Smart Energy Code

SEC
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Stage 02: Working Group Consultation

What stage is this document in the process?

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

SECMP0059:

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

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Summary

This modification 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 to ensure proportionate assurance of the security risks.

Working Group View

- The initial unanimous view of the Working Group is that SECMP0059 should be approved.

Impacts

- Large Supplier Parties
- Small Supplier Parties
- Other SEC Parties
- There are no impacts on Data Communications Company (DCC) Central Systems or Party interfacing systems.

Response Deadline

- This consultation closes at **5pm on Friday 2nd November 2018**.

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About this Document

This is the Working Group Consultation (WGC) for SECMP0059. This document provides a high-level summary of the issue, solution, impacts and costs, implementation date and Working Groups views on the Modification Proposal;

This document has three attachments:

- Attachment A contains the Draft Modification Report (DMR) which provides a detailed explanation of the issue, solution, impacts, costs, implementation as well as the full Working Group discussions and conclusions;
- Attachment B contains the draft legal text changes to support this modification; and
- Attachment C contains the WGC response form.

As part of this consultation SEC Parties will be asked to provide their views on SECMP0059. The information provided will help us to better understand the benefits and drawbacks of the modification, shape the solutions and assist the Panel and the Change Board in their determination.

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Summary of SECMP0059

What is the issue?

Non-domestic energy Suppliers

At present, the SEC sets out 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. This has resulted in high levels of queries being sent to SECAS from non-domestic energy Suppliers asking for clarification on the nature of the second and subsequent User Security Assessment.

Other Users

At present, the SEC sets out the arrangements for the annual User Security Assessments for 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. The Security Sub-Committee (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 the second year is no longer proportionate to the security risks.

What is the Proposed Solution?

Non-domestic energy Suppliers

The SSC proposes that the SEC should explain 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. The SSC has proposed that the threshold for the supply of Non-Domestic Premises for which determines the type of User Security Assessment Supplier Parties are subject to, be set at 50,000. Supplier Parties that supply electricity and/or gas to more than 50,000 non-domestic premises will be subject to a Full Assessment in year one, two and three. Supplier Parties that supply electricity and/or gas to 50,000 or less non-domestic premises will be subject to a Full Assessment in year one, a Verification User Assessment in year two, and a User Self-Assessment in year three.

Other Users

The SSC proposes to align the User Security Assessments for Other Users in SEC Section G8.47 with the existing arrangements for Small Suppliers. For clarification the proposed User Security Assessment guidelines for Other Users have been set out below:

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- **Year 1** – The Other User will schedule a Full User Security Assessment;
- **Year 2** – The Other User will schedule a Verification User Security Assessment;
- **Year 3** – The Other User will schedule a User Security Self-Assessment.

Impacts – Proposed Solution

Party

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

System

There are no impacts on DCC Central Systems or Party interfacing systems.

Implementation Costs

The total estimated implementation cost to deliver SECMP0059 is approximately £1,200. This total cost consists solely of SEC Administration effort.

Implementation Date

The Working Group recommends an implementation date of:

- **28th February**, if a decision to approve is made by 23rd January 2019.

Working Group's initial views

The Working Group believe **unanimously** that SECMP0059 better facilitates the SEC Objectives. The Working Group therefore believe that this Modification Proposal should be approved.

Where can you find further information?

A full description of the issue, solution, impacts, costs, implementation date and the Working Groups views on the merits of SECMP0059 can be found in the DMR (Attachment A).

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