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What stage is this document in the process?

Stage 01: Modification Proposal

▶ 01	Modification Proposal
02	Initial Modification Report
03	Draft Modification Report
04	Final Modification Report

SECMP0026:

Changes to the Security Sub-Committee Nomination Process

This modification seeks to alter the current Security Sub-Committee’s (SSC) member nomination process in three areas to:

- *require that nominators must hold a relevant senior position within their organisation;*
- *grant the SSC authority to reject nominees if they lack relevant security expertise; and*
- *require that nominees undergo security vetting.*

The Proposer recommends that this Modification Proposal should be:



- progressed as a Path 3: Self-Governance Modification

This Modification Proposal should:

- proceed to Modification Report Consultation



This Modification Proposal impacts the Security Sub-Committee Membership process

MODIFICATION PROPOSAL FORM V1.0

1. Proposer's Contact Details

Details of Proposer

Name:	Geoff Huckerby
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Representative as Point of Contact

Details of Representative's Alternate

Name:	n/a
Organisation:	n/a
Contact Number:	n/a
Email Address:	n/a

2. Modification Proposal Details

Mod Submission Date:	12/12/2016
Title of Mod Proposal:	Changes to the Security Sub-Committee Nomination Process
Description in Detail of the Proposed Modification:	<p>Consideration of this Modification Proposal was prompted in light of a scenario where the Security Sub-Committee (SSC) noted they have insufficient mechanisms to select or reject candidates based on their relevant security expertise. The consideration arose in recognition that security expertise is essential to review and comment on User Assessments and in considering reports of security incidents and vulnerabilities that are required by the SEC. The current nomination process does not have any safeguards to ensure that appropriate security expertise is obtained.</p> <p>To avoid such occurrences and to ensure a more thorough selection process for SSC membership, SECMP0026 seeks to alter the current membership process in the following three ways so that:</p>

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- It mandates that the nominator holds a senior position within their organisation and is satisfied that the nominee has the security expertise relevant to represent the Party category being nominated;
- it allows the SSC to reject a nominee on the grounds of insufficient security expertise prior to any membership vote; and
- it requires that the nominee undergoes security vetting prior to being nominated, with an associated declaration included in the SSC membership nomination form. The vetting process would involve nominees undergoing basic BS7858 (Security screening of individuals employed in a security environment. Code of Practice) security assessment or its equivalent.

To achieve this outcome, SECMP0026 will require amendments to SEC Section G7 'Security Sub-Committee'.

3. Path Type and Urgency Recommendation

Proposer's recommendations on Path Type (delete as appropriate)

Path 3

Statement for recommended Path Type:

It is proposed that this Modification Proposal proceeds as a Path 3: Self Governance Modification.

None of the criteria that would define this modification as having a material impact and therefore a Path 2 Modification: Authority Determination (as per SEC Section D2.6 (a), (b), (c), (d) and (e)) have been met.

The proposed changes are not believed to be material as they only relate to how the SSC membership is determined. The matter has been discussed by the SSC prior to being formally raised and reflects the discussions and feedback from the SSC.

Statement of whether Proposal is intended to be Fast-Track Modification (only Panel may raise this type of modification):

This Modification Proposal does not meet the requirements to be a Fast-Track Modification Proposal, therefore this is not applicable.

Is the Proposal Urgent? (delete as appropriate)

No

Statement of whether Proposal should be treated as an Urgent Proposal:

Not Applicable.

SECMP0026

Modification Proposal

12/12/2016

Version 1.0

Page 3 of 10

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4. Modification Impact Assessment

4.1 SEC Objectives

Facilitation of SEC Objectives	Tick
General SEC Objectives (C1.1)	
(a) the first General SEC Objective is to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain;	<input type="checkbox"/>
(b) the second General SEC Objective is to enable the DCC to comply at all times with the General Objectives of the DCC (as defined in the DCC Licence), and to efficiently discharge the other obligations imposed upon it by the DCC Licence;	<input type="checkbox"/>
(c) the third General SEC Objective is to facilitate Energy Consumers' management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems;	<input type="checkbox"/>
(d) the fourth General SEC Objective is to facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy;	<input type="checkbox"/>
(e) the fifth General SEC Objective is to facilitate such innovation in the design and operation of Energy Networks (as defined in the DCC Licence) as will best contribute to the delivery of a secure and sustainable Supply of Energy;	<input type="checkbox"/>
(f) the sixth General SEC Objective is to ensure the protection of Data and the security of Data and Systems in the operation of this Code;	<input type="checkbox"/>
(g) the seventh General SEC Objective is to facilitate the efficient and transparent administration and implementation of this Code.	<input checked="" type="checkbox"/>
Transition Objective (X1.2)	
X1.2 The objective to be achieved pursuant to Section X: Transition is the efficient, economical, co-ordinated, timely, and secure process of transition to the Completion of Implementation.	<input type="checkbox"/>
Charging Objectives (C1.3) (in respect of the Charging Methodology)	
C1.4 The First Relevant Policy Objective:	
<ul style="list-style-type: none"> (a) applies in relation to Smart Metering Systems installed (or to be installed) at Domestic Premises; and (b) requires the Charging Methodology to ensure that Charges (other than Charges for Elective Communication Services) in respect of such Smart Metering Systems do not distinguish (whether directly or indirectly) between Energy Consumers at Domestic Premises in different parts of Great Britain. 	<input type="checkbox"/>

SECMP0026

Modification Proposal

12/12/2016

Version 1.0

Page 4 of 10

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<p>C1.5 The Second Relevant Policy Objective is that, subject to compliance with the First Relevant Policy Objective, the Charging Methodology must result in Charges that:</p> <ul style="list-style-type: none"> (c) facilitate effective competition in the Supply of Energy (or its use) under the Electricity Act and the Gas Act; (d) do not restrict, distort, or prevent competition in Commercial Activities that are connected with the Supply of Energy under the Electricity Act and the Gas Act; (e) do not deter the full and timely installation by Energy Suppliers of Smart Metering Systems at Energy Consumers' premises in accordance with their obligations under the Energy Supply Licence; and (f) do not unduly discriminate in their application and are reflective of the costs incurred by the DCC, as far as is reasonably practicable in all of the circumstances of the case, having regard to the costs of implementing the Charging Methodology. 	<input type="checkbox"/>
<p>C1.6 The Third Relevant Policy Objective is that, subject to the Compliance with the First and Second Relevant Policy Objectives, the Charging Methodology must result in Charges that:</p> <ul style="list-style-type: none"> a) facilitate effective competition in the Supply of Energy (or its use) under the Electricity Act and the Gas Act; b) do not restrict, distort, or prevent competition in Commercial Activities that are connected with the Supply of Energy under the Electricity Act and the Gas Act; c) do not deter the full and timely installation by Energy Suppliers of Smart Metering Systems at Energy Consumers' premises in accordance with their obligations under the Energy Supply Licence; and d) (d) do not unduly discriminate in their application and are reflective of the costs incurred by the DCC, as far as is reasonably practicable in all of the circumstances of the case, having regard to the costs of implementing the Charging Methodology. 	<input type="checkbox"/>

Statement of how the proposed variation would better facilitate the achievement of the SEC Objectives:

General SEC objective (g) is better facilitated by this modification.

As the Smart Metering Implementation Programme develops and transitions to an enduring stage, the SSC will continue playing a vital role in maintaining a secure environment. Its decisions will impact more and more Parties as they accede to the SEC. Therefore, ensuring that SSC maintains a high level of security expertise will be crucial to this

Sub-Committee fulfilling its role. The changes proposed by SECMP0026 seek to ensure that a high level of security expertise on the SSC is maintained.

4.2 Impacts

Statement of impact on Greenhouse Gas Emission:

Greenhouse Gas emissions will not be impacted by this modification as it is a non-material change to Governance Processes.

Statement of impact on which parts of the SEC would need amending (e.g. proposed legal drafting):

SEC Section G7.7 will be amended to include additional provision(s) stating that:

- all nominations shall be made by persons who hold a senior position in their organisation and are satisfied that the nominee has the security expertise relevant to represent the Party category of the nomination;
- nominees may be disregarded by a majority of the voting incumbent Members of the SSC, prior to any membership vote, if they do not have or are unable to demonstrate that they have relevant security expertise; and
- that the nominator declares that the nominee has been security vetted before having their name put forward.

The necessary legal text to deliver the changes detailed above can be found in Attachment A – SECMP0026 – Legal Text. The changes have been drafted against SEC version 5.0.

Further to these legal changes, SECAS will modify the “Invitation for SSC Member Nominations” form to ensure that nominators are made aware of these changes and express their consent when putting forth nominees.

Statement of impact on likely changes to other Energy Codes:

The Modification Proposal will not impact any other industry codes.

Statement of impact on likely Party Categories:

Large Supplier Parties	<input checked="" type="checkbox"/>	Small Supplier Parties	<input checked="" type="checkbox"/>
Electricity Network Parties	<input checked="" type="checkbox"/>	Gas Network Parties	<input checked="" type="checkbox"/>
Other SEC Parties	<input checked="" type="checkbox"/>		

There will be no direct material impact on SEC Parties, as the change only relates to the nomination process for the SSC Membership.

SECMP0026

Modification Proposal

12/12/2016

Version 1.0

Page 6 of 10

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However, SECMP0026 does affect all SEC Parties looking to nominate a person to be on the SSC.

Statement of impact on Consumers:

Consumers will not be impacted by this modification as it involves non-material changes to the SSC membership process.

Statement of impact on Central Systems:

DCC Systems	<input type="checkbox"/>	User Systems	<input type="checkbox"/>
Smart Metering Systems and/or Communications Hubs	<input type="checkbox"/>	Other (i.e. on Smart Metering Key Infrastructure, or security)	<input type="checkbox"/>

No systems will be impacted by this Modification Proposal as it is solely a change to Section G7 – Security Sub-Committee only.

This document has a Classification of **White**

5. Proposed Timetable

Proposed Timetable for Modification Proposal:

Stage	Start	Finish
Modification Proposal Raised	Mon 12/12/16	n/a
Panel reviews Initial Modification Report	Fri 06/01/17	Fri 13/01/17
Modification Report stage	Mon 16/01/17	Fri 03/02/17
Change Board vote	Wed 15/02/17	Wed 22/02/17
Implementation	5 Working Days after end of the 10WD referral period (estimated date = 16 th March 2017)	

Note the timetable assumes progression as a Path 3 Modification Proposal and therefore does not include Authority Determination.

In addition, the timescales are built around it being initial considered, following submission, at the November Panel meeting.

This document has a Classification of **White**

APPENDIX 1: Glossary of Terms

The table below illustrates useful definitions of the terms used in this form. If you require any further information please contact the [SECAS Helpdesk](#).

Term	Definition
DCC Systems	<p>Means the Systems used by the DCC and/or the DCC Service Providers in relation to the Services and/or this Code (Section A1, SEC Stage 3.0).</p> <p>The Proposer may wish to consider anticipated impacts on the DCC Licensee's enterprise systems (e.g. billing) or the Data Service Provider or Communications Service Providers.</p>
Fast-Track Modifications	<p>Means Modification Proposals (Path 4 Modifications) to correct typographical or other minor errors or inconsistencies to the Code (Section D2.8, SEC Stage 3.0).</p>
General SEC Objectives	<p>Has the meaning given to that expression in Section C1 (SEC Objectives) (Section C1, SEC Stage 3.0).</p> <p>The SEC Objectives are those objectives that the SEC has been designed to achieve.</p>
Greenhouse Gas Emission	<p>Means emissions of Greenhouse Gases, as defined in section 92 of the Climate Change Act 2008 (Section A1, SEC Stage 3.0).</p>
Other Systems	<p>Other systems identified in the section Statement of Impact on Central Systems.</p> <p>The Proposer may wish to consider Prepayment vendors, Electricity Central Online Enquire Service (ECOES), Single Centralised Online Gas Enquiry Service (SCOGES), BSC Settlement Systems, etc.</p>
Path Type	<p>Means the Modification Path to be followed in respect of a Modification Proposal. The type of Path will depend upon the nature of the variation proposed in the Modification Proposal (D2.1, SEC Stage 3.0). The four Modification Paths under the SEC are:</p> <ul style="list-style-type: none"> • Path 1 Modifications: Authority-led (Section D2.4/D2.5, SEC Stage 3.0) • Path 2 Modifications: Authority Determination (Section D2.6, SEC Stage 3.0) • Path 3 Modifications: Self-Governance (Section D2.7, SEC Stage 3.0) • Path 4 Modifications: Fast-Track Modifications (Section D2.8, SEC Stage 3.0)

SECMP0026

Modification Proposal

12/12/2016

Version 1.0

Page 9 of 10

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Term	Definition
Party Category	<p>Means one of the following categories:</p> <ul style="list-style-type: none"> (a) the Large Supplier Parties collectively; (b) the Small Supplier Parties collectively; (c) the Electricity Network Parties collectively; (d) the Gas Network Parties collectively; or (e) the Other Sec Parties collectively. <p>(Section A1, SEC Stage 3.0).</p>
Smart Metering Systems	<p>Means a system installed at premises for the purposes of the Supply of Energy to the premises that, on the date it is installed, as a minimum;</p> <ul style="list-style-type: none"> (a) consists of the apparatus identified in; (b) has the functional capability specified by; and (c) complies with the other requirements of, <p>the Smart Metering Equipment Technical Specification that is applicable at the date (Section A1, SEC Stage 3.0).</p> <p>In summary, this includes:</p> <ul style="list-style-type: none"> • Gas Smart Metering Equipment; • Electricity Smart Metering Equipment; • In Home Display; • Prepayment Interface Device; and • HAN Connected Auxiliary Load Control Switch.
Urgent Proposal	<p>Means a Modification Proposal deemed an Urgent Proposal where the Authority directs the Panel to treat the Modification Proposal as an urgent Proposal (whether following a referral by the Panel pursuant to Section D4.5, or at the Authority's own initiation) (Section D4.5/D4.6, SEC Stage 3.0).</p>
User Systems	<p>Means, in respect of each User (DCC User), the Systems of that User (including, where relevant, those of its Supplier Nominated Agent) used in relation to the Services and/or Smart Metering Systems (Section A1, SEC Stage 3.0).</p> <p>The Proposer may wish to consider Suppliers; Network Operators; Registration Data Providers; Other DCC Users (e.g. Authorised Third Parties / Switching Sites); Supplier Nominated Agents.</p>

SECMP0026

Modification Proposal

12/12/2016

Version 1.0

Page 10 of 10

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