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This document is a draft Modification Report. It currently sets out the background, issue, and progression timetable for this modification, along with any relevant discussions, views and conclusions. This document will be updated as this modification progresses.

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## 1. Summary

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This proposal has been raised by Terry Jefferson on behalf of the Energy and Utilities Alliance (EUA). The methodology for carrying out Random Sample Privacy Assessments has evolved since originally being written into the Smart Energy Code (SEC). The SEC currently states that all Random Sample Privacy Assessment costs will be socialised. This means all Users are being charged for the cost of these assessments which are undertaken only by Other Users.

## 2. Issue

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### What are the current arrangements?

An Other User is a User who does not operate as a Supplier or Network Party, such as a Device Manufacturer or a Meter Installer. A Random Sample Privacy Assessment is an assessment carried out by an Independent Privacy Auditor (IPA) to identify the extent to which an Other User is compliant with each of its obligations. The emphasis is on the Other User to ensure that they are compliant, and they are assessed every year. Any costs which are incurred in the completion of Random Sample Privacy Assessments are then socialised across all Users. This is the only Assessment that is charged through Recoverable Costs, as all other Assessments are charged directly to the Other User.

### What is the issue?

The SEC currently states that all Random Sample Privacy Assessments will be socialised under SEC Section I2.41:

*“Expenditure incurred in relation to Other Users in respect of the matters described in Section I2.40, and in respect of Random Sample Privacy Assessments, shall be treated as Recoverable Costs in accordance with Section C8 (Panel Costs and Budgets).”*

Where it mentions Section I2.40 in Section I2.41, this is in relation to Other Users being obligated to pay explicit charges to the DCC for all Privacy Assessments, with the exception of Random Sample Privacy Assessments. This section is detailed below:

#### **“Other Users: Obligation to Pay Explicit Charges**

*I2.40 Each Other User shall pay to the DCC all applicable Charges in respect of:*

- (a) all Privacy Assessments (other than Random Sample Privacy Assessments) carried out in relation to it by the Independent Privacy Auditor;”*

Additionally, where it mentions Section C8 for Panel Costs and Budgets, C8.2 mentions:

*“The costs and expenses capable of recovery under this Section C8 (the **Recoverable Costs**) shall be all the reasonable costs and expenses incurred”.*

This means that any Random Sample Privacy Assessment that is currently undertaken is confirmed as a Recoverable Cost. Because these costs for the Random Sample Privacy Assessments are treated as Recoverable Costs, it results in the industry as a whole paying for assessments which only Other Users undertake. As of September 2020, there has only been one completed Random Sample

Privacy Assessment and another one which is currently in progress. The projected cost of a Random Sample Privacy Assessment in the financial years 2020/21 and 2021/22 will range between £25,000 and £53,000.

### What is the impact this is having?

Random Sample Privacy Assessments are triggered when the Other User exceeds a Privacy Assessment threshold of Service Request activity. At this point the Assessment becomes standard rather than an exceptional process. It would be more appropriate for these costs to be apportioned to the Other Users directly. The only exception to this should be if the assessment is conducted at the request of the SEC Panel, in which case the costs should be socialised. Whilst this is having minimal impact currently as rollout continues to gather pace and Other Users increase the number of Service Requests they use. As more Other Users have Assessments it will become increasingly important that the costs are allocated fairly.

## 3. Assessment of the proposal

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### Observations on the issue

#### CSC

The Change Sub Committee (CSC) reviewed the Draft Proposal on 29 September 2020 and provided initial comments. The CSC members believed that the issue should be taken for further input to see who supports the idea for changing the Random Sample Privacy Assessment charging methodology. One member suggested that it would be worth checking the numbers of Random Sample Privacy Assessments that have taken place and the costs associated with them to provide an idea of what the impact of changing the costs would be to individual users. The Smart Energy Code Administrator and Secretariat (SECAS) subsequently confirmed that as of November 2020, one Random Sample Privacy Assessment has been completed, with one other ongoing. The projected cost of the Random Sample Privacy Assessments in the financial years 2020/21 and 2021/22 will range between £25,000 and £53,000.

#### Panel Sub-Committees

The Panel Sub-Committees had the following input on the Draft Proposal:

- The Security Sub Committee (SSC) confirmed that it has an interest in the Draft Proposal, and SECAS will return with updates once it enters the Refinement Process after conversion to a Modification Proposal. One member raised the point that there has only been a single completed Random Sample Privacy Assessment so far, in part due to how recently the assessment type was introduced into the SEC. SECAS agreed to update the SSC with the Proposed Solution as part of the Refinement Process and to note any comments in the Modification Report.
- The Technical Architecture and Business Architecture Sub Committee (TABASC), the Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) and the Operations Group confirmed that they have no interest in the Draft Proposal.

## Appendix 1: Progression timetable

The Draft Proposal will be returned to the CSC at its meeting on 24 November 2020 with the recommendation for it to be converted to a Modification Proposal and proceed to the Refinement Process. From there, its Proposed Solution will be discussed between the Proposer and SECAS with the target of being taken to the February 2021 Working Group meeting. It will then be issued for Refinement Consultation the following week. If no negative comments are received, the Modification Proposal will be brought to the Panel in March 2021.

| Timetable  |                          |
|--|--------------------------|
| Event/Action   | Date                     |
| Draft Proposal raised                                  | 28 Sep 2020              |
| Presented to CSC for initial comment                   | 29 Sep 2020              |
| Sub Committee input sought                             | 1 Oct 2020 – 13 Nov 2020 |
| Presented to CSC for final comment and recommendations | 24 Nov 2020              |
| Panel converts Draft Proposal to Modification Proposal | 11 Dec 2020              |
| Modification presented to the SSC                      | 13 Jan 2021              |
| Modification discussed with Working Group              | 3 Feb 2021               |
| Refinement Consultation                                | 8 Feb 2021 – 26 Feb 2021 |
| Modification Report approved by Panel                  | 12 Mar 2021              |
| Modification Report Consultation                       | 15 Mar 2021 – 5 Apr 2021 |
| Change Board vote                                      | 21 Apr 2021              |

## Appendix 2: Glossary

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

| Glossary |  |
|----------|--|
| Acronym  | Full term  |
| CSC      | Change Sub Committee   |
| EUA      | Energy and Utilities Alliance                                  |
| IPA      | Independent Privacy Auditor                                    |
| SEC      | Smart Energy Code  |
| SECAS    | Smart Energy Code Administrator and Secretariat                |
| SMKI PMA | Smart Metering Key Infrastructure Policy Management Authority  |
| SSC      | Security Sub Committee   |
| TABASC   | Technical Architecture and Business Architecture Sub Committee |

