



Department for  
Business, Energy  
& Industrial Strategy

Department for Business, Energy &  
Industrial Strategy  
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[www.gov.uk/beis](http://www.gov.uk/beis)

The Authority (Ofgem), the SEC Panel, SEC Parties and other interested parties

15 June 2021

Dear Colleague,

**SMART METERING IMPLEMENTATION PROGRAMME: GOVERNMENT CONSULTATION RESPONSE ON CHANGES TO THE SMART ENERGY CODE FOR THE ENDURING CHANGE OF SUPPLIER ARRANGEMENTS AND CERTAIN SECURITY PROVISIONS, AND DIRECTION TO RE-DESIGNATE THE SMKI INTERFACE DESIGN SPECIFICATION**

On 1 April 2021, BEIS issued a consultation<sup>1</sup> seeking views on:

- proposed changes to the Smart Energy Code (SEC) to support the introduction of the Enduring Change of Supplier Arrangements;
- an initial version of an ECoS Transition and Migration Approach Document (ETMAD), a new SEC Subsidiary Document planned to be used to control the process of transition and migration to ECoS, and the proposed date for its incorporation into the SEC;
- a number of further security-related changes to the SEC that affect the DCC, and one that applies to Users; and
- an update to the SMKI Interface Design Specification to support an alternative Certificate Signing Request process for Network Parties accessing the SMKI Portal via the Internet, and the proposed date for incorporating the revised document into the SEC.

We received five responses to the consultation which closed on 20 May 2021.

As part of the consultation, we proposed changes to the SMKI Interface Design Specification and the proposal to re-designate it in June 2021. As explained further in **Annex B**, the response to this was positive. We are, therefore, now directing the re-designation of that document in line with the amended version upon which we consulted. The Direction follows below.

We have also considered the wider stakeholder views, which were generally all in support of the questions asked. We have considered the additional suggestions and intend to make minor adjustments to the ECoS Transition and Migration Approach Document as a result. A more detailed explanation can be found in the government consultation response at Annex B.

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<sup>1</sup> <https://smartenergycodecompany.co.uk/latest-news/beis-consultation-on-sec-changes-for-the-enduring-change-of-supplier-arrangements-and-certain-security-provisions/>

## Direction

This direction is made for the purposes of the smart meter communication licences granted under the Electricity Act 1989 and the Gas Act 1986 (such licences being the "DCC Licence") and the Smart Energy Code designated by the Secretary of State pursuant to the DCC Licence (such code being the "SEC").

Words and expressions used in this direction shall be interpreted in accordance with Section A (Definitions and Interpretation) of the SEC.

Pursuant to Condition 22 of the DCC Licence and Section X5 (Incorporation of Certain Documents into this Code) of the SEC, the Secretary of State directs that, with effect from 16 June 2021, the SMKI Interface Design Specification previously designated and incorporated into the SEC as Appendix M is hereby re-designated and incorporated in the form set out in Annex A to this direction.

For the avoidance of doubt such re-designation of the SMKI Interface Design Specification shall be without prejudice to anything done under the DCC Licence or the SEC on or after this document first being designated, or to the continuing effectiveness of anything done under this document prior to its re-designation (which shall have effect as if done under the re-designated document).

This direction is also being notified to the SEC Administrator.

Yours faithfully,



**Duncan Stone**

Deputy Director & Head of Delivery  
Smart Metering Implementation Programme

(An official of the Department for Business, Energy and Industrial Strategy authorised to act on behalf of the Secretary of State).

### List of Annexes and Appendices to this letter

<b>Annex A</b>	Version 4.0 of the SMKI Interface Design Specification
<b>Annex B</b>	Government Response
<b>Appendix 1 to Annex B</b>	Version 1.0 of the ECoS Transition and Migration Approach Document (ETMAD)
<b>Appendix 2 to Annex B</b>	SEC Section A changes for ECoS
<b>Appendix 3 to Annex B</b>	SEC Section G changes for ECoS
<b>Appendix 4 to Annex B</b>	SEC Section L changes for ECoS

**Annex A –Version 4.0 of the SMKI Interface Design Specification for Re-designation**

[Annex A is published as a separate document]

## **Annex B: Government Response**

### **1. General Information**

#### **Purpose**

Following consideration of responses to the smart metering consultation on changes to the Smart Energy Code (SEC) for the enduring change of supplier (ECoS) arrangements and certain security provisions, this government response provides conclusions on the proposals put forward.

#### **Issued**

15 June 2021

#### **Enquiries**

smartmetering@beis.gov.uk

#### **Territorial extent**

This government response applies to the gas and electricity markets in Great Britain.

#### **Legal drafting**

The government intends to lay the changes to SEC sections A, G and L (set out in Appendices 2, 3 and 4 to Annex B respectively) before Parliament in July 2021 in line with the requirements of Section 89 of the 2008 Energy Act. Subject to the Parliamentary process, we expect the changes to come into effect in early October this year.

We intend to designate the initial version of ETMAD to coincide with the coming into effect of these changes.

## 2. Background

- 2.1. The government set out the background to the proposed changes in the consultation document<sup>1</sup> published 1 April 2021 and for brevity, this is not repeated here.
- 2.2. The consultation asked five questions as follows:

1.	Do you have any comments on the proposed main body SEC changes for ECoS, or on the initially proposed version of ETMAD (which is intended to turn off the ECoS related SEC changes until the start of migration)?
2.	Do you agree with our proposal to designate the initial version of ETMAD for incorporation into the SEC on 28 September 2021, or as soon as reasonably practicable within two months thereafter?
3.	Do you have any comments on the proposed changes to Section G described in this section?
4.	Do you have any comments on the proposed changes to the SMKI IDS?
5.	Do you agree with the proposal to re-designate the SMKI IDS for incorporation into the SEC on 2 June 2021, or as soon as reasonably practicable within 1 month thereafter?

- 2.3. We received five responses to the consultation, one from the DCC and four from energy suppliers. All respondents were either broadly supportive of the proposals or did not have any comments on them, although one who did support the proposed changes said that they were not entirely persuaded of the need to move away from the existing arrangements.

## 3. Main points raised in response to the consultation

- 3.1. Two respondents raised concerns over the proposed revised processing of Service Reference Variant 6.23 (CoS Update Security Credentials) Service Requests that would apply from ECoS live (currently planned for end June 2022). One stated that they had a serious concern regarding selecting the “right” Private Key to Digitally Sign these Service Requests, stating that they had previously had issues with the way that DCC establishes which MPID relates to which Supplier Party, and stressed that DCC must ensure that treating them as “split suppliers” as in the past is not repeated. This party further stated that their main overall concern with ECoS is the way that DCC will perform the migration and transition from TCoS to ECoS. The other respondent suggested that DCC needed to further engage with suppliers on this issue to determine whether a ‘one size fits all’ works. They went on to suggest that they needed to see and understand DCC’s high level designs, for example to understand whether, if migration issues arise, this could it lead to a stop/start process, and whether devices could become “stuck” in transition. They also suggested that the DCC should produce a “User Guide” so that they could confirm their design assumptions.
- 3.2. One respondent believed that the ETMAD needed to be developed further to include obligations on DCC to provide reporting to users, for example on how many devices have been migrated to enable users to gauge stock control.

- 3.3. One respondent queried why, at this stage, had we included drafting in ETMAD that switched off DCC's obligation to produce the ECoS Interface Specification as soon as practicable after the SEC changes come into effect. They also suggested that the CoS Party XML signing Certificate was missing from the table of Organisation Certificates in ETMAD.
- 3.4. The DCC suggested that ETMAD should be amended to require suppliers to provide the DCC with information that it reasonably requests and in timescales that the DCC reasonably requests in order to plan the migration process and minimise the risk of service impacts. They envisaged that the information would include, but not be limited to, confirmation of satisfactory testing from suppliers that devices operate correctly with CoS certificate swapping and a subsequent successful swap of supplier certificates. They also suggested that for reasons of efficiency that DCC should be permitted to modify ETMAD without consultation to correct minor typographical errors in the document or to make minor changes that have no material effect on the rights or obligations of Parties.
- 3.5. The DCC also noted that ECoS would have a number of interfaces to other Systems and queried whether the obligation to publish the ECoS Interface Specification for ECoS extended to all of the interfaces.

#### **4. Government response**

- 4.1. Taking each of the key the points raised, the government's response is as follows.
- 4.2. We agree that it will be important for DCC to engage with suppliers to explain the proposed changes to DCC Systems and the implications that this may have for suppliers, including how suppliers with multiple MPIDs will be treated. This should also include sharing DCC's high level designs. In due course once the relevant upgraded environments are ready, it is recommended that Users also carry out User Testing to ensure that they are, for example, able to have CoS Update Security Credentials Service Requests successfully processed. It is noted that the Baseline Margin Project Performance Adjustment (BMPPA) Scheme<sup>2</sup> for ECoS includes specific financial incentives for DCC to engage effectively with its customers in relation to the implementation of the ECoS Arrangements.
- 4.3. We also agree that it will be appropriate and necessary for the DCC to provide reports on progress on ECoS migration to its Users as part of its effective engagement with them. We believe that the form of reports that DCC should be providing is something that is best agreed between DCC and its Users and consequently (and to allow flexibility as things change over time) we do not propose to prescribe the form of this reporting in ETMAD.
- 4.4. We agree that it is not necessary for ETMAD to initially switch off the DCC's proposed obligation in SEC Section G, to produce the ECoS Interface Specification as soon as practicable after the SEC changes come into effect, particularly for example, because the obligation will not come into effect until October in any event. We will remove the drafting from ETMAD that switches off this obligation. However, the CoS Party XML signing Certificate was intentionally omitted from the table of Organisation Certificates in ETMAD, because the effect of this table is to re-instate the current table (which does not include such Certificates) until

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<sup>2</sup> <https://smartenergycodecompany.co.uk/latest-news/beis-consultation-response-on-bmppa-scheme-for-ecos/>

such time that the new service provider systems are ready to submit the Certificate Signing Request for these certificates.

- 4.5. We agree that the DCC may need information from suppliers to allow it to coordinate its migration activities. We have therefore included an amendment to ETMAD that requires suppliers to provide DCC with information that it reasonably requires and in timescales that the DCC reasonably requests in order to plan, coordinate and undertake the migration process. However, we do not believe it is necessary to permit DCC to modify ETMAD without consultation to correct minor typographical errors in the document or to make minor changes that have no material effect on the rights or obligations of Parties. We also note that the SEC Panel already has the power to raise fast-track modifications to correct such matters<sup>3</sup>.
- 4.6. We recognise that ECoS may require interfaces to a number of other Systems; this is reflected in the proposed definitions of ECoS Interface and ECoS Interface Specification, which also recognise that the specification might be set out in more than one document. We are expecting the ECoS Interface Specification to cover all such interfaces.

## 5. Next Steps

- 5.1. The proposed changes to Sections A, G and L remain unchanged from the versions upon which we consulted, and we plan to lay these changes before Parliament in July this year in accordance with the requirements of Section 89 of the 2008 Energy Act. We would expect them to come into force on around 10 October 2021.
- 5.2. In light of the responses received, we have made changes to the initial version of ETMAD, the revised version is included in Appendix 1 to this Annex B. We propose to designate this initial version of ETMAD once the main body SEC changes to Sections A, G and L take effect, i.e. on around 10 October 2021.
- 5.3. The drafting changes to the SMKI Interface Design Specification remain unchanged from the version we consulted upon and Annex A to the covering letter and direction includes the version that we are re-designating (Version 4.0).

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<sup>3</sup> It is acknowledged that such provisions have been included in SEC Variation Testing Approach Documents (SVTADs). However, in light of the fact that TMADs are typically longer-lived and change existing SEC rights and obligations (unlike SVTADs that simply govern testing of BEIS-led SEC changes) a SEC modification is more appropriate for making such changes to an ETMAD. In light of this we are not convinced that it is appropriate to have an additional DCC modification path for TMADs beyond the existing SEC and BEIS modification paths.

**Appendix 1 to Annex B – Version 1.0 of the ECoS Transition and Migration Approach Document - change marked from the original consultation version**

[Appendix 1 to Annex B is published as a separate document]

**Appendices 2, 3 and 4 to Annex B – Changes to SEC Sections A, G and L respectively**

[Appendices 2, 3 and 4 to Annex B are published as separate documents]