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SECMP0057 Initial Modification Report

About this document

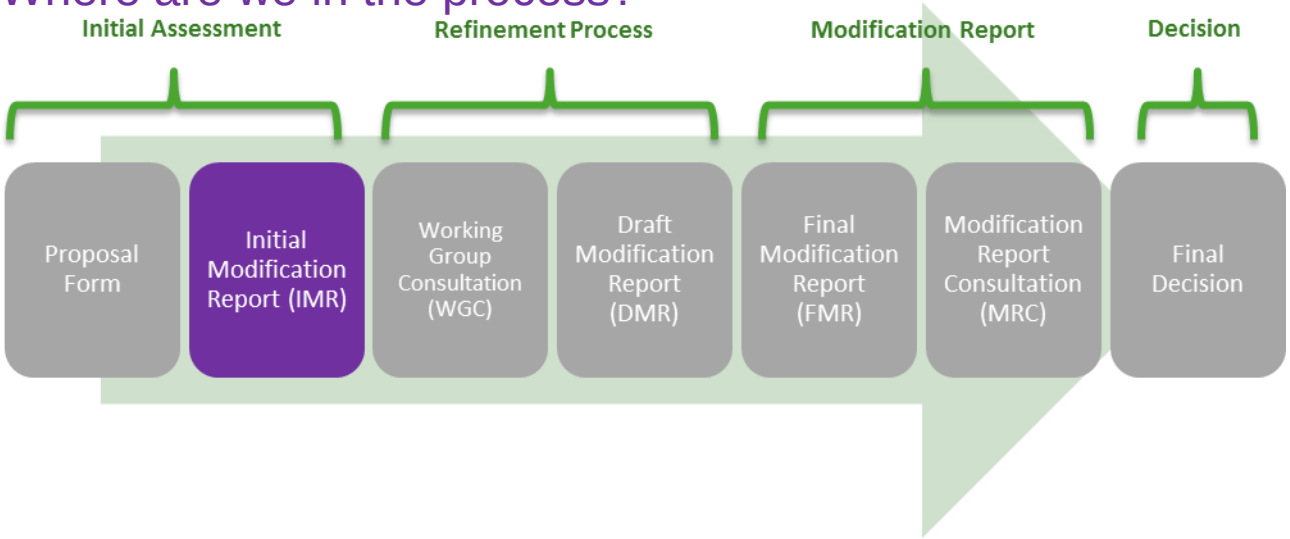
This Initial Modification Report contains our initial assessment of SECMP0057 'Users to notify SSC of a second or subsequent User System'. It also provides information on the issue, the Proposer's solution, potential impacts, costs and proposed progression.

This document is submitted to the Smart Energy Code (SEC) Panel for consideration to determine how this Modification Proposal should be progressed through the Modification Process.

As part of this document the Panel will be invited to:

- **AGREE** that this modification should be submitted into the Refinement Process to be assessed by a Working Group;
- **AGREE** the Working Group Terms of Reference;
- **AGREE** the progression timetable set out in Section 6; and
- **AGREE** that SECMP0057 should be progressed as a Path 3 Modification Proposal.

Where are we in the process?



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Smart Energy Code

SEC
Smart Energy Code

Stage 01: Initial Modification Report

SECMP0057:

Users to notify SSC of a second or subsequent User System

What stage is this document in the process?

- 01 Initial Assessment
- 02 Refinement Process
- 03 Modification Report
- 04 Decision

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Summary

This modification seeks to ensure that Users inform the Security Sub-Committee (SSC) when they are seeking to procure (or have already employed) a second or subsequent User System which may or may not be provided or operated by a Shared Service Provider.

Proposed Progression

The Proposer and SECAS recommend that this Modification Proposal be:

P3

- submitted into the Refinement Process to be assessed by a Working Group; and
- progressed as a Path 3: Self-Governance Modification Proposal.

Potential Impacts

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- All Party Categories
- There are no impacts on Data Communications Company (DCC) Central Systems and/or Party interfacing systems

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About this Document

This is an Initial Modification Report (IMR). This document contains details of the issue, solution, potential impacts and costs as well as the proposed progression for SECMP0057.

This document has one attachment:

- **Attachment A** contains the SECMP0057 Modification Proposal Form.

The Panel will consider this IMR at its meeting on 10th August 2018 and determine how this modification should be progressed through the Modification Process.

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1. Summary

What is the issue?

Under the current arrangements there is no obligation on Users to notify the SSC or any other party before they begin to employ a second or subsequent User System. Nor is there a requirement for there to be a User Security Assessment of a second or subsequent User System.

Due to the interconnected nature of the DCC Central Systems there is a risk to the overall security of smart metering, if a second or subsequent User System is introduced without any formal consideration of the security risks.

What is the Proposed Solution?

This modification seeks to require all Users to notify the SSC before they begin to employ a second or subsequent User System. This will enable the SSC to consider the security risks and to advise the User accordingly once the SSC has made its decision on whether to wait to review the second or subsequent User System at its next annual review or to arrange an ad-hoc review.

Potential impacts

Party

Large Supplier Parties	X	Small Supplier Parties	X
Electricity Network Parties	X	Gas Network Parties	X
Other SEC Parties	X		

Potential implementation costs

The estimated cost to implement SECMP0057 is limited to SEC time and effort to deliver the necessary document changes. The exact costs will be determined during the Refinement Process.

Proposed progression

We and the Proposer believe that this modification should be progressed as Path 3 'Self Governance' Modification Proposal.

It is also recommended that this modification should proceed to the Refinement Process.

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2. What is the issue?

Users to notify SSC of a second or subsequent User System

At present, there is no SEC requirement for a second or subsequent User System to go through a User Security Assessment before starting live operations and there is no obligation to notify the SSC when a second or subsequent User System is to be procured or developed. The current SEC arrangements assume that a User will have a single User System which may be provided in-house or by a Shared Resource Provider, and the whole of the User Security Assessment process is based on that assumption.

Due to the interconnected nature of systems supporting smart metering, there could be a risk to the overall security of smart metering if a second or subsequent User System is introduced without any formal consideration of the security risks.

A further issue for consideration is around a potential scenario whereby a User may find themselves in the 'Event of Default' should their second or subsequent User System be found to be non-compliant at their annual review and to determine whether this second or subsequent User System should be assessed earlier.

The SSC has recently been made aware of Suppliers that have completed the User Security Assessment process for supplying gas and electricity to Domestic Customers and may wish to use a Shared Resource Provider to provide a second User System (either to continue to supply energy to Domestic consumers via a different engagement portal or to supply energy to Non-Domestic customers via a different User System).

As a short-term measure, the SSC is intending to amend the Security Controls Framework (SCF) to request Users to notify the SSC before they begin to employ a second or subsequent User Systems. This Modification will make the obligation clear and enforceable in the SEC.

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3. Solution

Proposed solution

The SSC raised SECMP0057 'Users to notify SSC of a second or subsequent User System' on 10th July 2018.

This modification seeks to clarify the User Security Assessment process where a User may be in the process of beginning to employ a second or subsequent User System after having already satisfactorily completed the initial Full User Security Assessment.

Under the proposed solution, all Users will be required to notify the SSC before they begin to employ a second or subsequent User System. This will enable the SSC to consider the security risks and to advise the User accordingly.

In the scenario where a second or subsequent User System being considered by a User has already completed a User Security Assessment (e.g. as part of the assessment of a Shared Resource Provider), the SSC may consider that no additional User Security Assessments are necessary until the next annual review is due. However, in the scenario where the second or subsequent User System has never been assessed, the SSC may require a User Security Assessment using the obligation in SEC Section G8.13 that "each User shall do all such things as may be reasonably requested by the Security Sub-Committee…for the purposes of facilitating an assessment of that User's compliance with its obligations under Sections G3 to G6."

Views against the General SEC Objectives

The Proposer believes that this Modification Proposal better facilitates General SEC Objectives (a), (e) and (g).

- **Objective (a)**[1]: This modification aims to reduce duplication and achieve a more efficient and less costly User Security Assessment approach that is proportionate for Large and Small Suppliers, Network Operators and for Shared Resources.
- **Objective (e)**[2]: This modification aims to ensure compliance with SEC security obligations through an improved and proportionate process for Users and for Shared Resources.
- **Objective (g)**[3]: This modification will remove the current duplication in administration that arises from SECAS being required to validate multiple

[1] Facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.
[2] 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.
[3] Facilitate the efficient and transparent administration and implementation of this Code.

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similar management responses from a Shared Resource and from the SSC having to review repeated assessments for the same Shared Resource.

For the avoidance of doubt, the Proposer believes that this modification is neutral against all other SEC Objectives.

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4. Potential Impacts

The following section sets out the initial assessment of likely impacts should SECMP0057 be approved and implemented. Additional impacts may be identified by the Working Group as part of the Refinement Process.

SEC Party impacts

Large Supplier Parties	X	Small Supplier Parties	X
Electricity Network Parties	X	Gas Network Parties	X
Other SEC Parties	X		

This modification affects all Users who may choose to employ a second or subsequent User System.

System and Testing Impacts

There are no impacts on DCC Central Systems and/or Party interfacing systems and there is no testing required as part of the implementation of this modification.

SEC and Subsidiary Document impacts

SEC Section G 'Security' will require changes as part of the implementation of this modification.

Impacts on other industry codes

There are no impacts on other industry codes.

Greenhouse Gas Emission impacts

There are no impacts on Greenhouse Gas Emissions.

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5. Potential Costs

Potential implementation costs

The costs to implement SECMP0057 are expected to be limited to SEC Administration time and effort for:

- making the necessary amendments to the SEC;
- releasing a new version of the SEC to SEC Parties; and
- publication of this on the SEC website.

The exact costs will be determined during the Refinement Process.

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6. Proposed Progression

Modification Path

We and the Proposer recommend that SECMP0057 be progressed as a **Path 3: Self Governance Modification Proposal**.

We and the Proposer do not believe this modification will result in a material impact on competition or create undue discrimination between classes of Party, as per the requirements in SEC Section D2.6 for needing an Authority determination.

Proposed progression

We recommend the following progression timetable for Panel consideration.

Activity	Date
Modification Proposal raised	10 Jul 18
IMR presented to Panel	10 Aug 18
Working Group Meeting	22 Aug or 05 Sep 18
Working Group Consultation	Sep/Oct 18
Panel reviews Modification Report	09 Nov 18
Modification Report Consultation	12 Nov 18 – 03 Dec 18
Change Board vote	19 Dec 18

Refinement length

We recommend that this modification is submitted to the Refinement Process for a three-month duration, for assessment by a Working Group. This three-month timeframe will allow for:

- a full Working Group assessment to take place (likely one or two Working Group meetings); and
- one 15 Working Day industry consultation to be issued and reviewed.

For a more detailed progression plan please see Appendix 1.

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Working Group

Membership

We recommend that the SECMP0057 Working Group be made up of individuals with expertise in:

- User Security Assessments;
- Shared Resources; and
- User Systems

Due to the expertise required we recommend that the SSC be used as the Working Group for this modification.

Terms of Reference

In order to assess the Modification Proposal fully, we recommend that the Working Group considers the following specific questions in addition to the standard terms of reference questions. In addition to the questions, the legal text for SECMP0057 will need to take into account the changes from SECMP0044: User Security Assessment of a Shared Resource.

Q1: Are there any valid reasons why a User will be unable to notify SSC prior to employing a second or subsequent User System?

The Working Group should consider whether there could be any justified reasoning for why a User is unable to notify the SSC prior to employing a second or subsequent User System.

Q2: Are there any valid reasons why a User would not wish the SSC to be informed of a User's intention to employ a second or subsequent User System?

The Working Group should consider whether there could be any valid reasoning for why a User would not want the SSC to be informed of a User's intention to employ a second or subsequent User System.

Q3: Are there any valid reasons why a User would not wish to disclose to the SSC how they are intending to employ a second or subsequent User System?

The Working Group should consider the various means in which a User may wish to employ a second or subsequent User System and why they may decide to not

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inform the SSC of this. For example: whether using a single or multiple ID; providing details of the proposed security architecture; or whether using a Shared Resource Provider, to enable the SSC to assess security risks.

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7. Implementation

Recommended implementation date

The Proposer is seeking for this modification to be implemented as soon as possible (although it is not considered to be urgent) with the rationale for a quick implementation date being that some Suppliers are actively considering a second User System and the obligation to inform the SSC of this needs to be included in the SEC.

It should also be noted that this modification will need to be implemented following the implementation of SECMP0044: User Security Assessment of a Shared Resource, which has an anticipated implementation date of 22nd August 2018.

The most appropriate implementation date for SECMP0057 will be decided upon during the Refinement Process.

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8. Recommendations

The Panel is invited to:

- **AGREE** that this modification should be submitted into the Refinement Process to be assessed by a Working Group;
- **AGREE** the Working Group Terms of Reference;
- **AGREE** the progression timetable set out in Section 6; and
- **AGREE** that SECMP0057 should be progressed as a Path 3 Modification Proposal.

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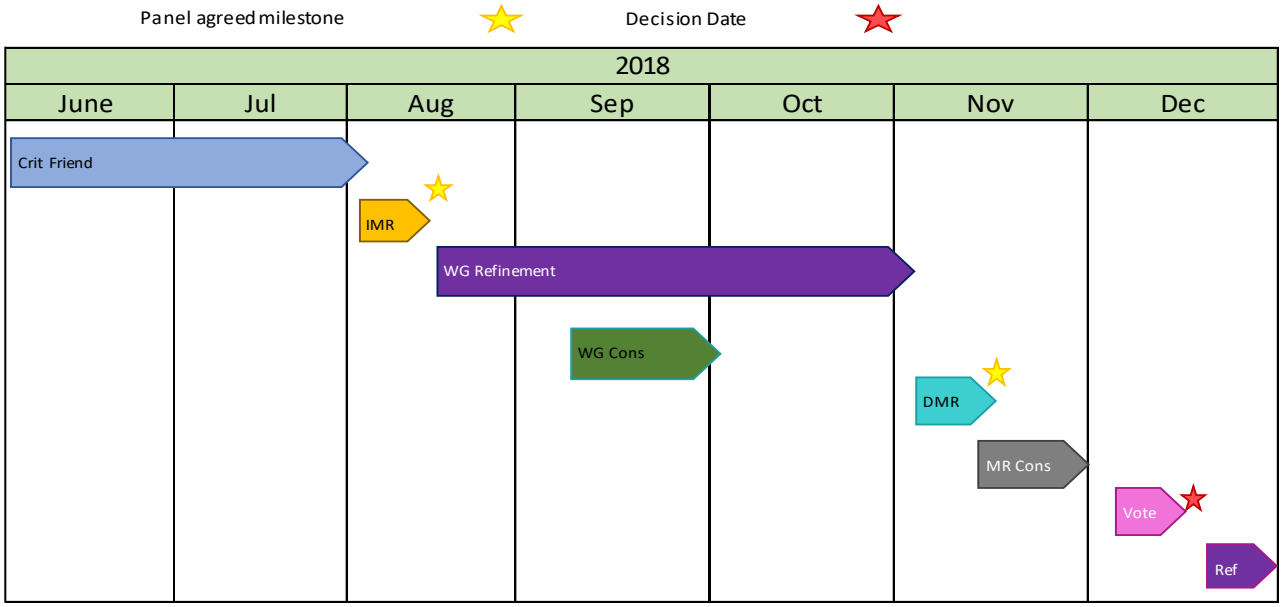
Appendix 1: Detailed Progression Plan

Please note that the progression plan shown below is subject to change.



Appendix 2: Glossary

The table below provides definitions of the terms used in this document.

Acronym	Defined Term
DCC	Data Communications Company
DMR	Draft Modification Report
IMR	Initial Modification Report
SCF	Security Controls Framework
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SSC	Security Sub-Committee

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