



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

14 February 2018

Dear Colleague,

CONSULTATION ON CHANGES TO THE SMART ENERGY CODE TO PERMIT DCC TO DEVELOP AND USE A PRODUCTION PROVING CAPABILITY

This consultation seeks stakeholder views on proposed changes to the Smart Energy Code (SEC) to permit the DCC to develop and use a Production Proving capability.

This consultation seeks views on the following:

1. A proposed change the SEC to allow the DCC to carry out Production Proving (functionality to allow DCC to communicate with meters and other Devices using its live systems in order to prove the functionality of those live systems). See **Annex A** for the consultation document, supplemented by DCC's analysis of options at **Attachment 1**; and
2. Draft changes to the SEC text to give effect to this (**Attachments 2 to 5**).

Subject to consideration of consultation responses, the revised main-body SEC drafting will be introduced into the SEC using the Secretary of State's Section 88 Energy Act 2008 powers, subject to completion of the necessary Parliamentary processes. The proposed changes to SEC Subsidiary Documents will be introduced through re-designation of those documents pursuant to Condition 22 of the DCC licence and Section X5 of the SEC.

Timing & Presentation

Responses to this consultation should be submitted by 17:00 on 14 March 2018.

BEIS and the DCC will also provide a presentation and discussion of the proposed approach on Monday 26 February. Please refer to Section 4 of the consultation document (**Annex A**) for further details and how to reserve a place at this session. BEIS also understands that the Production Proving proposals are to be discussed today at the Security Sub-Committee, the Technical Architecture and Business Architecture Sub-Committee on 15 February and the SEC Panel's Operations Group on 27 February.

Responding to this consultation

Comments on these proposals should be submitted to smartmetering@beis.gov.uk or addressed to:

Smart Metering Implementation Programme – Regulation,
Department for Business, Energy & Industrial Strategy,
5th Floor, Orchard
1 Victoria Street,
London SW1H 0ET

Information provided in response to this consultation, including personal data, may be subject to publication or release to other parties, or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

BEIS may publish the individual responses to this consultation and you should therefore let us know if you are not content for your response or any part of it to be published. If you indicate that you do not want your response published, we will not publish it automatically but it could still be subject to information requests as detailed above. If you do not want your individual response to be published, or to otherwise be treated as confidential, please say so clearly in writing when you send your response to the consultation. For the purposes of considering access to information requests, it would also be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

Kind regards,



Duncan Stone
Head of Delivery
Smart Metering Implementation Programme

List of Annexes and Attachments to this letter (the Attachments are separate documents)

Annex A	Consultation document
Attachment 1	DCC's analysis of options
Attachment 2	Proposed legal drafting – New Section P
Attachment 3	Proposed legal drafting – Changes to Section L
Attachment 4	Proposed legal drafting – Changes to the Organisation Certificate Policy
Attachment 5	Proposed legal drafting – Changes to the SMKI Interface Design Specification

Annex A: Consultation document

1. Background

- 1.1. The DCC has requested changes to the Smart Energy Code that would allow it to develop and use a “Production Proving” capability. This capability would allow the DCC to prove the functionality of its live systems. It would be in addition to the existing CH Production Proving arrangements that are permitted by Clause 10 of the Inventory Enrolment and Withdrawal Procedures. The existing CH Production Proving capability permits the DCC to Commission Communications Hub Functions and to send and receive messages to and from them within the DCC’s live production systems. The additional Production Proving capability proposed by the DCC would allow it to Commission other Devices, in particular (but not limited to) Smart Meters and to send and receive messages to and from them, again in the live production environment.
- 1.2. A number of specific security controls would apply. In particular the DCC would not be permitted to access SMKI Organisation Certificates that would allow it to act as a supplier or a network party in relation to Devices installed by energy suppliers. This means that DCC would only be able to communicate with Devices specifically installed and configured for the purposes of Production Proving. Further controls would be implemented through the Threshold Anomaly Detection arrangements, for example to restrict the DCC from submitting any change of supplier requests from its Production Proving systems.
- 1.3. In its request to BEIS, the DCC set out the reasons why it believed that it was necessary for the additional Production Proving capability to be permitted and set out an analysis of the alternative options that it had considered in recommending the specific solution sought. **Attachment 1** to this document sets out the DCC’s analysis of the various options.
- 1.4. The principal reason that the DCC cites in favour of making these changes is to enable the following:
 - Release of new software into production seamlessly, allowing Service Requests (SR) to have been tested against all Device types to provide Users with confidence in the system;
 - Prove the DCC Total System end-to-end, where SR are exercised daily to ensure the systems are working correctly;
 - Proactive identification of issues in the production environment before they impact Users;
 - Speedy triage and resolution of User issues to minimise disruptions and loss of service to Users; and
 - Prove fixes following implementation.
- 1.5. In summary, the options considered by the DCC included:
 - Option 1 – build a pre-production environment (with sub options for the types of pre-production environments built);
 - Option 2 – utilise an energy supply company to undertake production proving (with sub-options for the partnering model);
 - Option 3 – DCC implements Production Proving capability;
 - Option 4 – early roll-out of DCC releases to a set of DCC Users (early adopters); and
 - Option 5 – do nothing.

2. BEIS views on DCC's proposal

- 2.1. BEIS agrees with the DCC's recommendation that the SEC should be amended in order to permit the DCC to carry out Production Proving in line with the DCC's proposed Option 3. BEIS proposes to make the changes in a manner that would permit the DCC to carry out the Production Proving Function but not require it to do so. We believe that this means DCC would need to ensure that implementing the capability to carry out the function was consistent with its licence objectives.

Question 1: Do you agree with BEIS's view that the SEC should be amended in order to permit the DCC to carry out Production Proving in line with DCC's proposed Option 3?

3. SEC changes to implement the arrangements

- 3.1. **Attachments 2-5** set out proposed SEC drafting changes to permit DCC to carry out the Production Proving activity.
- 3.2. The specific changes proposed give effect to the following:
- The provisions covering Production Proving would generally be set out in a new Section P of the SEC. Changes are also proposed to Section L, as well as to the Organisation Certificate Policy and the SMKI Interface Design Specification. Mark-ups of proposed changes to definitions (Section A) are also included within the Sections P and L drafting;
 - We do not believe any changes to the DCC Licence are needed to allow the SEC to be extended to permit the DCC to carry out Production Proving;
 - The DCC Systems associated with Production Proving would form part of the DCC Total Systems and consequently, for example, the provisions of Section G (Security) would apply to them as part of the DCC Total Systems. The "Production Proving Function" would be that part of the DCC undertaking the Production Proving activity;
 - In general the Production Proving Function would be permitted to Commission Devices and Enrol Smart Metering Systems within the wider DCC (production) Systems and act as if it were a User in any User Role relation to those Devices (but without being able to use the change of supplier functionality);
 - The Smart Metering Systems concerned would not be installed at real meter points but instead in facilities controlled by the DCC and behind a real meter point;
 - The Production Proving Function would also be permitted to act as if it were a Registration Data Provider to generate dummy registration data in relation to the Smart Metering Systems it Enrols. This dummy registration data would be used by the DSP in applying access control checks to Service Requests sent by the Production Proving Function;
 - An important security control would be that the DCC Production Proving Function would not be permitted to become a subscriber for SMKI Organisation Certificates with Remote Party Role Codes that are recognised by Devices. This means that the Production Proving Function (and DCC more generally) would not have access to SMKI Certificates that could be used to successfully "take over" Devices that had been installed by Suppliers, since the DCC would not have access to SMKI Organisation Certificates that had the Remote Party Role Code corresponding to "supplier" or "networkParty";

- The DCC (Production Proving Function) would be permitted to become a subscriber for a new type of SMKI Organisation Certificate that has a Remote Party Role Code that is not recognised by Devices. This would be used for the purposes of signing XML documents exchanged with the DSP over the equivalent of the User Interface;
- The Production Proving Function would be identified by a separate Signifier and separate EUI-64 identifiers.

3.3. The implementation of these arrangements affects the following SEC Sections:

- A new Section P of the SEC that sets out the general arrangements relating to Production Proving;
- Modifications to Section L of the SEC to provide, amongst other things, for a new type of SMKI Organisation Certificate with a separate Remote Party Role Code which may be issued to the Production Proving Function. The changes proposed to section L also include the correction of a number of minor issues that are not directly related to Production Proving;
- Revisions to the Organisation Certificate Policy and the SMKI Interface Design Specification to reflect the inclusion of the new Remote Party Role Code (and the fact that this term is now defined in the main body of the SEC rather than by reference to the GB Companion Specification).
- Associated changes to Section A (which are included in the Section P and Section L drafting as relevant).

3.4. Subject to consideration of responses to this consultation, BEIS proposes that the revised main-body SEC drafting will be introduced into the SEC using the Secretary of State's Section 88 Energy Act 2008 powers, subject to completion of the necessary Parliamentary processes. The proposed changes to SEC subsidiary documents will be introduced using the Secretary of State's power to re-designate the documents pursuant to Condition 22 of the DCC licence and condition X5.5 of the SEC.

Question 2: Do you have any comments on BEIS's proposed SEC changes to allow DCC to carry out the Production Proving Function?

Question 3: Do you have any other comments on the proposals within this consultation?

4. Presentation

In order to help inform responses to this consultation, BEIS will hold a session at which the proposed approach on Production Proving and the associated SEC drafting will be presented and discussed. This session will be held at Broadway House, Tothill Street, London, SW1H 9NQ from 14:00-16:00 on Monday 26 February 2018.

If you would like to send a representative to this presentation, please confirm by 5pm on Wednesday 21 February by e-mail to: smartmetering@beis.gov.uk

As noted in the covering letter to, BEIS also understands that the Production Proving proposals are to be discussed today at the Security Sub-Committee today, the Technical Architecture and Business Architecture Sub-Committee on 15 February and the SEC Panel's Operations Group on 27 February.