

ANNEX A: Consultation on amendments to the Smart Energy Code, DCC Licence and energy supply licence conditions related to the provision of a DCC SMETS1 Service, and updates to the regulatory framework around transition

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Executive Summary

- 1.1. This consultation seeks views on a number of proposed changes to the Smart Energy Code (SEC), energy supply licence conditions and the DCC Licence. The changes are designed to enable the delivery of data and communications services in respect of SMETS1 meters (“a SMETS1 Service”) by the Data Communications Company (“DCC”). They also update the regulatory framework in relation to the transition from transitional to enduring, industry-led smart metering governance, and propose the activation of SEC provisions relating to Elective Communications Services for both SMETS1 and SMETS2 devices.
- 1.2. We are proposing to adopt an overall approach of aligning the service provision for SMETS1 meters with that for SMETS2 meters wherever possible; however a number of instances have been identified where SMETS1 specific provisions would be required.
- 1.3. Provision of a SMETS1 Service by the DCC is contingent on the Secretary of State’s decisions as to whether the DCC should be required to offer such a service, and in respect of which meter cohorts. A separate consultation on this will follow shortly.
- 1.4. The DCC has consulted separately on a range of proposed changes to SEC Subsidiary Documents that would be required for delivery of a SMETS1 Service. These set out the user-facing aspects of the detailed service design and should be viewed in the context of the proposed regulatory changes set out in this consultation. The DCC plans to consult on a second tranche of SEC Subsidiary Documents in due course.
- 1.5. The principal areas covered by this consultation are described below:
 - **Chapter 1 – Smart Metering System Requirements:** Proposed changes to Section F of the SEC to re-name the Certified Products List to the Central Products List, and to reflect the slightly different requirements that apply to SMETS1 Devices being added to the Central Products List. Further changes to expand the current concept of the Deployed Products List (DPL) for SMETS2+ Smart Metering Systems, and to include the concepts of SMETS1 Eligible Product Combinations (combinations of SMETS1 Device Models that the DCC has tested that it can successfully communicate with) and SMETS1 Pending Product Combinations (combinations of SMETS1 Device Models that the DCC is currently testing whether it can communicate with). Proposals to create new obligations on suppliers regarding the treatment of SMETS1 Communications Hubs (SMETS1 CHs) and SMETS1 Communications Hub Functions (SMETS1 CHFs) at split supply premises.¹

¹ Split supply premises are premises where the gas and electricity supplier are different.

- **Chapter 2 – Security:** Proposed changes to Section G of the SEC to include SMETS1 services and associated systems within the scope of the SEC security obligations, and to incorporate SMETS1 services and systems within the remit of the SEC Panel Security Sub-committee. Further changes are also proposed to transpose the SMETS1 device-related security obligations from the Gas (condition 40) and Electricity (condition 46) Supply Licence Conditions into the SEC where such Devices form part of a Smart Metering System that is Enrolled with the DCC.
- **Chapter 3 – DCC Services:** Proposed changes to Sections H1-H7 of the SEC to specify that any restrictions on the Services that are available in respect of SMETS1 Device Models and Target Response Times for SMETS1 Services will be set out in the DCC User Interface Services Schedule (UISS). Additional changes have been proposed to reflect that only the Lead Supplier for a SMETS1 Communications Hub Function (CHF) may Decommission such a Device; and to adapt the provisions relating to Elective Communications Services for the purposes of SMETS1 devices. We propose to activate Section H7 of the SEC (Elective Communications Services) on 1st October 2018.
- **Chapter 4 – Service Management:** Proposed changes to Sections H8-H9 of the SEC to clarify the split of responsibilities between suppliers and the DCC for the resolution of incidents in respect of SMETS1 Communications Hubs, as the DCC is not responsible for SMETS1 Communication Hubs.
- **Chapter 5 - Testing:** Proposed changes to Section H14 of the SEC (Testing Services) to expand the enduring² testing services that the DCC provides to support SMETS1 Smart Metering Systems. This would clarify that, where possible, SMETS1 Testing Services should be equivalent to Testing Services for SMETS2+, and sets out some areas where variations would be required. Additionally it is proposed that the DCC will offer a new Testing Service, SMETS1 Pending Products Combinations Tests, to enable the testing of SMETS1 Device Model combinations that have not previously been successfully tested against the DCC System.
- **Chapter 6 - Transition:** Proposed changes to extend certain provisions relating to transition in Section X of the SEC and the DCC Licence to support both SMETS1 enrolment and delivery of the Programme more generally in the run-up to completion of the smart meter rollout in 2020.
- **Chapter 7 - Migration:** Proposed changes to Section N of the SEC to add a new Section N6 to provide for the development of the Transition & Migration Approach Document (TMAD) and set out its scope, development process and application. TMAD would set out the processes, pre-conditions, rules and requirements surrounding the migration of SMETS1 meters and associated devices into the DCC's systems.

² The testing arrangements applying to the initial migration arrangements will be set out in the SEC Variation Testing Approach Document applying to Enrolment and Adoption.

- **Chapter 8 – Other proposed changes:** Further minor and consequential changes are proposed to Sections A, L, H11 and N of the SEC, the DCC Licence, energy supply licence conditions, and the Inventory Enrolment and Withdrawal Procedures Document. These include proposed updates to definitions and adaptation of a number of requirements for the purposes of SMETS1.

Consultation Background

- 1.6. A number of energy suppliers have been installing first-generation (SMETS1) smart meters for their customers. Like second-generation SMETS2 meters, SMETS1 meters provide consumers with the benefits of accurate bills and near real-time energy consumption information. However, SMETS1 meters currently operate via data and communications systems put in place by individual energy suppliers, as opposed to a single data and communications infrastructure which is easily accessible to all energy suppliers. As such, SMETS1 meters installed by one energy supplier are not always compatible with another energy supplier's systems, and may lose smart functionality when a consumer switches supplier.
- 1.7. Enrolment of SMETS1 meters with the DCC would provide a number of benefits to consumers and the energy market, in particular:
 - Retention of smart services for consumers when they switch supplier.
 - Reduction of stranding risk for existing SMETS1 assets.³
 - A number of security benefits arising from enrolling these metering cohorts into the national data and communications service.
 - Efficiencies from rationalisation of smart metering interfaces and processes within supplier businesses.
- 1.8. In March 2015 the Government directed the DCC to commence an assessment of the feasibility of options for enrolling SMETS1 meters. This process concluded in May 2017 when the DCC submitted the final version of its Initial Enrolment Project Feasibility Report (IEPFR)⁴ to BEIS, setting out a series of design options for the enrolment of SMETS1 meters into DCC systems.
- 1.9. The DCC set out its plan for the delivery of a SMETS1 Service in October 2017, following stakeholder consultation⁵. The plan sets out a three-phased approach to the provision of SMETS1 Services. An initial SMETS1 Service would be provided in relation to at least one meter cohort by 30th November 2018⁶ (IOC), with an interim release for additional meter cohorts by 31st March 2019 (MOC), and a final release by 30th June 2019 (FOC) at the earliest.
- 1.10. The present consultation focusses on the changes to the SEC, energy supply licence conditions, and the DCC Licence that are required to enable the delivery of a SMETS1 Service by the DCC, as well as updating the smart metering regulatory framework relating to transition. In developing these proposed changes we have sought to align the service provision for SMETS1 meters with that for SMETS2

³ Namely the risk of suppliers replacing their SMETS1 meters with SMETS2 meters before the SMETS1 meter's end of life.

⁴ <https://www.smartdcc.co.uk/about-dcc/future-service-development/enrolment-and-adoption/>

⁵ https://www.smartdcc.co.uk/media/440317/20171016_SMETS_1_planning_conclusions.pdf

⁶ There is currently no contingency built into this plan, however the DCC has proposed to monitor progress and the potential need for contingency on an ongoing basis, and will report to the Smart Metering Design Group (SMDG) and Implementation Managers Forum (IMF) accordingly.

meters wherever possible; however a number of instances have been identified where SMETS1-specific provisions would be required. For example, with SMETS1 Smart Metering Systems, responsibility for the Communications Hub sits with the lead energy supplier, as opposed to the DCC.

- 1.11. This consultation document should be read in conjunction with the proposed changes to the SEC Subsidiary Documents that have been baselined by the Technical and Business Design Group (TBDG) following consultation by the DCC. The DCC plans to consult on a second tranche of SEC Subsidiary Documents in due course, and will take forward any consequential changes to SEC Subsidiary Documents that may be required as a result of this consultation.
- 1.12. The drafting changes proposed by this consultation are shown on top of the current versions of the SEC (Version 5.14), DCC Licence and energy supply licence conditions that are in legal effect at Annexes B-D. The SEC changes that BEIS has recently consulted on in relation to the provision of Dual Band Communications Hubs for Release 2⁷, the removal of the DCC opt-out for energy suppliers to non-domestic premises⁸ and DCC production proving capability⁹ are largely independent of the changes proposed by this consultation, and so are not reflected in the proposed legal drafting. Where we have proposed consequential amendments to SEC Subsidiary Documents, these are shown on top of the latest Release 3 (Enrolment & Adoption) versions of the documents that have been baselined by TBDG, and which are not yet in legal effect.
- 1.13. BEIS will consult shortly on whether to require the DCC to offer a SMETS1 Service and, if so, in respect of which SMETS1 meter cohorts. We may carry out an additional regulatory consultation later in 2018 on residual changes to the SEC, and in line with references in this document to where further change may be necessary.

Content of this Consultation

- 1.14. This consultation sets out a range of proposed changes that are required to enable delivery of a SMETS1 Service by the DCC and to update the smart metering regulatory framework around transition to enduring governance. These changes are described in detail in Chapters 1 to 8.

⁷ <https://smartenergycodecompany.co.uk/latest-news/smart-metering-implementation-programme-consultation-on-changes-to-the-smart-energy-code-sec-related-to-provision-of-communications-hubs/>

⁸ <https://www.gov.uk/government/consultations/non-domestic-smart-metering-policy-proposals-and-draft-legal-text>

⁹ <https://smartenergycodecompany.co.uk/document-download-centre/download-info/beis-consultation-dcc-production-proving-capability/>

Structure of each section

- 1.15. In general, the sections of this consultation are split into four parts as follows:
- The first part (**'Description of the Issue'**) sets out the policy approach which provides the basis for the proposed legal text. We reference previous consultations where appropriate.
 - The second part (**'Translation into Detailed Requirements'**) summarises how each policy approach has been translated into the proposed legal text for consultation.
 - The third part (**'Legal Text'**) cross-references the proposed approach to the appropriate draft legal text of the SEC, the DCC Licence or energy supply licence conditions for ease of use.
 - The fourth part (**'Consultation Questions'**) sets out the questions inviting a response. Most sections include a general question inviting views on the proposed legal text, and others include additional questions seeking views on specific topics. A full list of consultation questions is provided at the end of the document.
- 1.16. **Annex B** (published together with this document) sets out the SEC legal text proposed in this consultation as it would look combined with the SEC drafting that is legally in effect.
- 1.17. **Annex C** sets out how the proposed text would look once incorporated into energy supply licence conditions, and **Annex D** sets out how the proposed text would look once incorporated into the DCC Licence.
- 1.18. Every effort has been made to ensure that the explanatory text in the main body of this consultation document reflects the legal drafting included in **Annexes B, C, and D**. We have sought to ensure that the explanatory text provides a clear and simplified overview of our proposals. However, only the legal drafting should be treated as the definitive text. Where terms defined in the SEC are used in this consultation document, they are capitalised.
- 1.19. It is intended that the Government response to this consultation will be published in summer 2018.

Chapter 1: Smart Metering System Requirements (Section F)

Description of the issue

2.1. Changes to Section F of the SEC are proposed to:

- Rename the 'Certified Products List' to the 'Central Products List' and reflect the different requirements that apply to SMETS1 Devices being added to the Central Products List (CPL).
- Expand the current concept of the Deployed Products List (DPL) for SMETS2+ Devices, and include the additional concepts of SMETS1 Eligible Product Combinations (EPC) and SMETS1 Pending Product Combinations (PPC).
- Set out the obligations regarding operational functionality, interoperability and remote access to SMETS1 Communications Hubs.
- Clarify that Sections F5-F10 do not apply in relation to SMETS1 Communications Hubs as, unlike SMETS2 Communications Hubs, they are not provided by the DCC pursuant to the Communications Hub Service.

Translation into detailed requirements

SMETS1 Devices and the Certified Products List – Section F2

- 2.2. The Certified Products List (CPL) currently records the list of devices which have received Commercial Product Assurance (CPA) Certification. These are added to the CPL in accordance with the more detailed provisions within the CPL Requirements Document. There will be no specific parallel certification requirements for SMETS1 devices (which which need to be secured by suppliers in accordance with their licence obligations, which we are proposing to mirror in the SEC for the purpose of enrolled SMETS1 Devices), but there is a need for them to be included on the CPL to allow Devices of the relevant Device Model to be added to the Smart Metering Inventory. To reflect this position, we propose to amend the name of the Certified Products List to the Central Products List. This will avoid misleadingly implying that SMETS1 Devices listed on the CPL have been certified. Maintaining the CPL acronym will reduce the extent of subsequent change to the SEC that will follow from this proposed amendment. The legal drafting included at Annex B to this consultation reflects this proposed change to the name of the CPL; and further consequential changes would be required throughout the SEC and Subsidiary Documents if we decide to proceed with the proposed amendment.
- 2.3. We furthermore propose to provide for SMETS1 Device Models to be added to the Central Products List (CPL) only when the SEC Panel has received the information required in accordance with the CPL Requirements Document. This brings Section

F into alignment with the changes to the CPL Requirements Document that have been consulted on by the DCC. The changes also provide for the Authority to determine any disputes that arise over any Panel decisions to add, remove or reinstate SMETS1 Device models to and from the CPL.

- 2.4. Other proposed changes to this section expand the concept of the DPL¹⁰ to SMETS1 meters, and create two new lists that are specific to SMETS1 meters. Unlike SMETS2 meters, where GBCS enables the DCC to provide services in relation to any combination of SMETS and CHTS compliant Devices that comprise a Smart Metering System, SMETS1 functional requirements may have been implemented in different ways by device manufacturers and suppliers. As a result, only certain combinations of SMETS1 equipment are likely to be capable of functioning together correctly as part of a single Smart Metering System. For SMETS1 it is therefore proposed that the DCC should be required to provide services only in relation to combinations of SMETS1 Devices where it has proven its general ability to do so through testing.
- 2.5. To reflect this position, it is proposed that the DCC should be required to provide to the Panel (for publication) a list of SMETS1 Device Model combinations in relation to which it has proven through testing that it successfully process Alerts and the SMETS1 Service Requests for which Users are Eligible (as set out in the DCC User Interface Services Schedule); this list being the “SMETS1 Eligible Product Combinations”. A second list – the “SMETS1 Pending Product Combinations”, would also set out those combinations of Device Models with which the DCC is testing its ability to communicate. The proposed obligations on the DCC to undertake, where requested, testing of SMETS1 Device Model combinations that are not on the EPC list are described in chapter 5 of this document, and set out in the proposed changes to Section H14 of the SEC (new Sections H14.36A to H14.36F). These are referred to as SMETS1 Pending Product Combinations Tests, and following successful completion of these tests the product combination would be moved from the PPC to the EPC.

Operational Functionality, Interoperability and Access – Section F4

- 2.6. New obligations on electricity suppliers are proposed in this section regarding the treatment of SMETS1 Communications Hubs (SMETS1 CHs) and SMETS1 Communications Hub Functions (SMETS1 CHFs) in the case of split supply premises. These obligations are intended to ensure that the actions of the electricity supplier (who is responsible for the communications hub) do not result in a loss of smart functionality on the gas meter. In particular, it is proposed that the Lead Supplier for a SMETS1 CH should take reasonable steps to ensure that:
 - The SMETS1 CHF is not configured in a way that restricts the minimum functions of any Smart Metering System it forms part of.

¹⁰ The Deployed Products List sets out all the combinations of different Device Models that comprise a Smart Metering System (together with Associated Type 2 Devices) that are in existence.

- Any firmware upgrades to or replacement of the SMETS1 CH result in Smart Metering Systems that comprise device combinations that are on the SMETS1 EPC list.

- 2.7. As alternatives to this approach, we considered not imposing any obligations on the electricity supplier regarding the treatment of SMETS1 Communications Hubs at split supply premises, or requiring the electricity supplier to seek permission from the gas supplier prior to carrying out a firmware upgrade or replacing the Communications Hub. We believe, however, that a 'do nothing' approach may have adverse consequence for consumers where they lose smart functionality on their gas meters as a result of the electricity supplier's actions. Conversely, we consider that requiring the electricity supplier to seek permission prior to replacing or upgrading the communications hub would likely prove disproportionately burdensome. We believe that the 'reasonable steps' approach set out above is likely to strike a more appropriate balance between the interests of the electricity and gas suppliers in the case of split supply premises.
- 2.8. Other proposed changes to this section are:
- To clarify that the obligation to allow the DCC remote access to SMETS1 Communications Hubs applies to the Lead and/or Responsible Supplier for a SMETS1 CH. This provision does not need to apply in the case of SMETS2+ Communications Hubs, as they are owned by the DCC.
 - To introduce an obligation on the Lead Supplier to take reasonable steps to ensure that Personal Data held on a SMETS1 CH is protected from unauthorised access, ensuring alignment with the equivalent provision for SMETS2+ (and to move the equivalent SMETS2+ obligation to Section F4 from F7.8).
- 2.9. We propose that Sections 4.2 to 4.4 (Interoperability with the DCC Systems) do not apply in relation to SMETS1 Smart Metering Systems because interoperability checks with the DCC Systems will need to have been performed for a particular Device Model combination in order for that combination to be included on the SMETS1 EPC in the first place.

Other Changes to Section F

- 2.10. Changes are proposed to make it clear that Sections F5 to F10, which set out a number of provisions in relation to SMETS2+ CHs, do not apply to SMETS1 CHs. An additional paragraph would be added in Section F6.20 to clarify that the change in definition of Communications Hub in Section A (which has been made to reduce the number of different SEC definitions of this term) does not give rise to obligations under Section F6 for the DCC to ensure CHTS compliance at the time of a Communications Hub's installation; rather the DCC's obligations are to ensure compliance at the point of delivery to the Supplier .

Legal text

SEC Section	Proposed Change
Section F1	No changes.
Section F2	Changes relating to SMETS1 Devices and the CPL and to introduce the SMETS1 EPC and the SMETS1 PPC.
Section F3	No changes.
Section F4	New and revised obligations regarding management of SMETS1 CHs, primarily to place obligations on the Lead Supplier.
Section F5-10	<p>Changes to clarify that these Sections do not apply to SMETS1 CHs.</p> <p>New F6.20 introduced in light of the change in definition of Communications Hub for the purposes of this Section.</p> <p>Deletion of F7.8 as this obligation has been moved to F4 to sit beside its SMETS1 equivalent.</p>
Section A	<p>Added/amended definitions for:</p> <ul style="list-style-type: none">• Deployed Products List• SMETS1 Eligible Product Combinations• SMETS1 Pending Product Combinations• Communications Hub• Test Communications Hub• Central Products List

Consultation questions

Consultation Question

1. Do you agree with the proposal to amend the name of the Certified Products List to the Central Products List? Please state whether you consider that this will have any adverse impacts (for example, on contracts that have been entered into for Devices) and any alternative suggestions.

2.	Do you agree with the proposal to create new obligations on the Lead Supplier at split supply premises with regard to the management of SMETS1 CHs?
3.	Do you agree with the proposed changes to the legal drafting of SEC Section F regarding various Smart Metering System requirements?

Chapter 2: Security (Section G)

Description of the issue

- 3.1. In accordance with Section N2.10 of the SEC, the DCC's May 2017 Initial Enrolment Project Feasibility Report (IEPFR) was developed alongside a security risk assessment detailing the risks associated with operating SMETS1 Services. The measures proposed to address these risks were also detailed and set out in the IEPFR.
- 3.2. Since the publication of this report the DCC has further developed its risk assessment, through collaboration with potential and existing service providers, and the set of security controls that it proposes to address these risks. These developments have been discussed with BEIS and the SEC Panel Security Sub-Committee (SSC) and remain aligned to the approach originally outlined in the IEPFR; the overall requirement being to ensure there is no material increase in risk as a result of SMETS1 enrolment. To reflect the DCC's proposed approach, changes to the SEC security requirements, assurance mechanisms and governance framework are needed.

Translation into detailed requirements

Security Requirements

- 3.3. The majority of controls that would be implemented to ensure SMETS1 Services are operated and used securely are already provided for in the SEC, in particular Section G. These obligations require, for example, the DCC and its Users to secure their systems in accordance with recognised good practice standards such as ISO/IEC 27001. We have reviewed Section G of the SEC and consider that the security obligations within it continue to be necessary and are a proportionate way of mitigating the security risks of enrolling SMETS1 meter cohorts with the DCC.
- 3.4. Our policy objective is to extend the requirements of Section G to include new systems used to communicate with SMETS1 devices, and the devices themselves. To realise this policy objective the scope of systems captured by the SEC security obligations would be expanded to include new or amended functionality used for the purposes of communicating with enrolled devices (for example, changing the definition of the DCC Total System to include the SMETS1 Service Provider).
- 3.5. As outlined within the IEPFR and the DCC's current SMETS1 security architecture, the use of a SMETS1 Service Provider will lead to architectural change within the DCC Total System. The approach to defining security obligations within Section G is to focus on outcomes rather than on how specific controls should be implemented; for example, the need for the DCC to 'detect and respond' to unauthorised system access as per Section G2.1. To align with this approach, we are not currently minded to explicitly reference the specific controls the DCC

considers to be needed to securely operate SMETS1 Services in Section G. We will instead seek to apply, where possible, the outcomes already specified for systems that communicate with SMETS2 devices to those which communicate with SMETS1 devices. Change will, however, be needed where the specific controls proposed impact on current ways of working specified in the SEC. For example, in some cases the DCC's Anomaly Detection service will delete messages in the case of SMETS1, rather than quarantine them as is the case for SMETS2. Changes to the SEC would be needed to allow for this and other new approaches being implemented by the DCC for the purposes of delivering SMETS1 Services, and once these detailed aspects of the DCC design are finalised, we will bring forward any further changes necessary to support them.

- 3.6. Roles and responsibilities in relation to SMETS1 equipment are different from the arrangements in place within the current SMETS2 ecosystem. In particular, security responsibility for the Communications Hub used within a SMETS1 Smart Metering System sits with the Lead Energy Supplier, not the DCC. Various changes are required to accommodate for this difference within Section G and elsewhere in the SEC.
- 3.7. Aside from those contained within the technical specification itself, SMETS1 device security obligations currently sit within Conditions 40 and 46 of the gas and electricity supply licence standard conditions, respectively. These conditions apply only to systems operating outside the DCC, and there is therefore a need to ensure energy suppliers continue to be subject to obligations regarding device security and testing post enrolment. We are minded to transpose the relevant security obligations from the current energy supply licence conditions into the SEC such that the provisions in the SEC apply to devices that have been commissioned within DCC Systems. This will align with the existing approach whereby the Licence Conditions stipulate the high-level objective for security with the SEC providing more detailed obligations. It is intended that this approach also brings the security of SMETS1 equipment into the purview of the SSC and the User Security Assessment process, ensuring consistency with the approach for SMETS2 meters.
- 3.8. Large parts of the Licence Conditions are targeted towards the systems used to communicate with metering equipment itself and, as such, are not readily applicable to smart metering equipment in isolation. We are therefore minded only to transfer those aspects of the Licence Conditions which can be appropriately applied directly to smart metering equipment.

Security Assurance

- 3.9. It is intended that each part of the end-to-end architecture be subject to independent security assurance. This includes the DCC, Users and relevant devices that make up a Smart Metering System. Assurance arrangements for Users and the DCC are found in Sections G8 and G9 of the SEC, respectively. We continue to consider these arrangements to be a necessary and proportionate way of gaining confidence in the security of these systems after the enrolment and adoption of SMETS1 devices. Updates to relevant definitions within the SEC are proposed to achieve this policy objective.

- 3.10. Security of SMETS1 devices themselves is the subject of the Licence Conditions referred to above. This includes the need for energy suppliers to commission regular independent assessments of the steps they have taken to ensure their SMETS1 Smart Metering Systems are secure. Through discussion with energy suppliers we understand these conditions have driven measures such as device security 'penetration testing', and such steps align with our policy objective in this area. The movement of these Licence Conditions into the SEC will also bring the outputs of these security assessments into the scope of consideration of the SEC Panel-appointed User Independent Security Assurance Service Provider. This is intended and will allow the SEC Panel's service provider to review things such as the scope, outcome and any action taken as a result of the assessment of device security.

Security Governance

- 3.11. It is our intention that the SSC incorporate within their remit SMETS1 Smart Metering Systems and any new systems created to communicate with them. This will mean including these systems within scope of artefacts such as the Security Risk Assessment, Security Requirements and the End-to-End Security Architecture. There are already obligations in place for these documents to be maintained by the SSC.
- 3.12. The proposed changes to be made to other definitions (either implicitly or explicitly), such as DCC Total System and Smart Metering Systems, would ensure these documents will in future include SMETS1 systems as a whole. A change to the definition of Security Obligations and Assurance Arrangements would also be required to ensure these incorporate SMETS1 Devices and thus fall into the scope of SSC consideration. Requirements on Users and the DCC to report security vulnerabilities and incidents would similarly be extended to support the SSC in fulfilling its overall responsibilities.

Legal text

SEC Section	Proposed Change
Section G	<p>G2.20 – G2.22 clarify the Separation that must exist between components of the DCC Total System.</p> <p>G2.29 includes Instructions to SMETS1 Devices within scope of the DCC’s capability to detect Anomalous Events.</p> <p>G2.44 includes the SMETS1 Service Provider in scope of requirements to protect cryptographic key material in accordance with the FIPS140-2 standard.</p> <p>G3.15 includes Instructions to SMETS1 Devices within scope of Supplier Party monitoring obligations.</p> <p>G3.17 clarifies the devices in scope of the Supplier Party obligations to notify and be notified of security vulnerabilities.</p> <p>G3.23 – G3.25 ensures systems used to digitally sign SMETS1 Service Requests are subject to relevant geographical restrictions.</p> <p>G3.26 – G3.29 incorporates relevant security provisions from energy supply licence conditions in the SEC.</p> <p>G6.1 allows for certain messages to be deleted where anomaly detection thresholds are breached.</p> <p>G6.3 – G6.6 includes SMETS1 Service Requests in scope for DCC and User set thresholds.</p>
Section A	<p>Added/amended definitions for:</p> <ul style="list-style-type: none"> • Appropriate Standard • Competent Independent Organisation • DCC Individual Live System • DCC Total System • Secure • Security Obligations and Assurance Arrangements.

Consultation questions

Consultation Question

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| 4. | Do you agree with the proposed changes to the legal drafting of Section G? |
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Chapter 3: DCC Services (Sections H1-7)

Description of the issue

- 4.1. In general the Services identified in Sections H1 to H7 apply in relation to SMETS1 Smart Metering Systems in the same way in which they do in relation to SMETS2+ Smart Metering Systems. The need for a small number of changes to these Sections has, however, been identified.

Translation into detailed requirements

Changes to Section H3 (DCC User Interface)

- 4.2. Paragraph H3.10A has been added to this section to clarify that any restrictions on the Services that are available in relation to SMETS1 Devices in general or particular SMETS1 Device Models would be set out in the DCC User Interface Services Schedule (UISS), and that Users would not be Eligible to receive the Services to the extent that they are identified as being unavailable in that document.
- 4.3. Target Response Times for SMETS1 Service Requests will need to account for the fact that additional processing is required by the SMETS1 Service Provider in the case of SMETS1. These will therefore be specified in light of the response times agreed between DCC and its SMETS1 Service Providers, which are not yet known. It is proposed that these will ultimately be consulted on separately and set out in UISS. A new paragraph H3.15 (a) is proposed to provide for this.
- 4.4. It is proposed that paragraph H3.16 is amended to clarify that, in the case of SMETS1, the services set out in UISS are only available where they are provided for by either the SMETS1 technical specification or the SMETS1 Supporting Requirements document.

Activation of H7

- 4.5. Section H7 of the SEC establishes the process for DCC Users to request the provision of Elective Communications Services in respect of Smart Metering Systems that have been Enrolled with the DCC. Once an offer has been made by the DCC and accepted by the User, these services are provided and charged for on a bilateral basis in addition to the Core Communications Services that the DCC is required to provide.
- 4.6. We propose to activate Section H7 of the SEC on 1st October 2018. This change would apply in respect of both SMETS2 and enrolled SMETS1 meters (in the case of the latter, from the date that the regulatory changes proposed by this consultation are brought into effect), and would enable Users to leverage the

potential of smart metering to make differentiated service offerings available to their customers.

- 4.7. We propose to allow six months from the publication of this consultation to the activation of H7 in order to allow the DCC sufficient time to implement the processes required to handle requests for Elective Communications Services, and for the DCC to ensure they are adequately resourced to deal with any such requests. We believe that the timeframes for responding to and assessing requests for, and subsequently providing, Elective Communications Services offer sufficient flexibility for the DCC to make any such Services available within a reasonable timeframe, while taking into account any competing resource pressures that they may be subject to.

Changes to Sections H5 - H7

- 4.8. Minor changes have been proposed to these Sections:

- To clarify that the DCC shall only be required to Enrol or process Service Requests in respect of SMETS1 Smart Metering Systems that comprise a combination of Device Models that is listed on the SMETS1 Eligible Product Combinations.
- To provide that the Inventory, Enrolment and Withdrawal Procedures Document can set out circumstances under which the SEC Panel may direct the DCC not to Commission a SMETS1 Device.
- To reflect that only the Lead Supplier for a SMETS1 CHF may Decommission such a Device, in line with the general principle that the Lead Supplier is responsible for the SMETS1 CHF; and
- In the case of Elective Communications Services, changes have been proposed to clarify that the requirement that a Service Request shall be deemed to contain Data that requires Encryption, unless it only contains Data described in GBCS as capable of being sent without Encryption, does not apply to SMETS1.

Legal text

SEC Section	Proposed Change
Section H3	<p>Clarification that any restrictions on the services that are available in relation to SMETS1 Devices in general or particular SMETS1 Device Models will be set out in the DCC User Interface Services Schedule (UISS).</p> <p>Clarification that the Target Response Times set out in Section H3.14 do not apply to SMETS1 Devices, and that the applicable Target Response Times for SMETS1 will instead be set out in the DCC User Interface Services Schedule (UISS).</p>
Section H5	<p>Clarification that the DCC shall only be required to Enrol or process Service Requests in respect of SMETS1 Smart Metering Systems that comprise a combination of Device Models that is listed on the SMETS1 Eligible Product Combinations.</p> <p>Provision for the Inventory, Enrolment and Withdrawal Procedures Document to set out circumstances under which the SEC Panel may direct the DCC not to Commission a SMETS1 Device.</p>
Section H6	Changes to confirm that only the Lead Supplier may Decommission a SMETS1 CHF.
Section H7	<p>Proposal to activate Section H7 from 1st October 2018.</p> <p>Minor changes to adapt provisions on Elective Communications Services for the purposes of SMETS1 Services.</p>
Section A	<p>Added/amended definitions for:</p> <ul style="list-style-type: none"> • Command • Instruction.

Consultation questions

Consultation Question

5.	Do you agree with the proposed changes to the legal drafting of Section H3 of the SEC?
6.	Do you agree with the proposed changes to the legal drafting of Sections H5, H6 and H7 of the SEC?
7.	Do you agree with the proposal to activate Section H7 (Elective Communication Services) on 1st October 2018?

Chapter 4: Service Management (Sections H8-9)

Description of the issue

- 5.1. It is proposed that the approach to Service Management will remain unchanged between SMETS2 and SMETS1, with a single Service Desk and Self Service Interface handling queries and Incidents for Users.
- 5.2. The changes proposed in this area for SMETS1 are restricted to responsibilities for managing Incidents in respect of SMETS1 Communications Hubs.
- 5.3. SMETS2 Communications Hubs are provided by the DCC. Responsibility for remote fixes therefore lies with the DCC, while responsibility for on-site fixes or replacement lies with either Responsible Supplier (Gas or Electricity). SMETS1 Communications Hubs are not provided by the DCC; and as they are in the same physical enclosure as the Electricity Meter (ESME) they are the responsibility of the Electricity Supplier. Consequently, in the case of SMETS1, we consider it appropriate that only the Electricity Supplier is responsible for resolving Incidents in respect of the Device.

Translation into detailed requirements

- 5.4. Minor changes are proposed to Sections H8 and H9 to clarify:
 - A number of provisions that apply only in relation to SMETS2+ Communications Hubs.
 - That, in the case of SMETS1, the information that DCC is required to make available in respect of the SM WAN will be set out in the Self-Service Interface Design Specification Subsidiary Document.
 - That the Lead Supplier for a SMETS1 Communications Hub is responsible for resolving Incidents and closing problems caused by that Communications Hub.

Legal text

SEC Section	Proposed Change
Section H8	Minor changes to clarify where provisions apply in respect of SMETS2+ Communications Hubs and the SMETS2+ SM WAN only.
Section H9	Clarification that the Lead Supplier is responsible for resolving Incidents caused by a SMETS1 Communications Hub.

Consultation questions

Consultation Question

8.	Do you agree with the proposed changes to the legal drafting of Sections H8-9 of the SEC?
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Chapter 5: Testing Services for SMETS1 meters (Section H14)

Description of the issue

- 6.1. The SEC currently requires the DCC to offer a number of Testing Services on an enduring basis in respect of SMETS2 meters, but does not provide for testing in respect of SMETS1 meters. These “Device and User System Tests” include the ability to test SMETS Devices against the DCC system, for Users to test their interface(s) with the DCC System, and for simultaneous testing of User Systems and Devices (“end to end tests”). We intend that, where possible, the DCC’s Testing Services would offer equivalent Device and User System Tests in respect of SMETS1 as it does for SMETS2. Consequently, we propose to make a number of revisions to Section H14 of the SEC (“Testing Services”) to expand aspects of the existing Testing Services that the DCC is required to provide in respect of SMETS1 meters.
- 6.2. We also propose to require the DCC to provide a new Testing Service (called “SMETS1 Pending Product Combinations Testing”), which would enable the testing of SMETS1 Device Model combinations that are not currently Eligible Product Combinations (see chapter 1).
- 6.3. Our proposed amendments to Section H14 of the SEC set out these variations and are described below. In addition, the DCC intends to consult (in spring 2018) on changes to the Enduring Testing Approach Document and the Common Test Scenarios Document to support the extension of the Testing Services in respect of SMETS1 meters.
- 6.4. Separately, the DCC will also be undertaking transitional testing prior to its SMETS1 Services going live; for example System Integration Testing. This testing will need to be undertaken for the IOC, MOC and FOC releases. Such transitional testing will be governed by the SMETS1 SEC Variation Testing Approach Document (SVTAD) and the test approach documents that sit beneath it. DCC has been discussing the test approach with the SEC Panel Testing Advisory Group, has issued a draft of the SVTAD for consultation, and will be consulting upon the draft test approach documents in the near future.

Translation into detailed requirements

Forecasting use of the DCC’s Testing Services

- 6.5. The proposed change to Section H14.8 extends the obligation on Testing Participants to provide the DCC with prior notice of their intention to use DCC Testing Services, to include SMETS1 Pending Product Combinations Tests.

The provision of Test Communications Hubs and Devices by the DCC

- 6.6. For SMETS1 Devices, we propose that Section H14.9 is amended to require the DCC to provide a reasonable number of SMETS1 Devices for Testing Participants to use at the DCC's test laboratories. Specifically which Devices will be set out in the Enduring Testing Approach Document.

Device and User System Tests

- 6.7. Section H14.31 currently requires the DCC to provide a set of tests which enable the testing of User Systems with the DCC Systems and the testing of Devices with the DCC Systems. We propose to vary the requirements for these Device and User System Tests to clarify that Device Testing which demonstrates whether Devices can respond to Commands received from or via the DCC, in accordance with the requirements defined in the Great Britain Companion Specification, relate to SMETS2+ meters (as GBCS does not apply to SMETS1).
- 6.8. We also propose to amend the obligations in respect of Device Tests to expand the service to encompass SMETS1 Devices. This would enable a Testing Participant to test for itself that SMETS1 Devices are able to respond to 'Instructions' sent from or via the DCC. It is intended that the DCC should only be required to provide this testing service for the combinations of SMETS1 Device Models that are listed on the SMETS1 Eligible Product Combinations (EPC), as it is these Device Models that the DCC will have already proven that it can communicate successfully with.
- 6.9. No changes are required in respect of User System Tests as the scope of these tests will automatically encompass SMETS1 when the user interface changes to incorporate SMETS1 Service Requests, Service Responses and Alerts.

SMETS1 Pending Product Combinations Testing

- 6.10. We propose that the DCC would offer a service to enable the testing of SMETS1 Device Model combinations that have not already been tested by the DCC and included in the EPC. The purpose of the tests would be to determine whether the DCC can successfully communicate with the new Device Model combination. The tests would be designed to ascertain whether the DCC can successfully process Service Requests and Alerts in respect of them, prior to DCC being required to provide services in relation to such Device Model combinations. Successful testing of these Device Model combinations is a pre-requisite to them being added to the EPC as set out in Chapter 1. Such a testing service is not required for SMETS2+, as the GBCS (which determines how the DCC System structures Commands to send to Devices) is designed such that SMETS2+ Devices are mutually compatible.
- 6.11. A party would use this new testing service where it wishes to change an existing Device Model combination from one on the list of SMETS1 Eligible Product Combinations, for example due to the need to upgrade the firmware or due to replacement of Devices for maintenance purposes. It would also use this testing service should it have a pre-existing Device Model combination that is not yet eligible to be enrolled with the DCC.

- 6.12. Any SEC Party or other Testing Participant (i.e. a meter manufacturer) would be able to request that the DCC carries out these tests. When a Testing Participant requests that the DCC carry out testing on a Device Model combination, DCC would be required to add that Device Model combination to the PPC, undertake testing as soon as reasonably practicable, and advise the requesting party whether the testing was completed successfully or not.
- 6.13. If the DCC were able to successfully complete testing for a Device Model combination, it would add the Device Model combination to the EPC in accordance with Section 2.5 in Chapter 1. If the DCC were unable to successfully complete testing for a Device Model combination and considered that in order to do so, either DCC Systems and processes would need to be materially changed, or a change to the SEC would be required, the DCC would notify the requesting Testing Participant. In doing so the DCC would have to explain (where it reasonably knows) what the problem is, and provide reasonable support to the requester in understanding the issue. In this scenario, the DCC would be under no further obligation to provide the Testing Service to that Testing Participant (and DCC's decision on the issue would not be capable of referral to the SEC Panel under the Testing Issue Resolution process, as the appropriate means for resolution would be via a SEC Modification). We are not proposing to oblige the DCC to make available to other SEC Parties the issues that were discovered where DCC was unable to successfully complete the tests, as we consider that such information may be commercially sensitive, but we would welcome views on this.
- 6.14. If the requester considered that the change (either to DCC systems or the SEC) should be made, they would need to raise a Proposal under the SEC Modifications process. We acknowledge that, in the case of meter manufacturers, Testing Participants may not be SEC Parties and hence may not have the right to raise SEC Modification Proposals; however they could seek to progress such a change via the Supplier(s) on whose behalf the new Device Model combination was being developed.
- 6.15. Both the DCC and the Testing Participant would be obliged to comply with any additional obligations concerning SMETS1 Pending Product Combinations Tests set out in the Enduring Testing Approach Document.
- 6.16. As SMETS1 Pending Product Combinations Testing is a new testing service, rather than the expansion of other existing DCC testing services in respect of SMETS1, we would welcome views on when such a service should be made available. We also invite views from the DCC on when it considers it could make such a service available.

Legal text

SEC Section	Proposed Change
Section H14.1	Adds SMETS1 Pending Product Combinations Tests to the list of Testing Services that the DCC is obliged to provide.
Section H14.8	Adds SMETS1 Pending Product Combinations Tests to the list of Testing Services that Testing Participants must provide advance notice of their use of to the DCC.
Section H14.9	Sets out that details of the SMETS1 Devices that the DCC is obliged to provide as part of its testing services will be set out in the Enduring Testing Approach Document.
Section H14.31	Sets out that in relation to both testing the interoperability of Devices with DCC systems, and in testing simultaneously the interoperability of User Systems and Devices, this service should be expanded to provide equivalent testing services in respect of SMETS1 Devices.
Section H14.32	Consequential drafting changes.
Section H14.36	Sets out the SMETS1 Pending Product Combinations Tests that the DCC will be obliged to provide in order to enable the addition of Device Model combinations to the EPC. Clarifies that where a Testing Issue is raised and DCC determines that the issue cannot be resolved without a material change to the DCC systems and/or a SEC Modification, that this is not capable of referral to the SEC Panel under H14.42 (Testing Issue Resolution).
Section A	Added definition for SMETS1 Pending Product Combinations Tests.
SEC Schedule 7 (Specimen Enabling Services Agreement)	Consequential drafting changes.

Consultation questions

Consultation Question

9.	Do you agree that, where SMETS1 Pending Product Combinations Testing on a combination of Device Models is not able to be successfully completed, DCC should not be obliged to share with other SEC Parties the issue(s) that arose for reasons of commercial sensitivity? Please provide views on whether this information should be withheld by the DCC, or made available to all SEC Parties.
10.	Please provide views on when you consider the SMETS1 Pending Product Combinations Testing Service should be made available.
11.	Do you agree with the proposed changes to the legal drafting of Section H14 of the SEC?

Chapter 6: Transition (Section X)

Description of the issue

- 7.1. The DCC Licence and Section X of the SEC contain provisions which are designed to enable the delivery of a fit-for-purpose regulatory framework during the transition from Programme-led, transitional governance to industry-led, enduring governance of smart metering. They arise from a recognition that progressing through transition is dependent on different parties working together effectively, and that rapid changes to the regulatory framework may be required in order to ensure an efficient and effective transition to Completion of Implementation¹¹.
- 7.2. As a reflection of these requirements, the transitional provisions contained in the DCC Licence and Section X of the SEC are designed to establish appropriate rights and obligations on different parties during this period. Some of the provisions provide that, where necessary, the regulatory framework is capable of being modified at short notice, in order to allow for technical documents to be incorporated, and to efficiently resolve issues that emerge during the course of delivery and implementation.
- 7.3. The DCC Licence and the SEC currently provide that certain transitional provisions of the DCC Licence and Section X of the SEC, and any changes made using those provisions (other than subsidiary documents incorporated into the SEC), will expire on 31 October 2018. This date was originally set to align with the expiry of the Secretary of State's Section 88 Energy Act 2008 powers, which the Smart Meters Bill that is currently before Parliament is proposing to extend.
- 7.4. We consider that a number of transitional provisions are likely to continue to be required to support delivery of SMETS1 enrolment, should the Secretary of State decide to require the DCC to provide a SMETS1 Service, and to support delivery of the Programme more generally in the run-up to completion of the smart meter rollout in 2020. We are therefore proposing to extend the operation of a number of specific provisions until the earlier of Completion of Implementation or 31 December 2020. The remainder of the provisions in SEC Section X which relate to

¹¹ Completion of Implementation occurs on a date designated by the Secretary of State (or by a person appointed by him for that purpose) provided that all the Conditions of the DCC Licence are in full force and DCC is reasonably able to comply with them. The SEC further provides that this will be when the Secretary of State believes that:

- The documents material to the implementation of the SEC have been incorporated into it
- The provisions material to the implementation of the SEC apply in full and without variation
- Each Party that holds an energy licence is reasonably able to perform its obligations and exercise its rights under the Code.

In advance of triggering the Completion of Implementation, the Secretary of State will consult with SEC Parties in respect of a proposed date.

transition, including the powers to direct transitional variations and all transitional variations currently in force, will expire on 31st October 2018, as originally planned.

Translation into detailed requirements

- 7.5. The key provisions of SEC Section X and the DCC Licence that we are proposing to extend until the earlier of Completion of Implementation or 31 December 2020 are:
- DCC Licence Condition 13: The requirement to facilitate an efficient, economical, co-ordinated, timely and secure process of transition to the Completion of Implementation (the Transition Objective), and powers for the Secretary of State to direct and approve the production of new plans by the DCC.
 - Section X1 (except X1.11): The requirement on SEC Parties to take all reasonable steps, and provide reasonable co-operation and assistance to other Parties and the SEC Panel, to facilitate achievement of the Transition Objective; additional provisions related to testing, publication of draft Subsidiary Documents by the DCC and day-one Elective Communication Services.
 - Section X2.3(d), X2.7 & X2.8: Powers for the Secretary of State to direct the SEC Panel to cancel or suspend any Modification Proposal.
 - Sections X3.1 & X3.9: Powers for the Secretary of State to designate the date from which SEC Sections, Schedules and Subsidiary Documents are to be effective.
 - Section X5: Powers for the Secretary of State to designate and re-designate SEC Subsidiary Documents.
 - Section X9: Provisions relating to interim device testing and pre-User Entry Process Testing.
 - Section X11: Powers for the Secretary of State to direct the DCC to produce a SEC Variation Testing Approach Document in respect of proposed variations to the SEC.
- 7.6. In support of the transition to industry-led governance, we propose to allow any remaining provisions (such as powers to direct transitional variations, provisions relating to the initial establishment of the SEC Panel and Code Administrator, and transitional incident management rules that only applied until the full Incident Management regime came into effect) to expire at the end of October 2018. In the absence of powers to direct transitional variations to the SEC, the code will remain capable of being modified:
- Using the Secretary of State's Section 88 Energy Act 2008 powers.
 - Through the SEC modification process set out at Section D of the SEC.

Legal text

Regulatory Document	Proposed Change
DCC Licence	We propose to amend the sunset date in Condition 5.14 (c) of the DCC Licence from 31 October 2018 to 31 December 2020. We propose further consequential changes throughout the DCC Licence to reflect this change.
Section X1	<p>We propose to amend Section X1.5 such that the following provisions are extended until the earlier of Completion of Implementation or 31 December 2020:</p> <ul style="list-style-type: none"> • Section X1, except for X1.11; • Section X2.3(d), X2.7 and X2.8; • Sections X3.1 and X3.9; • Section X5; • Section X9; and • Section X11. <p>The remaining provisions of Section X will cease to apply from 31 October 2018.</p>
Sections A, B, C, G, I, L and T	Consequential changes to reflect the proposed amendments to Section X.

Consultation questions

Consultation Question

12.	Do you agree with the proposed changes to the legal drafting of SEC Section X and the DCC Licence in respect of transition?
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Chapter 7: Migration of SMETS1 Meters to the DCC and associated Transitional Arrangements

Description of the issue

- 8.1. Part of the DCC's SMETS1 enrolment project needs to set out the approach for migrating SMETS1 meters into the DCC's systems. The detailed technical and procedural requirements underpinning the DCC's migration solution will be set out in a new subsidiary document, known as the Transition and Migration Approach Document (TMAD). The DCC's SMETS1 Service Delivery Plan, which has been in place since October 2017, includes a milestone on the TMAD, and DCC has held a series of workshops with stakeholders to develop the migration approach, and plans to consult on a draft of the TMAD in the near future. The TMAD will set out the process to apply between Suppliers and the DCC when enrolling SMETS1 Smart Metering Systems that have been commissioned by an existing SMETS1 Smart Meter System Operator (SMSO).
- 8.2. Additionally, specific rules or procedures regarding the way in which the DCC Service operates during migration (a period in which potentially millions of meters are going to be migrated to the DCC) are likely to be required; for example, the handling of Incidents during this busy and unique period may need to be modified. As DCC's service management arrangements may be generic rather than operating separately in respect of SMETS1 and SMETS2 Smart Metering Systems, it may be that such changes need to apply in respect of all aspects of DCC's service provision rather than just in respect of SMETS1 services. We propose that any such rules would be set out in the TMAD.
- 8.3. Finally, we propose that the TMAD may include provisions that require Users and the DCC to enter into bilateral contracts for the provision of Elective Communications Services in respect of SMETS1 meters as part of the transitional arrangements. It is not yet clear whether or not this will be required, and as a general principle BEIS believes that the provision of elective services should be treated as a bilateral matter between the DCC and its Users under the enduring arrangements governing the provision of Elective Communications Services. However, should it be determined that any such provisions are required, we would propose to use TMAD to specify them.

Translation into detailed requirements

- 8.4. We propose to incorporate new drafting into the SEC which sets out the scope, development and eventual application of the TMAD. The TMAD will set out the processes, pre-conditions, rules and requirements surrounding the migration of

meters into the DCC's systems. This includes the ability for the TMAD to vary provisions of the SEC to the extent required to support the migration of meters into the DCC's systems.

- 8.5. We also propose to create obligations on the DCC that reflect the need for it to have developed a draft of the TMAD in consultation with stakeholders, and for it to also produce future versions of this document should this be required. For example, the first version might deliver the requirements to support migration for the meter cohorts that are within the scope of IOC, but may need to be further developed to support meter cohorts at MOC and FOC.
- 8.6. To provide for these obligations and processes, we propose to add a new Section N6 to the SEC, and to amend Section A to include relevant definitions.
- 8.7. The key provisions of N6 are to:
 - Provide for TMAD to place new (and/or vary existing) rights and obligations in the Smart Energy Code on the DCC and other Parties to enable the enrolment of SMETS1 systems.
 - Provide for TMAD to introduce rights and obligations on the DCC and other Parties in relation to provision of services in respect of SMETS1 systems.
 - Provide for TMAD to introduce pre-conditions, rules, requirements and constraints in relation to various aspects of enrolment of SMETS1 Smart Metering Systems.
 - Provide for TMAD to oblige the DCC and Users to enter into Bilateral Agreements for the provision of Elective Communication Services in respect of SMETS1.
 - Provide for TMAD to limit and/ or vary the rights and obligations of the Parties during the transitional period that refer to the provision of the Services (which could include in respect of SMETS2 devices).
 - Provide for TMAD to vary limitations of liability provided for in the Code during the transitional period and for giving indemnities against liabilities to which SMETS1 SMSOs might be exposed in relation to TMAD.
 - Provide for TMAD to give rights to SMETS1 SMSOs to enforce relevant TMAD provisions.
 - Provide for referral and determination of disputes in respect of TMAD.
- 8.8. With respect to Section A, we propose to add new definitions for "Transition and Migration Approach Document" and "SMETS1 SMSO".

Legal text

Regulatory Document	Proposed Change
Section N6	<p>Addition of a new Section N6 to provide for development of a Transition and Migration Approach Document (TMAD) by the DCC.</p> <p>Incorporation of further provisions to establish the purpose and potential scope of the TMAD.</p>
Section A	Addition of a new definition for Transition and Migration Approach Document (TMAD) and SMETS1 SMSO.

Consultation questions

Consultation Question

13.	Do you agree with the proposed scope and content of Section N6 of the SEC?
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Chapter 8: Other changes

Section H11

- 9.1. Minor changes have been proposed to clarify that provisions relating to Parse and Correlate software only apply in respect of Service Responses and Device Alerts generated in respect of a SMETS2+ Device.

Section L

- 9.2. On 14 February 2018, BEIS consulted, through an open letter consultation, on changes to Section L to support Production Proving. These changes included a number of minor corrections to Section L that were not directly related to Production Proving, as well as providing for new types of Organisation Certificate that do not have a Remote Party Role Code that is recognised by Devices (and hence which are not specified in the Great Britain Companion Specification (GBCS) but instead in a new Annex to Section L).
- 9.3. The changes that we propose for Enrolment and Adoption also make provision for an additional type of Organisation Certificate that is not recognised by Devices (but is instead used by SMETS1 Service Providers to digitally sign XML documents). These Certificates are used only for XML signing and have a new, unique Remote Party Role Code (as specified in the amended Annex A to Section L). The changes for Enrolment and Adoption would be additive to those already proposed, and in the legal text mark-up we have shown as change-marked those corrections to Section L that would be made for Production Proving to provide context.

Section N

- 9.4. We propose to move provisions requiring the registered supplier to ensure that each Energy Meter to be Enrolled is a SMETS1 Meter at the time of its Enrolment from Section N2 to the Inventory, Enrolment and Withdrawal Procedures Document. This is to enable the provisions relating to SMETS1 compliance to be located alongside the pre-conditions for commissioning a SMETS1 meter. Consequential changes to the wording of these provisions are also proposed.
- 9.5. Our current policy position of confirming that Device Models comply with SMETS1 only at the time that they are Commissioned is based on the assumption that new SMETS1 meters will cease to be installed (or made compliant) following the SMETS1 end date (or expiry of any applicable derogation). If this assumption proves to be incorrect, we may propose further changes to the drafting that limits enrolment rights to those devices that were SMETS1 compliant prior to the SMETS1 end date.

- 9.6. We additionally propose to remove the requirement on DCC to establish, maintain and publish the SMETS1 Eligible Products List. This is because we propose to replace this requirement with new provisions relating to the SMETS1 EPC and SMETS1 PPC lists set out at Section F of the SEC, and described in Chapter 1 of this document.
- 9.7. We propose to consider further changes to Section N to remove drafting that is redundant, or has been superseded by provisions elsewhere in the SEC, in a future consultation. We will additionally consult on the changes to UISS that are required for SMETS1, at which point we propose to delete Appendix F to the SEC and the associated drafting at Section N.

Section Z

- 9.8. We propose to amend Section Z of the SEC to clarify that all references to Communications Hubs mean SMETS2+ Communications Hubs

DCC Licence

- 9.9. In addition to the changes in respect of Completion of Implementation set out in Chapter 6, we have proposed amending the definition of Legacy Procurement Contracts so that it includes contracts entered into by the DCC for the purposes of providing communications or data services in respect of SMETS1 Smart Metering Systems. This change is proposed so that the other DCC Licence Conditions that apply to Relevant Service Capability provided under Legacy Procurement Contracts (i.e. Fundamental Service Capability) will apply. This includes, for example, Part D of Condition 11 (relating to the management of the relevant External Service Providers), the competitive (re) procurement of such Relevant Service Capability in accordance with Condition 16.5, as well as the provisions of Part C of Condition 16.

Energy Supply Licence Conditions

- 9.10. We have proposed amendments to clarify that Licence Conditions relating to Prepayment Meter Interface Devices, HAN Connected Auxiliary Load Control Switches and Alt HAN apply only to SMETS2+ Smart Metering Systems since, for the purposes of the Licence Conditions, such devices are only explicitly recognised as being part of a SMETS2+ Smart Metering System.

Section A

9.11. We propose to update Section A to reflect the DCC's provision of Services in relation to SMETS1 Smart Metering Systems. In particular we propose to:

- Introduce a number of additional device-based definitions which are intended to define SMETS1 Device equivalents to the existing SMETS2+ Device set.
- Add a number of definitions that reflect the various countersigned communications (i.e. which will contain (at least) two digital signatures, in light of the different processing of SMETS1 Service Requests (and as further explained by the Service Request Processing Document and SMETS1 Supporting Requirements)).
- Make a number of changes to the DCC-systems related definitions to include the additional SMETS1 related systems, but to exclude SMETS1 CHs that, unlike for SMETS2, are not the responsibility of DCC.
- Add in definitions for the SMETS1 Eligible Product Combinations and SMETS1 Pending Product Combinations.
- Modify a number of definitions where we considered it necessary to differentiate between the meaning of some terms for SMETS1 and SMETS2+, including the addition of a concept of a SMETS2+ Device.
- Add in a definition of Equivalent Steps which is used to define what the DCC must do following the receipt of a SMETS1 Service Request.
- Add in a number of other definitions that are proposed to be used in more than one Subsidiary Document.
- Make a number of other consequential changes.

Legal text

Regulatory Document	Proposed Change
Section H11	Clarification that provisions relating to Parse and Correlate software only apply in respect of SMETS2+ Service Responses and Device Alerts.
Section L	L3.18 – Addition of a new Remote Party Role Code and addition of associated Remote Party Role Code to Annex A.
Section N	Propose to move requirements relating to SMETS1 Compliance to the Inventory, Enrolment and Withdrawal Procedures Document, and to remove requirements relating to the SMETS1 Eligible Products List.

Section Z	Clarification that all references to Communications Hubs mean SMETS2+ Communications Hubs.
Smart Meter Communications Licence	Removal of redundant definition of Installation Date. Amendments to Schedule 1 to update the definition of a Legacy Procurement Contract.
Electricity Supply Licence	Minor changes to Conditions 52 (Smart Metering Systems – Requirements for Specified Optional Equipment) and 55 (Smart Metering – The Alt HAN Arrangements) to clarify that these sections only apply to SMETS2+ Smart Metering Systems.
Gas Supply Licence	Minor changes to Condition 49 (Smart Metering – the Alt HAN Arrangements) to clarify that this section only applies to SMETS2+ Smart Metering Systems.
Section A	Updates to a number of definitions and the addition of new definitions.
Inventory, Enrolment and Withdrawal Procedures Document	Consequential changes to incorporate provisions relating to SMETS1 compliance that have been removed from Section N, and to adapt the language of those provisions to align with that used elsewhere in the SEC.

Consultation questions

Consultation Question

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| 14. | Do you agree with the proposed changes to Sections A, H11, L, N and Z, energy supply licence conditions, the DCC Licence and the Inventory, Enrolment and Withdrawal Procedures Document? |
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Glossary

This section provides a glossary of the principal terms used in this document.

A complete set of definitions and interpretations of terms used in the SEC can be found in Section A of that document.

The definitions in this glossary are not intended to be legally precise, but instead to assist in understanding the consultation document.

Term	Definition
Alert	A message from a Device or from DCC sent as a DCC Alert or a Device Alert to a DCC User across the DCC User Interface.
the Authority	Refers to the Office of Gas and Electricity Markets (Ofgem).
Central Products List	This is a list of: <ul style="list-style-type: none">• SMETS2+ Device Models for which the Panel has received all the necessary Assurance Certificates• SMETS1 Device Models for which the Panel has received all the information required by the CPL Requirements Document.
Code	The Smart Energy Code (including its Schedules and the SEC Subsidiary Documents).
Communications Hub Technical Specifications (CHTS)	A document which sets out the minimum physical, functional, interface and data requirements that apply to a SMETS2 Communications Hub.
Core Communications Services	The Services set out in the DCC User Interface Services Schedule, excluding the Enrolment Services and Local Command Services.
CPL Requirements Document	The Subsidiary Document setting out the requirements for adding or removing a Device Model from the Central

	Products List.
Data and Communications Company (DCC)	The holder of the Smart Meter communication licence, currently Smart DCC Ltd.
Deployed Products List	A list of all the different combinations of Device Models that comprise a Smart Metering System.
DCC Licence	The licences granted under section 6(1A) of the Electricity Act and section 7AB(2) of the Gas Act.
DCC User Interface Services Schedule	The SEC Subsidiary Document summarising the services available to Users across the User Interface and specifying a number of other matters such as eligibility to receive those services.
Device Model	The Manufacturer, model, hardware version and firmware version of the Device or Communications Hub.
GB Companion Specification (GBCS)	A document setting out, amongst other things, the detailed arrangements for communications between the DCC and Devices, and the behaviour required of Devices in processing such communications for SMETS2 meters.
Elective Communications Services	The communication services that are (or are to be) defined in a Bilateral Agreement (rather than the DCC User Interface Services Schedule) in a manner that involves communication via the SM WAN (provided that such services must relate solely to the Supply of Energy or its use).
Personal Data	Means personal data, as defined in the Data Protection Act.
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.
SEC Panel	A Panel of persons drawn from the energy industry and consumer organisations who oversee governance of the SEC, subject to the regulatory oversight of Ofgem.

S1SP	SMETS1 Service Provider.
SECAS	The company appointed and contracted to SECCo to carry out the functions of the Code administrator and the Code Secretariat - Gemserv.
Security Obligations and Assurance Arrangements	Pulls together into one definition the main SEC security obligations in scope for consideration by the SSC.
SEC Subsidiary Documents	The appendices to the SEC, which set out the technical and procedural detail required to support the fulfilment of rights or obligations specified in the SEC.
Service Requests	A request for one of the DCC Services set out in the DCC User Interface Services Schedule (UISS), or for an Elective Communication Service provided for by a bilateral agreement.
Smart Metering Equipment Technical Specifications (SMETS)	A specification (which is to form part of the SEC) of the minimum technical requirements of Smart Metering equipment (other than Communications Hubs, which are separately dealt with in CHTS).
Smart Metering Inventory	An electronic database of information relating to Devices.
SMETS1 Smart Meter System Operator (SMSO)	A smart meter system operator that provides data and/or communications services in respect of SMETS1 Devices.
SMETS1 SM WAN	The means by which the DCC sends, receives and conveys communications to and from some or all SMETS1 CHF (which may differ between SMETS1 CHF).
SMETS1 CH (Communications Hubs)	A physical device comprising a SMETS1 CHF and a SMETS1 GPF.
SMETS1 CHF (Communications Hub Functions)	That part of a SMETS1 ESMS or SMETS1 GSMS which incorporates the wide area network interface and controls which Devices can communicate via the associated home area network interface.
SMETS1 Device	One of the following: (a) a SMETS1 ESME; (b) a SMETS1 GSME; (c) a SMETS1 CHF; (d) a SMETS1

	GPF; (e) a SMETS1 PPMID; (f) a SMETS1 IHD; and (g) any other device operating on a home area network created by a SMETS1 CHF.
SMETS1 Device Model	The Device Model of a Device which complies with the requirements of SMETS1 (or which, in combination with other Devices, complies with the requirements of SMETS1).
SMETS1 Eligible Product Combinations	A list of Device Model combinations in relation to which DCC has proven through testing that it can successfully process Service Requests
SMETS1 GPF (Gas Proxy Function)	Operates as a proxy device for the Gas Smart Metering Equipment (GSME), in order to accurately and securely record and transmit, where appropriate, information about gas usage in a smart metered property.
SMETS1 Pending Product Combinations	A list of Device Model combinations in relation to which DCC is testing its ability to communicate.
SMETS1 Pending Product Combinations Tests	Services whereby the DCC tests combinations of SMETS1 Device Models that are not at the time included on the SMETS1 Eligible Product Combinations list, in order to determine whether it can successfully process SMETS1 Service Requests and Alerts in respect of them.
Target Response Times	The period of time within which DCC commits to undertake a specific activity.
Testing Participant	The persons (whether or not they are Parties) who are entitled to use the Testing Services described in Section H14 of the SEC.

Catalogue of consultation questions

Consultation Question

1.	Do you agree with the proposal to amend the name of the Certified Products List to the Central Products List? Please state whether you consider that this will have any adverse impacts (for example, on contracts that have been entered into for Devices) and any alternative suggestions.
2.	Do you agree with the proposal to create new obligations on the Lead Supplier at split supply premises with regard to the management of SMETS1 CHs?
3.	Do you agree with the proposed changes to the legal drafting of SEC Section F regarding various Smart Metering System requirements?
4.	Do you agree with the proposed changes to the legal drafting of Section G?
5.	Do you agree with the proposed changes to the legal drafting of Section H3 of the SEC?
6.	Do you agree with the proposed changes to the legal drafting of Sections H5, H6 and H7 of the SEC?
7.	Do you agree with the proposal to activate Section H7 (Elective Communication Services) on 1st October 2018?
8.	Do you agree with the proposed changes to the legal drafting of Sections H8-9 of the SEC?
9.	Do you agree that, where SMETS1 Pending Product Combinations Testing on a combination of Device Models is not able to be successfully completed, DCC should not be obliged to share with other SEC Parties the issue(s) that arose for reasons of commercial sensitivity? Please provide views on whether this information should be withheld by the DCC, or made available to all SEC Parties.

10.	Please provide views on when you consider the SMETS1 Pending Product Combinations Testing Service should be made available.
11.	Do you agree with the proposed changes to the legal drafting of Section H14 of the SEC?
12.	Do you agree with the proposed changes to the legal drafting of SEC Section X and the DCC Licence in respect of transition?
13.	Do you agree with the proposed scope and content of Section N6 of the SEC?
14.	Do you agree with the proposed changes to Sections A, H11, L, N and Z, energy supply licence conditions, the DCC Licence and the Inventory, Enrolment and Withdrawal Procedures Document?

General information

Responding to this Consultation

This document is a Government consultation on proposed changes to the Smart Energy Code, energy supply licence conditions, and the DCC Licence to facilitate the enrolment of SMETS1 meters into the DCC's national communications infrastructure.

Issued: 27 March 2018

Consultation Closes: 26 April 2018

Responses and Enquiries to:

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Confidentiality and data protection

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (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.