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Stage 03: Modification Report

SECMP0026:

Changes to the Security Sub-Committee Nomination Process

This modification seeks to alter the current Security Sub-Committee's (SSC's) 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.



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

- SEC Panel; and
- SSC.

What stage is this document in the process?

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

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SECMP0026 – Modification Report

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Version 1.0

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About this document

This document is the Modification Report for SECMP0026. The SEC Panel has considered this report to ensure that due process has been followed and determined that it should be issued for Modification Report Consultation. SEC Parties will be asked to comment on the suitability of this Modification Proposal before the Change Board make a determination.

This Modification Report has two attachments:

- **Attachment A: SECMP0026 - Modification Proposal Form**
- **Attachment B: SECMP0026 – 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 Glossary (Section 9) of this document.

1.1 Why Change?

The current Security Sub-Committee (SSC) membership nomination process does not offer protection 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 authority to reject nominees if they lack relevant security expertise; and
3. requires that nominees undergo security vetting.

1.3 Impacts and Costs

The impacts of this Modification Proposal are minimal, SECMP0026 will impact SSC membership. 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 5 Working Days (WD) following the end of the ten WD referral period following the Change Board Vote (subject to the modification continuing to be progressed as a Path 3 'Self Governance' Modification Proposal).

1.5 Progression path

This Modification Proposal addresses a SSC identified issue with the current nomination process. The changes are non-material and require minimal changes to the SEC. Therefore, this Modification Proposal is being progressed as a Path 3 Modification (Self Governance). It has proceeded to the Modification Report Consultation as no further refinement is required.

Section 6 of this document contains a detailed timetable, for the progression of the Modification Proposal through the process.

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 (SMIP) 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 Proposed 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 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 BS7858¹ (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 A.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/417085/BS7858.pdf

4. Impacts and Costs

4.1 Impacts

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

Potential Impacts of SECMP0026			
Smart Energy Code Parties			
Suppliers	Electricity Suppliers	No impacts have been identified at this stage.	
	Gas Suppliers		
	Export Suppliers		
Networks	Electricity Distributors		
	Gas Transporters		
Other Users	Registered Supplier Agents		
	Other Users		
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 A 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 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.

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"> Application of approved changes to the SEC Publication of new version of the SEC on the SEC Website and issuance to SEC Parties Review and update any impacted SEC guidance materials 	2 Man Days maximum	£1200 ²

² Based on a blended rate of £600 per day

5. Implementation

5.1 Recommended Implementation approach

This Modification Proposal only involves changing the wording of SEC Section G to alter the SSC membership nomination process. It should have no impact on SEC Parties or the DCC and, as such, the following implementation approach is proposed:

- **Five Working Days** following the end of the ten Working Day referral period that applies after the Change Board vote.

Note this is subject to SECMP0026 being treated and voted on by the Change Board as a Path 3 Self-Governance Modification Proposal.

6. Views on SECMP0026

This section contains the initial views of the Proposer regarding the modification's benefits against the SEC Objectives.

6.1 Proposer's Views against SEC Objectives

Objectives (g): the seventh General SEC Objective is to facilitate the efficient and transparent administration and implementation of this Code.

The Proposer believes that the General SEC Objective (g) is better facilitated by this modification. As the SMIP 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.

6.2 Sub-Committee Views on SECMP0026

This Modification Proposal relates to the governance of the SSC. It was raised by an SSC Member and reflects the views and considerations of the SSC on the matter.

Other approaches considered by the SSC

Prior to SECMP0026 being raised by the Proposer an earlier approach considered was to allow the rejection of nominations by the SSC Chair and to put in place a requirement that only a senior security person could submit a nomination for SSC membership.

However, the SSC considered this would be too restrictive and agreed that any senior person within a relevant organisation could submit SSC nominations. In addition, the group also agreed to include the BS7858 requirement of suitable vetting to ensure members' adequacy. Further, the SSC agreed that rather than just the SSC Chair, the Sub-Committee as a group would accept / reject nominations to the SSC, subject to an appropriate referral mechanism to the Panel being in place.

6.3 SEC Party views

This section will be updated to summarise the Modification Report Consultation responses following the completion of the consultation.

7. SEC Panel Decisions

The Panel:

- **AGREED** to allow the Modification Report to proceed to the Modification Report Consultation;
- **AGREED** that no Party Categories are likely to be affected by the Modification Proposal; and
- **AGREED** that the Modification Report Phase consultation will follow the timetable as set out below:

Modification Timetable	
Activity	Date
Modification Report Phase consultation	Wed 18/01/17 - Wed 08/02/2017 (15 WDs)
Change Board vote	22 nd February 2017
Self-Governance referral period	22 nd February 2017 – 8 th March 2017
Implementation	5 WDs following the end of referral period (expected to be: 15 th March 2017 if approved)

8. Further Information

More information is available in:

- Attachment **A**: SECMP0026 - Legal Text; and
- Attachment **B**: 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.

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	https://www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/sec-5.0/sec-5-0-section-g---security.pdf?sfvrsn=3