

## Stage 01: Modification Proposal

**SECMCP0022:** (SECAS to insert number)

# Expanding SMKI PMA membership and removing Alternate restrictions

*This Modification Proposal seeks to alter the current Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) membership in order to take account of its operational responsibilities, and to mitigate against the risk that a meeting is not quorate. This Modification Proposal also seeks to remove the restriction on SMKI PMA Members which prohibits each SMKI PMA Member from nominating an Alternate from the same organisation that employs them.*

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.



Impacts SEC Panel, SMKI PMA and SMKI PMA membership.

What stage is this document in the process?

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

SECMCP0022

Modification Proposal

03/10/2016

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# MODIFICATION PROPOSAL FORM V1.0

## 1. Proposer's Contact Details

### Details of Proposer

Name:	Gordon Hextall
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Contact Number:	
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### Representative as Point of Contact

Gordon Hextall
SMKI PMA chair, on behalf of the SMKI PMA
gordon.hextall@seccoltd.com

### 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:	03 October 2016
Title of Mod Proposal:	Expanding SMKI PMA membership and removing Alternate restrictions

#### Description in Detail of the Proposed Modification:

The SMKI PMA was established in July 2014 to set the strategic direction and the over-arching policy for management and control of the SMKI and other Public Key Infrastructure (PKI) Certificates, as laid out in SEC Section L: Smart Metering Key Infrastructure and DCC Key Infrastructure<sup>1</sup>.

The initial role of the SMKI PMA was that of a policy management authority with no operational role. The SMKI PMA was not expected to manage day-to-day operational activities in relation to SMKI, Infrastructure Key Infrastructure (IKI), and DCC Key Infrastructure (DCCKI). As such, the Department for Business, Energy and Industrial Strategy (BEIS (previously DECC)) aimed to keep the number of SMKI PMA Members to a minimum so as not to be burdensome to Industry.

The development of the SMKI Recovery Procedure and SMKI Recovery Key Guidance (as set out in SEC Section L and Appendix L of the SEC) has led to the SMKI PMA having an operational involvement in the recovery decision making processes involved in a Recovery Event. As a result, the decisions it makes are more significant and may be required at short notice to convene to consider and make decisions.

The existing SMKI PMA membership can make it challenging to reach a quorum at short notice. Therefore, this SEC Modification Proposal proposes the expansion of the number of voting members in the SMKI PMA to help to ensure a quorum being reached at short notice.

The consideration of this modification was prompted in light of a recent scenario where SMKI PMA struggled to reach a quorum which could have affected the ability for the SMKI PMA fulfil their operational roles.

This modification proposes to change the membership structure of the SMKI PMA to include:

- one additional Large Supplier Member, from two to three,
- a change to the number of Network Member from one to two, with one Network member being voted on to the SMKI PMA by Gas Network SEC Parties, and the other voted on to the SMKI PMA by Electricity Network SEC Parties; and
- changing the role of the SMKI Specialist from a non-voting Member, to a Voting Member.
- Finally, in order to help avoid further quorum issues it is recognised that, in light of the proposed change to the SMKI PMA membership, SEC Section L1.12 (c) should be removed from the Code. This clause states that SMKI PMA Members can only nominate alternate representatives from outside their organisation. The removal of this clause will enable SMKI PMA Members to nominate an Alternate from the organisation that employs them, and also bring the SMKI PMA's Alternate structure in line with that of other SEC Panel Sub-Committees.

<sup>1</sup> [SEC Section L: Smart Metering Key Infrastructure and DCC Key Infrastructure](#)

### 3. Path Type and Urgency Recommendation

Proposer's recommendations on Path Type (delete as appropriate)	Path 3
Statement for recommended Path Type:	
<p>It is proposed that this modification is a Path 3: Self Governance Modification. The proposed changes are not material, as they only relate to the makeup of the SMKI PMA Sub-Committee, which seeks to aid the efficient discharge of its duties in support of the SEC Panel.</p> <p>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)), are believed to be met.</p>	
Statement of whether Proposal is intended to be Fast-Track Modification (only Panel may raise this type of modification):	
<p>This Modification Proposal does not meet the requirements to be a Fast-Track Modification Proposal, therefore this is not applicable.</p>	
Is the Proposal Urgent? (delete as appropriate)	No
Statement of whether Proposal should be treated as an Urgent Proposal:	
<p>Not Applicable.</p>	

### 4. Modification Impact Assessment

#### 4.1 SEC Objectives

Facilitation of SEC Objectives	Tick
<b>General SEC Objectives (C1.1)</b>	
(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"/>
<b>Transition Objective (X1.2)</b>	
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"/>
<b>Charging Objectives (C1.3)</b> (in respect of the Charging Methodology)	
<p>C1.4 The First Relevant Policy Objective:</p> <ul style="list-style-type: none"> <li>(a) applies in relation to Smart Metering Systems installed (or to be installed) at Domestic Premises; and</li> <li>(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.</li> </ul>	<input type="checkbox"/>
<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"> <li>(c) facilitate effective competition in the Supply of Energy (or its use) under the Electricity Act and the Gas Act;</li> <li>(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;</li> <li>(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</li> <li>(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.</li> </ul>	<input type="checkbox"/>

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:

- 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.



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 role of the SMKI PMA has expanded to include an operational aspect, the structure of its membership requires expansion to mitigate against any risk that quorum cannot be met impacting its ability to discharge and delivery its responsibilities.

The removal of SEC Section L1.12(c) further reduces the risk that quorum cannot be met by enabling SMKI PMA Members to nominate an Alternate from the same organisation that employs them.

## 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 Sections L1.3, L1.14 and L1.16 will be amended to reflect the new role of the SMKI Specialist.  
 SEC Sections L1.3, L1.6, L1.7, L1.8 and L1.9 will be amended to reflect the Member expansion.  
 SEC Sections L1.12 will be amended to remove the provision preventing SMKI PMA Members from appointing Alternatives from the same organisation that employs them.

The legal text can be found in Attachment A - SECMP0022 – Legal Text

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

There will be no direct impact on SEC Parties, as the change only relates to the membership structure of the SMKI PMA.

Statement of impact on Consumers:

Consumers will not be impacted by this modification as it a minor change to the membership structure of the SMKI PMA.

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 a change to Section L – Smart Metering Key Infrastructure and DCC Key Infrastructure only.

## 5. Proposed Timetable

Proposed Timetable for Modification Proposal:

Stage	Start	Finish
Modification Proposal Raised	Mon 03/10/16	n/a
Panel reviews Initial Modification Report	Mon 7/10/16	Fri 14/10/16
Modification Report stage	Mon 17/10/16	Fri 11/11/16
Change Board vote	Wed 16/11/16	Wed 23/11/16
Implementation	5 Working Days after end of the 10WD referral period (estimated date = 14 <sup>th</sup> December 2016)	

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



## 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"> <li>• <b>Path 1 Modifications: Authority-led</b> (Section D2.4/D2.5, SEC Stage 3.0)</li> <li>• <b>Path 2 Modifications: Authority Determination</b> (Section D2.6, SEC Stage 3.0)</li> <li>• <b>Path 3 Modifications: Self-Governance</b> (Section D2.7, SEC Stage 3.0)</li> <li>• <b>Path 4 Modifications: Fast-Track Modifications</b> (Section D2.8, SEC Stage 3.0)</li> </ul>

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Term	Definition
Party Category	<p>Means one of the following categories:</p> <ul style="list-style-type: none"> <li>(a) the Large Supplier Parties collectively;</li> <li>(b) the Small Supplier Parties collectively;</li> <li>(c) the Electricity Network Parties collectively;</li> <li>(d) the Gas Network Parties collectively; or</li> <li>(e) the Other Sec Parties collectively.</li> </ul> <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"> <li>(a) consists of the apparatus identified in;</li> <li>(b) has the functional capability specified by; and</li> <li>(c) compiles with the other requirements of,</li> </ul> <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"> <li>• Gas Smart Metering Equipment;</li> <li>• Electricity Smart Metering Equipment;</li> <li>• In Home Display;</li> <li>• Prepayment Interface Device; and</li> <li>• HAN Connected Auxiliary Load Control Switch.</li> </ul>
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>