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## Stage 01: Initial Modification Report

# SECMP0026:

## Changes to the Security Sub-Committee Nomination Process

|    |                             |
|----|-----------------------------|
| 01 | Initial Modification Report |
| 02 | Refinement Process          |
| 03 | Report Phase                |
| 04 | Final Modification Report   |

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

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

**Any questions?**  
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**P3** The recommendation is that this modification should:

- follow Path 3: Self-Governance; and
- proceed to Modification Report consultation.

**!** This Modification Proposal impacts the Security Sub-Committee Member nominations process and therefore will impact the:

- SEC Panel; and
- SSC.

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## About this document

This document is an Initial Modification Report. It enables the SEC Panel to carry out its initial consideration on how this Modification Proposal should be progressed through the Modification Process.

The Panel considered this report at its meeting on 13<sup>th</sup> January 2017.

This Initial Modification Report has four attachments:

- Attachment A: SECMP0029 - Modification Proposal Form
- Attachment B: SECMP0026 Draft legal text
- Attachment C: SECMP0026 Draft Modification Report
- Attachment D: SECMP0026 Modification Report Consultation Response Form

## 1. Summary

This section provides an overview of SECMP0026. For further details on the Modification Proposal, please refer to subsequent sections. Defined terms and acronyms used in this document are listed in the Appendix 1 of this document.

### 1.1 Why Change?

The current Security Sub-Committee (SSC) membership nomination process does not have any safeguards to ensure that appropriate security expertise is obtained. Consideration of this Modification Proposal was prompted in light of the SSC noting 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.

### 1.2 Solution

SECMP0026 proposes to alter the current SSC membership nomination process so that it:

1. requires that nominators must hold a relevant senior position within their organisation;
2. grants the SSC members authority to reject nominees if they lack relevant security expertise; and
3. require that nominees undergo security vetting.

### 1.3 Impacts and Costs

The impacts of this Modification Proposal are minimal. It does not impact Parties as the changes alter the SSC membership nomination process. The costs to implement this change will be limited to the Code Administrator time and effort to making the necessary amendments to the SEC and release a new version to SEC parties and the publication of it on the SEC Website. The associated amendments to the Terms of Reference will also be required and per existing processes will be actioned and agreed by the Panel following implementation.

### 1.4 Implementation

As this Modification Proposal only involves minor changes to SEC Section G, it is proposed to implement this Modification Proposal five 5 Working Days (WD) following the end of the ten WD referral period following the Change Board Vote (subject to the modification being progressed as a Path 3 'Self Governance' Modification Proposal).

### 1.5 Proposed progression

The Proposer and SECAS propose that this Modification Proposal should be progressed as a Path 3 Modification (Self-Governance). The changes to the SSC membership are non-material and require minimal changes to the SEC.

The Proposer and SECAS propose that SECMP0026 should be implemented five Working Days (WDs) following the end of the Change Board vote and the 10WD referral period. This would mean that SECMP0026 could be implemented on an estimated date of 16<sup>th</sup> March 2017, subject to the modification proceeding as a Self-Governance, Path 3 Modification. The indicative progression timetable for SECMP0026 can be found in section 5.

## 2. Why Change?

### 2.1 Background

Security expertise is essential for Security Sub-Committee (SSC) members to be able to review and comment on User Assessments as well as when considering reports of security incidents and vulnerabilities that are required by the SEC. As the Smart Metering Implementation Programme develops and transitions to an enduring mechanism, the SSC will continue to play a vital role in maintaining a secure environment, and its decisions will impact more and more Parties as they accede to the SEC.

### 2.2 What is the issue?

Consideration of this Modification Proposal was prompted in light of the SSC noting they have insufficient mechanisms to select or reject candidates based on their relevant security expertise. Ensuring that the SSC maintains a high level of security expertise will be crucial to this Sub-Committee fulfilling its role.

### 3. Solution

#### 3.1 What’s the solution?

To ensure a more thorough selection process for SSC membership, the Proposer following discussion and development at the SSC, suggests altering the current membership process in the following three ways.

1. Mandating 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;
2. Allowing the SSC to reject a nominee on the grounds of insufficient security expertise prior to any membership vote; and
3. Requiring that the nominee has undergone 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<sup>1</sup> (Security screening of individuals employed in a security environment Code of Practice) security assessment or equivalent.

The modification is prospective and therefore, there is no expectation for existing members to undergo re-nomination.

#### 3.2 Draft Proposed Legal Text

The proposed legal drafting to deliver the above changes in support is provided in Attachment B.

#### 3.3 Views against SEC Objectives

The table below highlights the Proposer’s view on how this modification would better facilitate the achievement of the SEC objectives.

| Proposer’s views against the SEC Objectives   |   |
|---|---|
| General SEC Objective   | Proposer views  |
| (g) To facilitate the efficient and transparent administration and implementation of this Code. | General SEC Objective (g) is better facilitated by this modification. As the Smart Metering Implementation Programme develops and transitions to an enduring status, the SSC will continue playing a vital role in maintaining a secure environment. Ensuring that the SSC maintains a high level of security expertise is crucial for this Sub-Committee to fulfil its role. |

<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/417085/BS7858.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/417085/BS7858.pdf)

## 4. Potential Impacts

### 4.1 Impacts

The following section sets out the initial assessment of the likely impacts arising from SECMP0026.

| Potential Impacts of SECMP0026                 |  |
|--|--|
| Smart Energy Code Parties                      |  |
| Suppliers                                      | Electricity Suppliers  |
| Networks                                       | Gas Suppliers  |
|  | Export Suppliers   |
| Networks                                       | Electricity Distributors   |
|  | Gas Transporters   |
| Other Users                                    | Registered Supplier Agents   |
|  | Other Users  |
| No impacts have been identified at this stage. |  |
| Systems  |  |
| DCC Systems                                    | No impacts have been identified at this stage.   |
| User Systems                                   |  |
| Smart Metering Systems                         |  |
| Other  |  |
| SEC and subsidiary documents                   |  |
| SEC Sections                                   | SEC Section G (Security) will require amendment, primarily Section G1.11. These changes are detailed in Attachment B to this document. |
| Subsidiary Documents                           | No impacts have been identified at this stage.   |
| Other Industry Codes and Documents             |  |
| No impacts have been identified at this stage. |  |
| Greenhouse gas emissions                       |  |
| No impacts have been identified at this stage. |  |

## 4.2 Costs

The costs to implement this change will be limited to the Code Administrator time and effort to making the necessary amendments to the SEC, release a new version to SEC Parties, and the publication of it on the SEC Website. The associated amendments to the Terms of Reference will also be required and per existing processes will be actioned and agreed by the Panel following implementation.

The table below sets out the estimated working day effort to implement this change.

| Implementation activities, cost and effort  |                      |                    |
|---|----------------------|--------------------|
| Implementation activities   | Effort               | Cost               |
| <ul style="list-style-type: none"> <li>Application of approved changes to the SEC</li> <li>Publication of new version of the SEC on the SEC Website and issuance to SEC Parties</li> <li>Review and update any impacted SEC guidance materials</li> </ul> | Two Man Days maximum | £1200 <sup>2</sup> |

<sup>2</sup> Based on a blended rate of £600 per day

## 5. Proposed Progression

### 5.1 Modification Path

None of the criteria that would define this modification as having a material impact are met. The proposed changes only relate to the makeup of the SSC. Further, the Path 2 Modification: Authority Determination (as per SEC Section D2.6 (a), (b), (c), (d) and (e)) criteria are not met. Therefore, SECAS proposes that this modification is progressed as a Path 3: Self Governance Modification Proposal.

### 5.2 Progression Timetable

SECAS considers that refinement by a Working Group is not required as the solution requires no further refinement. Thus, the modification can be submitted for Modification Report Consultation prior to a Change Board vote. A draft Modification Report, provided as Attachment C, has been prepared. Also attached to this IMR is the proposed Modification Report Consultation response form, provided as Attachment D.

### 5.3 Indicative Progression Plan

The following is a high level indicative progression plan. The detail in this plan is subject to change but the overall timetable is subject to Panel control.

| Modification Timetable                    |   |                         |
|---|---|-------------------------|
| Stage                                     | Start   | Finish                  |
| Modification Proposal Raised              | Mon 12/12/2016  | n/a                     |
| Panel reviews Initial Modification Report | Fri 06/01/2017  | Fri 13/01/2017          |
| Modification Report Consultation          | Wed 18/01/2017  | Fri 08/02/2017 (15 WDs) |
| Change Board vote                         | Thu 16/02/2017  | Wed 22/02/2017          |
| Implementation                            | <b>Five Working Days</b> after end of the 10WD referral period (expected to be 15 <sup>th</sup> March 2017 if approved) |                         |



## 6. SEC Panel Decisions

The SEC Panel:

- **AGREED** for SECMP0026 to progress as a Path 3 modification (Path 3 – Self Governance); and
- **AGREED** to submit SECMP0026 for Modification Report Consultation; and
- **AGREED** that SECMP0026 should be progressed per the timetable set out in Section 5.3.

## 7. Further Information

More information is available in:

- Attachment **A**: SECMP0026 Modification Proposal Form
- Attachment **B**: SECMP0026 Draft legal text
- Attachment **C**: SECMP0026 Draft Modification Report
- Attachment **D**: SECMP0026 Modification Report Consultation Response Form

For further information, please see the [Modifications Register](#) page of the SEC website, or contact SECAS at [secas@gemserv.com](mailto:secas@gemserv.com).

## Appendix 1 – Glossary and References

| Glossary |                        |  |
|----------|------------------------|--|
| Acronym  | Term                   | Plain English Summary  |
| SSC      | Security Sub-Committee | The Sub-Committee established pursuant to Section G7 (Security Sub-Committee). |

### References

The following table contains any useful links relevant to this change or referenced in this document

| Links and References     |   |
|--------------------------|---|
| Description              | Link  |
| SEC Section G - Security | <a href="https://www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/sec-5.2/sec-5-2-section-g---security.pdf?sfvrsn=4">https://www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/sec-5.2/sec-5-2-section-g---security.pdf?sfvrsn=4</a> |