This document is classified as **White** in accordance with the Panel Information Policy. Information can be shared with the public, and any members may publish the information, subject to copyright.

SEC Modification Proposal Form – SECMP0059

Mod Title

Amendments to SEC Security Assessments for Non-Domestic Suppliers and Other Users

Submission Date

31st August 2018

Details of Proposer	
Name:	Gordon Hextall
Organisation:	SEC Security Sub-Committee (SSC)
Contact Number:	+44 (0) 7774 179320
Email Address:	Gordon.hextall@seccoltd.com
Details of Representative (if applicable)	
Name:	Nick Blake
Organisation:	SECAS
Contact Number:	+44 (0)20 7090 7745
Email Address:	Nick.blake@gemserv.com

© SECCo 2018

1. What issue are you looking to address?

At present, Smart Energy Code (SEC) Section G8.40 to G8.47 sets out the obligations for Users who have completed the initial Full User Security Assessment and sets out the different type of User Security Assessments to be carried out in the second and subsequent years depending on the degree of security risk. The three types of User Security Assessment (Full, Verification or Self-Assessment) are defined for Supplier Parties (Large Suppliers and Small Suppliers), Network Parties and Other Users.

This Modification Proposal seeks to:

- provide clarity for non-domestic energy Suppliers on the type of User Security Assessment that is required for the second and third years after the initial Full User Security Assessment; and
- align security assessments for Other Users with the arrangements that currently apply to Small Suppliers (i.e. energy suppliers who are supplying gas and/or electricity to 250,000 or less Domestic Premises) to ensure proportionate assurance of the security risks.

2. Why does this issue need to be addressed? *(i.e. Why is doing nothing not an option?)*

Non-domestic energy Suppliers

At present, the SEC (in sections G8.40 to G8.43), explains the arrangements for the type of User Security Assessment for the second and subsequent User Security Assessment for Suppliers who supply gas and/or electricity to Domestic Premises.

However, the SEC is silent on the arrangements for the second and subsequent User Security Assessment for Suppliers who supply gas and/or electricity to Non-Domestic Premises.

Until recently, non-domestic energy Suppliers were not required to be a Data Communications Company (DCC) User but, following a consultation, BEIS recently announced that most energy Suppliers to Non-Domestic premises must become a DCC User by 31 August 2018 (the “DCC User mandate”).

The smart metering mandate uses a site-based definition to identify the sites which are in scope of the non-domestic rollout. Energy supply licence conditions require energy suppliers to install smart meters (or in some circumstances, advanced meters) at gas sites where the annual consumption is below 732 MWh per year and all electricity sites in profile classes 1-4 (the majority of non-domestic electricity consumers are in profile classes 3 and 4).

SECAS has received queries from non-domestic energy Suppliers asking for clarification on the nature of the second and subsequent User Security Assessment and the Security Sub-Committee (SSC) considers that the SEC should be amended to provide clarity.

Other Users

At present, G8.47 sets out the arrangements for the annual User Security Assessments of Other Users after the initial Full User Security Assessment. Other Users are required to have a Self-assessment in year two and a further Self-assessment in year three.

© SECCo 2018

The SSC has noted that the existing SEC obligations were established in the expectation that the Other User role would be undertaken by price comparison websites seeking consumer consent to access an individual's consumption data which would largely be governed by the privacy assurance arrangements in SEC Section I and would be subject to very few security risks.

The SSC is now aware that the Other User role is being considered by organisations wishing to undertake remote diagnostic analysis of Devices and to 'join' and 'unjoin' Type 2 Devices in addition to obtaining consumption data on a large scale e.g. for university research. It is possible that other innovative applications will also be considered within the Other User role.

The SSC considers that the security profile for the Other User role has changed since the existing SEC obligations for security assurance were established and that a Self-assessment in year 2 is no longer proportionate to the security risks. The SSC proposes to align the User Security Assessments for Other Users with the arrangements for Small Suppliers.

3. What is your Proposed Solution?

This modification seeks to clarify the type of User Security Assessment that is required for non-domestic energy Suppliers and for Other Users for the second and subsequent User Security Assessments.

Non-domestic Suppliers

The SSC has considered the security risks that arise from the supply of energy to Non-Domestic Premises and proposes that new and additional SEC sections follow the current G8.43 along the following lines [Note that A, B and C suffixes are used to avoid disturbing the subsequent paragraph numbers, cross references to which are embedded in many other documents]:

G8.43A Where a User is a Supplier Party and the number of Non-Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Responsible Supplier exceeds 50,000, the User shall schedule a further Full User Security Assessment within 12 months after each Full User Security Assessment.

G8.43B Where a User is a Supplier Party and the number of Non-Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which it is the Responsible Supplier is equal to or less than 50,000, the User Security Assessment required by Section G8.40 shall be a Verification User Security Assessment and the User shall:

(a) within 12 months after each Verification User Security Assessment, schedule a User Security Self-Assessment; and

(b) within 12 months after each User Security Self-Assessment, schedule a Full User Security Assessment with the User Independent Security Assurance Service Provider; and

(c) within 12 months after each Full User Security Assessment, schedule a Verification User Security Assessment with the user Independent Assurance Service Provider.

G8.43C In assessing for the purposes of Sections G8.44 and G8.45 the number of Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which a User is the Responsible Supplier, that number shall, where any Shared Resources form part of both its User Systems and the User Systems of another User, be deemed to include

© SECCo 2018

any Non-Domestic Premises supplied with electricity and/or gas through one or more Smart Metering Systems for which that other User is the Responsible Supplier.

Other Users

The SSC proposes that SEC Section G8.47 is amended as shown in tracked changes:

G8.47 Where a User is neither a Supplier Party nor a Network Party, Section G8.40 requires the User to schedule a User Security Verification ~~Self-~~ Assessment and the User shall:

(a) within 12 months after the previous User Security Verification~~Self-~~ Assessment, schedule a ~~second Successive~~ User Security Self-Assessment;

(b) within 12 months after the ~~second successive~~ User Security Self-Assessment schedule a Full User Security Assessment with the User Independent Security Assurance Service Provider; and

(c) within 12 months after each Full User Security Assessment, schedule a User Security Verification ~~Self-~~ Assessment.

4. What SEC objectives does this Modification better facilitate?

This modification will better facilitate the following SEC Objectives:

- **Objective (a[1])**: Ensure that Non-Domestic Suppliers and Other users have clarity on the security assurance objections;
- **Objective (f[2]):** Provide assurance of compliance with SEC security obligations.

5. What is the requested Path type?	Path 3

Path 3: Self Governance:

The Proposer does 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.

6. Are you requesting that the Modification Proposal be treated as Urgent?	No

[1] (a) the first General SEC Objective to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain

[2] (f) the sixth General SEC Objective to ensure the protection of Data and the security of Data and Systems in the operation of this Code

© SECCo 2018

7. What is your desired implementation date?
The next available SEC release. 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 being some Non-Domestic Suppliers are already seeking to schedule their second User Security Assessment and the SEC does not provide clear guidance on the timing and scheduling.

8. Which SEC Parties are expected to be impacted? (Please mark with an X)			
Large Supplier Parties	x	Small Supplier Parties	x
Electricity Network Parties		Gas Network Parties	
Other SEC Parties	x		
This modification will affect all Non-Domestic Suppliers who are affected by the BEIS Government Response and all Other Users.			

9. Which parts of the SEC will be impacted?
SEC Section G8.43 and G8.47

10. Will there be an impact on Central Systems? (Please mark with an X)			
DCC Systems		Party interfacing systems	
Smart Metering Systems		Communication Hubs	
Other systems			
No system impacts anticipated.			

11. Will there be any testing required?
None

12. Will this Modification impact other Energy Codes?	No
Not applicable	

© SECCo 2018

13. Will this Modification impact Greenhouse Gas Emissions?	No
Not applicable	