

ANNEX A: Consultation on amendments to the Smart Energy Code and energy supply licence conditions related to the provision of a DCC SMETS1 Service, and changes to the CPA and CPL management processes for SMETS2 Devices

5 November 2018

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1. Executive Summary

- 1.1. This consultation seeks views on a number of proposed changes to the Smart Energy Code (SEC) and energy supply licence conditions.
- 1.2. The proposed changes build upon an initial tranche of regulatory amendments relating to SMETS1 enrolment which were concluded upon in June 2018¹, and which are designed to enable the delivery of data and communications services in respect of SMETS1 meters (“a SMETS1 Service”) by the Data Communications Company (“DCC”). Amendments are also proposed to streamline the management of the Central Products List (CPL) in the event that a SMETS2 Device Model’s Commercial Product Assurance (CPA) certificate expires or is withdrawn, and to transfer responsibility for maintaining the CPA Security Characteristics to the SSC for enduring industry management.
- 1.3. The principal areas covered by this consultation are described below:
 - **Chapter 3 – Enrolment eligibility:** We propose the conditions under which a SMETS1 Smart Metering System will be considered Eligible for Enrolment for the purposes of the SMETS1 enrolment mandate which was concluded upon in October 2018².
 - **Chapter 4 – Driving early enrolment of SMETS1 Smart Metering Systems:** We propose the inclusion of a new obligation in the energy supply licences that would require energy suppliers to take all reasonable steps to facilitate SMETS1 Smart Metering Systems becoming Eligible for Enrolment with the DCC as soon as reasonably practicable.
 - **Chapter 5 – SMETS1 Wide Area Network (WAN) communications services:** We propose amendments to the SEC to reflect potential differences between the communications service provision for SMETS1 and SMETS2 meters.
 - **Chapter 6 – Changes to the CPA and CPL management process for SMETS2 Devices:** We are proposing to amend the SEC to move away from the automatic removal of devices from the CPL due to CPA non-compliance, towards a risk-based approach which involves the SEC Security Sub-Committee (SSC) taking an evidence-based decision on the most appropriate remedy to pursue. In addition, we are proposing to transfer responsibility for maintaining the CPA Security Characteristics to the SSC for enduring industry management.

¹ See: <https://smartenergycodecompany.co.uk/latest-news/government-response-to-the-march-2018-consultation-on-regulatory-changes-to-enable-provision-of-a-smets1-service-by-the-dcc/>

² See: <https://www.gov.uk/government/consultations/maximising-interoperability-for-first-generation-smets1-smart-meters>

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- **Chapter 7 – Other changes:** A number of further miscellaneous amendments to the regulatory framework are proposed to enable the delivery of a SMETS1 Service by the DCC. These include a number of definition changes, proposals to streamline the Commissioning and CPL process for SMETS1 Device Models, and the inclusion of new provisions to reflect the relationship between the Electricity Supplier and Gas Supplier in respect of gas consumption data stored on the SMETS1 Communications Hub at split supply premises.

2. Consultation Background

- 2.1. The development of a world-leading smart energy system delivering secure, cheap and clean energy is an important part of the Government's Industrial Strategy³. As our Clean Growth Strategy highlights, smart technologies and services will play a vital role in decarbonising the energy sector⁴. Smart meters are an essential upgrade to our energy infrastructure, enabling a smarter energy system, and energy consumers to be better informed and engaged.
- 2.2. A number of energy suppliers have been installing first-generation (SMETS1) smart meters for their customers. Like second-generation (SMETS2) smart meters, SMETS1 meters provide consumers with the benefits of accurate bills and near real-time energy consumption information. However, SMETS1 meters currently operate via data and communications systems put in place by individual energy suppliers, as opposed to a single data and communications infrastructure which is accessible to all energy suppliers. As such, SMETS1 meters installed by one energy supplier are not always compatible with another energy supplier's systems, and may lose smart functionality when a consumer switches supplier.
- 2.3. Enrolment of SMETS1 meters with the DCC will rectify this and will provide a number of benefits to consumers and the energy market, in particular:
 - Retention of smart services for consumers when they switch energy supplier.
 - Reduction of stranding risk for existing SMETS1 assets.⁵
 - The application of a number of additional security controls core to the national data and communications service, such as Threshold Anomaly Detection, would be extended to these meters.
 - Efficiency gains from rationalisation of smart metering interfaces and processes within energy supplier businesses.
- 2.4. In October 2018 the Government concluded, following public consultation, that the DCC should be required to provide a SMETS1 Service in respect of four of the six SMETS1 meter cohorts (Aclara, Honeywell Elster, Itron and Landis + Gyr) that were within the scope of the Initial Enrolment Project Feasibility Report (IEPFR)⁶. The Government intends to publish a further consultation on whether a SMETS1 Service should be provided in respect of the remaining two meter cohorts (Secure and EDMI) in due course, once sufficient information has been provided following further engagement between existing and prospective service providers and the DCC.

³ See: <https://www.gov.uk/government/topical-events/the-uks-industrial-strategy>

⁴ See: <https://www.gov.uk/government/publications/clean-growth-strategy>

⁵ Namely the risk of suppliers replacing their SMETS1 meters with SMETS2 meters before the SMETS1 meter's end of life.

⁶ See: <https://www.smartdcc.co.uk/about-dcc/future-service-development/enrolment-and-adoption/>

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- 2.5. The Government has also concluded on new regulatory provisions that will require energy suppliers to take all reasonable steps to enrol SMETS1 meters in the DCC within 12 months of those meters first becoming Eligible for Enrolment⁷; or failing that to take all reasonable steps to replace them with SMETS2 meters by the end of 2020. These changes are intended to help ensure that by the end of the roll-out all customers with smart meters are able to retain smart services when they change energy supplier.
 - 2.6. Significant progress has already been made in ensuring that the regulatory framework is amended to enable the enrolment of SMETS1 meters. In June 2018 the Government concluded on an initial set of amendments to the SEC, DCC Licence and energy supply licences designed to adapt the regulatory framework for SMETS1 enrolment. These changes were subsequently brought into legal effect in July 2018. In parallel, the DCC has consulted on amendments to the SEC Subsidiary Documents (SSDs) that are required to enable SMETS1 enrolment, and which have subsequently been baselined by the Technical and Business Design Group (TBDG). Most recently, in October 2018 BEIS baselined updates to a number of these SSDs following DCC consultation with stakeholders. BEIS will consult on designating the dates from which the baselined SSDs are to be incorporated into the SEC in advance of the DCC's SMETS1 Service being made available.
 - 2.7. This consultation document should be read in conjunction with the proposed changes to the SSDs that have been baselined by TBDG.⁸

Content of this Consultation

- 2.8. This consultation sets out a number of further proposed changes to the SEC and energy supply licence conditions that are required to enable the delivery of a SMETS1 Service by the DCC. Amendments are also proposed to streamline the management of the Central Products List (CPL) in the event that a SMETS2 Device Model's Commercial Product Assurance (CPA) certificate expires or is withdrawn, and to transfer responsibility for maintaining the CPA Security Characteristics to the SSC for enduring industry management. These changes are described in detail in Chapters 3 to 7.
- 2.9. The drafting changes proposed by this consultation are shown at Annexes B and C on top of version 5.23 of the SEC, and the versions of the energy supply licence conditions that are in legal effect. Where we have proposed amendments to SSDs, these are shown on top of the latest Release 3 (Enrolment & Adoption) versions of the documents that have been baselined by TBDG (where available) and which are not yet in legal effect. Where Release 3 versions of SSDs have not yet been

⁷ Where an energy supplier acquires a SMETS1 meter that is Eligible for Enrolment following change of energy supplier and the meter is not enrolled, the new energy supplier will be required to take all reasonable steps to enrol the meter within 12 months of acquiring the meter.

⁸ See: <https://smartenergycodecompany.co.uk/the-developing-sec/>

baselined, we have shown our proposed amendments on top of the versions that are in legal effect.

- 2.10. These SSDs also reflect consequential changes relating to the removal of the DCC opt-out for non-domestic smart metering, which were concluded upon by BEIS in March 2018⁹. This consultation seeks views on the proposed re-designation date of 21 January 2019 (or, if necessary, as soon as reasonably practicable within one month thereafter) and draft direction for the amended Inventory Enrolment and Decommissioning Procedures document (IEDP) included at Annex B (which also includes changes relating to SMETS1 enrolment that are the subject of this consultation) to be incorporated into the SEC as Appendix AC. We subsequently intend to consult on bringing the remaining SSD amendments relating to the removal of the DCC opt-out for non-domestic smart metering into legal effect alongside the baselined SSDs that will enable delivery of a DCC SMETS1 Service.

Structure of each section

- 2.11. In general, the sections of this consultation are split into four parts as follows:

- The first part (**'Description of the Issue'**) sets out the policy approach which provides the basis for the proposed legal text. We reference previous consultations where appropriate.
- The second part (**'Translation into Detailed Requirements'**) summarises how each policy approach has been translated into the proposed legal text for consultation.
- The third part (**'Legal Text'**) cross-references the proposed legal text of the SEC, the DCC Licence or energy supply licence conditions.
- The fourth part (**'Consultation Questions'**) sets out the questions. Most sections include a general question inviting views on the proposed legal text, and others include additional questions seeking views on specific topics. A full list of consultation questions is provided at the end of the document.

- 2.12. **Annex B** (published together with this document) sets out the SEC legal text proposed in this consultation as it would look when combined with the SEC drafting that is currently in legal effect. It also sets out the SSD legal text on top of the latest Release 3 (Enrolment & Adoption) versions of the documents that have been baselined by TBDG, and which are not yet in legal effect.

- 2.13. **Annex C** sets out how the proposed legal text would look once incorporated into energy supply licence conditions.

- 2.14. **Annex D** sets out a draft direction to re-designate the amended Inventory Enrolment and Decommissioning Procedures document (IEDP) into the SEC as Appendix AC with effect from 21 January 2019 (or, if necessary, as soon as reasonably practicable within one month thereafter).

⁹ See: <https://www.gov.uk/government/consultations/non-domestic-smart-metering-policy-proposals-and-draft-legal-text>

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- 2.15. Every effort has been made to ensure that the explanatory text in the main body of this consultation document reflects the legal drafting included in **Annexes B and C**. We have sought to ensure that the explanatory text provides a clear and simplified overview of our proposals. However, the legal drafting should be considered to be definitive in the event that there is an inconsistency between it and the explanatory text. Where terms defined in the SEC (or in licence conditions) are used in this consultation document, they are capitalised.
- 2.16. It is intended that the Government response to this consultation will be published in early 2019.

3. Enrolment Eligibility

Description of the issue

- 3.1. In October 2018 the Government published its consultation response on maximising interoperability for first generation smart meters¹⁰. The Government has concluded that energy suppliers should be required to take all reasonable steps to enrol eligible SMETS1 Smart Metering Systems in the DCC within 12 months of those systems first becoming Eligible for Enrolment¹¹. Energy suppliers will additionally be obliged to take all reasonable steps to replace any unenrolled SMETS1 Smart Metering Systems with a SMETS2 Smart Metering System by the end of 2020. These changes (“the SMETS1 enrolment mandate”) are intended to help ensure that by the end of the roll-out all customers with smart meters are able to retain smart services when they switch energy supplier.
- 3.2. SMETS1 Smart Metering Systems are considered to be Eligible for Enrolment from the point at which they are eligible to be Enrolled in accordance with the relevant provisions of the SEC. In the October 2018 Government response we proposed that this would be determined with reference to the point in time at which the specific Device Model combinations that the Smart Metering System comprises are added to the Eligible Product Combinations list, and stated that we would consult on any necessary amendments to the SEC in due course. Device Model combinations can be added to the list of Eligible Product Combinations once the testing of the DCC system in respect of that Device Model combination has successfully completed, and (as proposed in the draft TMAD consulted upon by the DCC¹²) once the Secretary of State approves the addition of the Device Model combination to the list. In approving the addition, the Secretary of State would seek assurances that the DCC service is ready to be operated (to “go live”) in respect of SMETS1 Smart Metering Systems that comprise such Device Model combinations. This would include confirmation that the necessary testing and preparatory activities in the DCC have been completed.

¹⁰ See: <https://www.gov.uk/government/consultations/maximising-interoperability-for-first-generation-smets1-smart-meters>

¹¹ Where an energy supplier acquires a SMETS1 meter that is Eligible for Enrolment following change of energy supplier and the meter is not enrolled, the new energy supplier will be required to take all reasonable steps to enrol the meter within 12 months of acquiring the meter.

¹² The draft TMAD that DCC published for consultation on 12 October includes a provision specifying that the DCC shall not add an entry to the EPC unless it has approval from the Secretary of State to do so. It is intended that this provision will be incorporated into the TMAD subject to any stakeholder comments arising from the DCC’s consultation.

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- 3.3. We also consider that a SMETS1 Smart Metering System should be considered eligible for Enrolment where a firmware upgrade (or upgrades) exists which, if applied to a Device or Devices that make up that Smart Metering System, would result in them becoming a Device Model combination that is listed on the EPC. In these circumstances we expect that the Responsible Supplier for a Smart Metering System that is “active” would be able to deploy the required firmware upgrade(s) within the 12 month period allowed by the SMETS1 enrolment mandate. We therefore consider it appropriate that the steps that need to be undertaken within 12 months of a SMETS1 Smart Metering System becoming Eligible for Enrolment include the deployment of an existing firmware upgrade where this will result in the Devices comprising a SMETS1 Smart Metering System becoming a Device Model combination that is listed on the EPC.
- 3.4. The DCC has separately consulted on amendments to the draft Transition and Migration Approach Document (TMAD) that would enable it to carry out any equivalent firmware upgrades, where available, to enable enrolment where the Smart Metering System is “dormant”.

Translation into detailed requirements

- 3.5. In order to clearly define in the SEC the point at which SMETS1 Smart Metering Systems will be Eligible for Enrolment for the purposes of the SMETS1 enrolment mandate, we propose the inclusion of a new clause at Section H5.8 of the SEC stating that a SMETS1 Smart Metering System will be considered eligible for Enrolment when it comprises all or part of a SMETS1 Installation (see chapter 7) for which all the Devices are of Device Models which either:
- comprise a combination of Device Models that is listed on the EPC; or
 - could, as a result of applying an existing firmware upgrade (or upgrades), become a combination of Device Models that is listed on the EPC.
- 3.6. The effect of this proposed drafting would be to require an energy supplier to take all reasonable steps to ensure that, within 12 months of either of these conditions being met, the SMETS1 Smart Metering System is enrolled (which would include the application of the firmware upgrade(s) in question, where necessary).
- 3.7. We have further proposed a separate amendment to the Section F definitions of SMETS1 Eligible Product Combinations and SMETS1 Pending Product Combinations to remove the drafting that states that an EPC or PPC entry equates to a Device Model combination that comprises a SMETS1 Smart Metering System. This is because an entry could also equate to a combination of Device Models that comprises two SMETS1 Smart Metering Systems; the electricity Smart Metering System and the gas Smart Metering System. This is to reflect the fact that, where both Systems use the Communications Hub at the premises, they are treated as a single SMETS1 Installation and a single entry on the list of Eligible Product Combinations. An EPC or PPC entry could therefore correspond to a Device Model

combination that represents a single Smart Metering System or two Smart Metering Systems.

Legal text

Regulatory document	Proposed Change
Section H5.8	Addition of a new clause to clarify the point at which SMETS1 Smart Metering Systems are eligible for Enrolment for the purposes of the SMETS1 enrolment mandate.
Section F2.10A	Minor clarifications to the definitions of SMETS1 Eligible Product Combinations and SMETS1 Pending Product Combinations.

Consultation questions

Consultation Question

1. Do you agree with the proposed amendments to Sections F and H of the SEC in relation to defining the point from which SMETS1 Smart Metering Systems are considered Eligible for Enrolment?
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4. Driving early enrolment of SMETS1 Smart Metering Systems

Description of the issue

- 4.1. The SMETS1 enrolment mandate, as concluded upon in October 2018¹³ and described in chapter 3, requires energy suppliers to take all reasonable steps to enrol eligible SMETS1 Smart Metering Systems in the DCC within 12 months of those systems first becoming Eligible for Enrolment¹⁴.
- 4.2. In order for a SMETS1 Smart Metering System to be considered Eligible for Enrolment, and thus for it to be subject to the requirement for energy suppliers to take all reasonable steps to enrol it within 12 months, action may be required on the part of the relevant energy supplier. While we consider that there are commercial and reputational incentives for energy suppliers to work towards early enrolment of their SMETS1 Smart Metering Systems with the DCC, we recognise that these incentives are not necessarily the same across all suppliers. In the case of some energy suppliers greater effort might be required on their part in order to get their SMETS1 Smart Metering Systems into a state where they are capable of interoperating with the DCC's SMETS1 service. It might therefore be the case that, for some energy suppliers, there are benefits to delaying the point at which their SMETS1 Smart Metering Systems become Eligible for Enrolment and consequently fall within the scope of the SMETS1 enrolment mandate.
- 4.3. In order to drive early enrolment of SMETS1 Smart Metering Systems and delivery of benefits to consumers and energy suppliers, we are proposing the creation of a new licence obligation on each energy supplier to take all reasonable steps to facilitate the SMETS1 Smart Metering Systems for which it is responsible becoming Eligible for Enrolment as soon as reasonably practicable. This would include, where necessary, the procurement of firmware upgrades where these are required in order for the Smart Metering Systems in question to be capable of successfully interoperating with the DCC SMETS1 solution.

¹³ See: <https://www.gov.uk/government/consultations/maximising-interoperability-for-first-generation-smets1-smart-meters>

¹⁴ Where an energy supplier acquires a SMETS1 meter that is Eligible for Enrolment following change of energy supplier and the meter is not enrolled, the new energy supplier will be required to take all reasonable steps to enrol the meter within 12 months of acquiring the meter.

Translation into detailed requirements

- 4.4. We expect this proposed obligation to drive energy suppliers to take action where required to support the DCC development and testing phases of the SMETS1 enrolment project. We consider that this would include the procurement of any firmware upgrades that are required to enable the SMETS1 Smart Metering Systems for which an energy supplier is responsible to become Eligible for Enrolment. It would also include making any such new firmware versions available for the DCC to test against where it is apparent that the current versions of Devices will not be able to interoperate with the DCC SMETS1 Service.

Legal text

Regulatory document	Proposed Change
Electricity Supply Licence Condition 54	Inclusion of an obligation on energy suppliers to take all reasonable steps to facilitate the SMETS1 Smart Metering Systems for which they are responsible becoming Eligible for Enrolment with the DCC as soon as reasonably practicable.
Gas Supply Licence Condition 48	

Consultation questions

Consultation Question	
2.	Do you agree with the proposed amendments to the energy supply licence conditions in relation to ensuring early enrolment of SMETS1 smart meters?

5. SMETS1 Wide Area Network (WAN) communications services

Description of the issue

- 5.1. The DCC service requirements set out in the SEC were drafted with SMETS2 in mind, and do not apply to the existing SMETS1 service provision that has been developed by suppliers and SMETS1 Smart Metering System Operators (SMSOs).
- 5.2. The Government recognises that, in order to avoid incurring additional unnecessary time and cost in the delivery of a DCC SMETS1 Service, certain provisions of the SEC may require amendment to reflect differences in the service provision that has been agreed in respect of SMETS1 Devices.
- 5.3. The DCC has been negotiating with SMETS1 Wide Area Network (WAN) service providers to agree the basis on which they will provide services to the DCC. The DCC's starting position has been to secure WAN communications services on the basis of the existing requirements for SMETS2+ communications services set out in the SEC. However the DCC has identified a number of provisions that, were DCC to seek to comply with them in respect of a SMETS1 WAN, would potentially result in a significant increase in costs and timescales for delivery of the DCC's SMETS1 Service. DCC is of the view that, in certain circumstances, requiring SMETS1 WAN provision to align with SMETS2+ WAN provision is disproportionate. Consequently, BEIS is considering amendments to the SEC which would enable different regulatory provisions to apply in respect of the SMETS1 WAN in the following areas:
 - Service Response Target Response Times (which are also proposed to be amended in order to reflect the additional service providers that are involved in the provision of DCC's SMETS1 solution)
 - Service management
 - Incident management
 - Business continuity
 - Security

Translation into detailed requirements

Service Response Target Response Times

- 5.4. The DCC User Interface Services Schedule (UISS) sets out the Target Response Times (TRTs) that apply in respect of SMETS2 service responses. For SMETS2 on-demand service responses a 30 second TRT applies, which measures the total processing time between the DCC and the Communications Hub. Due to differences in the technical design underpinning the SMETS1 communications infrastructure, we have been advised that the SMETS2 TRTs cannot be delivered without undertaking significant additional development work. Given that this would result in additional costs and delays to enrolment, we consider that seeking to impose the SMETS2+ requirement on the DCC's SMETS1 solution would be disproportionate. As a result, we propose to amend UISS so that the TRTs that apply in respect of SMETS1 Service Responses do not take account of WAN processing time. Having engaged with members of the TBDG E&A sub-group, we understand that stakeholders are content with this approach.
- 5.5. Consequently, we propose to create a distinct SMETS1 TRT of 16 seconds for inbound and outbound messages (excluding alerts), which excludes WAN processing time but is specifically designed to account for processing across the Data Service Provider (DSP), Dual Control Organisation (DCO) and SMETS1 Service Provider (S1SP), as well as an allowance for transfer time between SMETS1-specific elements of the DCC's system.
- 5.6. Where the existing UISS drafting provides for a Service Response TRT of 24 hours in respect of SMETS2+ Device and Non-Device Service Requests, however, we have retained a proposed TRT of 24 hours for SMETS1 Service Responses in order to align with the approach that has been taken in respect of SMETS2 Service Response TRTs.
- 5.7. We also propose to create a longer SMETS1 TRT of 5 days in respect of the Activate Firmware (11.3) Service Request as it is used to both distribute firmware to SMETS1 Devices and subsequently activate that firmware (this differs to the process for SMETS2 Devices, where firmware is sent to the Device using the Distribute Firmware (11.1) Service Request). This longer TRT is designed to account for the fact that the S1SP needs to maintain a connection to the Device while the firmware upgrade is being downloaded.
- 5.8. We have proposed further minor and consequential amendments to UISS to:
 - Clarify which service requests are not available in respect of SMETS1 Devices (which is also set out in the baselined version of the DCC User Interface Specification (DUIS)).
 - Clarify the period being measured by TRTs that apply in respect of SMETS1 Sequenced Services, Scheduled Services, Future Dated Services and SMETS1 and S1SP Alerts.

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- Clarify that for scheduled services a TRT of 24 hours applies in respect of SMETS2+ Devices.
 - Update the Monthly Service Metrics to reflect that they only apply in respect of SMETS2+ Devices.

Service management, incident management and business continuity

- 5.9. DCC is currently negotiating enduring contracts to support its SMETS1 WAN provision. Given that, for reasons of both time and cost, it may not always be appropriate to require the current SMETS1 WAN service to be provided on the same basis as the SMETS2+ WAN, we are proposing that the SEC is amended to enable different provisions to apply in respect of SMETS1 WAN communications should this prove necessary. We therefore propose that specific provisions in Sections H8 (Service Management, Self-Service Interface and Service Desk), H9 (Incident Management) and H10 (Business Continuity) of the SEC should only apply to the SMETS1 SM WAN and the SMETS1 Service Providers Systems subject to any contrary provisions in the SEC Subsidiary Documents.
- 5.10. Before designating the date from which a SEC Subsidiary Document introducing any such provisions is to be incorporated into the SEC, BEIS will consult with relevant parties in accordance with the requirements of Section X5 of the SEC.

Security

- 5.11. Section G (Security) of the SEC includes requirements to comply with a number of specific security standards. Following engagement with the SMETS1 Communications Service Provider (CSP) for the IOC cohort, the DCC has confirmed that they are able to comply with a number of these standards and can demonstrate equivalence in respect of all others. The DCC has confirmed, further to engagement with the SEC Security Sub-Committee (SSC), that enabling equivalence with a number of these standards (as opposed to requiring direct compliance) will not impact on the SMETS1 security risk assessment, and avoids incurring significant costs and delays to the SMETS1 enrolment project.
- 5.12. We are therefore proposing to amend the SEC to enable the DCC to comply with an alternative standard or methodology that reflects Good Industry Practice, and is capable of verification as such by the DCC Independent Security Assurance Service Provider, in respect of SMETS1 CSPs for the following standards:
- **G2.13:** Requirement to ensure that an organisation which is an NCSC CHECK service provider carries out assessments that are designed to identify any vulnerability of the DCC Systems to Compromise.
 - **G2.18:** Requirement to ensure that where, in accordance with the DCC Data Retention Policy, any Data are no longer required for the purposes of the Authorised Business, they are securely deleted in compliance with HMG Information Assurance Standard No. 5:2011 (Secure Sanitisation).

- **G2.26:** Requirement to ensure that all system activity audit logs are reviewed regularly in accordance with the DCC Information Security Management System.
- **G2.27:** Requirement for system activity recorded in audit logs to be recorded in a standard format compliant with British Standard BS 10008:2008 (Evidential Weight and Legal Admissibility of Electronic Information) and NCSC Good Practice Guide 18:2012 (Forensic Readiness).
- **G4.6:** Requirement to ensure that any of the DCC Personnel who are authorised to carry out the activities identified in Section G4.5 are subject to a security screening compliant with British Standard BS 7858:2012 (Security Screening of Individuals Employed in a Security Environment – Code of Practice) or a comparable national standard applying in the relevant jurisdiction.
- **G5.7:** Requirement to implement procedures for the security of telecommunications systems and services that comply with HMG Security Procedures – Telecommunications Systems and Services.

Legal text

SEC Section	Proposed Change
Appendix E (UISS)	Amendments to specify separate Target Response Times in respect of SMETS1 meters, to ensure that the Monthly Service Metrics only apply in respect of SMETS2+ Devices, and to clarify that for Scheduled Services the Target Response Time that applies in respect of SMETS 2+ Devices shall always be 24 hours.
Sections H8, H9 & H10	Amendments to enable H8.3, H8.4, H8.5, H9.13, H9.14, H10.11 & H10.13 to apply to the SMETS1 SM WAN and the SMETS1 Service Providers Systems subject to any contrary provisions in the SEC Subsidiary Documents.
Section G	Inclusion of new provisions at G1.10 – G1.12 to enable the DCC to comply with an alternative standard or methodology that reflects Good Industry Practice in order to meet its regulatory obligations to comply with a number of standards in respect of the SMETS1 CSP System.

Consultation questions

Consultation Question

3. Do you agree with the proposed changes to the DCC User Interface Services Schedule (UISS), and Sections H and G of the SEC to reflect differences between the SMETS1 and SMETS2 communications infrastructure?
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6. Changes to the CPA and CPL management process for SMETS2 meters

Description of the issue

- 6.1. Currently, if a SMETS2 Device Model that has been subject to Commercial Product Assurance (CPA) becomes non-compliant with the CPA requirements and isn't remediated to the satisfaction and within timescales set by the National Cyber Security Centre (NCSC), the CPA certificate will be withdrawn; causing the Device Model in question to be removed from the CPL (Central Products List). At this point, the DCC will give the affected Device(s) an SMI Status of 'suspended', meaning that most smart services will cease. This may have a consumer impact as it prevents the energy supplier from being able to communicate with such Devices except for certain actions such as to update the firmware. This consumer impacting approach to a CPA non-compliance issue may not be the desired outcome in all circumstances, depending on the severity of the issue in question.
- 6.2. We are therefore proposing to amend the SEC to move away from the automatic removal of Device Models from the CPL due to CPA non-compliance, towards a risk-based approach which involves the SEC Panel's Security Subcommittee (SSC) considering a number of factors (including compliance) before providing a decision as to the next steps that should be undertaken.
- 6.3. In addition, we are proposing to transfer the responsibility of maintaining the CPA Security Characteristics to the SSC for enduring industry management.

Translation into detailed requirements

- 6.4. It is proposed that the SEC be modified so that if a SMETS2 Device Model's CPA Assurance Certificate expires (and has not been renewed) or is withdrawn, the Device Model is not automatically removed from the CPL.
- 6.5. The SEC would instead require the SSC to consider the security implications of the individual circumstances and the potential consequences of suspending the relevant devices, taking into account information provided by NCSC and any other relevant parties.
- 6.6. The SSC will then make a decision as to whether:
 - a) The Device Model should be removed from the CPL and consequently that Devices of the relevant Device Model should be suspended until they become

compliant. Affected energy suppliers (or the DCC in the case of Communications Hubs) would be required to produce and agree with the SSC an accompanying remedial action plan for the SSC to track progress to remedying the situation.

- b) The Device Model should not be removed from the CPL, but instead the energy supplier should produce and agree with the SSC a remedial action plan to make the device compliant.

- 6.7. We propose that the SSC’s decisions to remove (or not to remove) a Device Model from the CPL, or not to approve a Party’s CPA Certificate Remedial Plan, should be capable of referral to Ofgem for a final determination.
- 6.8. In addition, it is proposed that the SEC be modified to widen the SSC’s terms of reference for it to consider these instances of CPA non-compliance.
- 6.9. The scope of the User Security Assessments and DCC Independent Security Assessment (which are set out in Section G of the SEC) would also need to be extended to ensure there are appropriate policies and procedures in place for creating and managing compliance with CPA Certificate Remedial Plans.
- 6.10. We further propose new requirements for the DCC and each Supplier Party to provide information to the SSC where requested in order to appraise them of the progress of the implementation of any (or all) remedial action plans; for example providing information on how many Devices of the relevant Device Model remain deployed as part of an Enrolled Smart Metering System at any point in time.
- 6.11. We are also proposing that the SSC maintain the CPA Security Characteristics on an enduring basis, which set out the levels of security required for Smart Meters, Communications Hubs and HCALCs to ensure they are proportionate and appropriate taking into consideration the security risks identified in the Security Risk Assessment.
- 6.12. Furthermore, we propose to replace references to ‘CESG’ with references to ‘NCSC’ to reflect a change to the name of that organisation, and have proposed consequential amendments to the definitions included at Section A.

Legal text

SEC Section	Proposed Change
Section A	<ul style="list-style-type: none"> • Incorporation of a new definition of CPA Certificate Remedial Plan. • Addition of a new definition for NCSC, with consequential amendments to the definition of CESG and other existing references to CESG.

Section F	<ul style="list-style-type: none"> • Amendments to provide that where a CPA Assurance Certificate for a Device Model is withdrawn or cancelled by the Assurance Certification Body, the SSC shall determine whether to remove that Device Model from the Central Products List in accordance with the CPL Requirements Document • Provision of a right of referral to the Authority where a Party disagrees with the SSCs decision to remove (or not to remove) a device from the CPL, or not to approve a Party's CPA Certificate Remedial Plan.
CPL Requirements Document	<ul style="list-style-type: none"> • Detailed amendments to specify the process for the Security Sub-Committee to determine whether to remove a Device Model from the Central Products List or whether a CPA Certificate Remedial Plan is to be imposed. • Obligations on Supplier Parties and the DCC in relation to compliance with a CPA Certificate Remedial Plan.
Section G	<ul style="list-style-type: none"> • Amendments to bring compliance with a CPA Certificate Remedial Plan into the scope of the User Security Assessments and the DCC Independent Security Assessment. • Amendments to require the Security Sub-Committee to develop and maintain CPA Security Characteristics that set out the levels of security required for Smart Meters, Communications Hubs and HCALCs that are proportionate and appropriate taking into consideration the security risks identified in the Security Risk Assessment.

Consultation questions

Consultation Question

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|----|---|
| 4. | Do you agree with the proposed changes to the CPA and CPL management process for SMETS2 meters? |
|----|---|

7. Other changes

Section A (Definitions)

- 7.1. Minor amendments have been proposed to the following definitions in Section A of the SEC:
- DCC Individual Live Systems: Correction of a typographical error.
 - DCC Live Systems: Amendments to this definition to reflect the activities of the DCO and to reflect where Countersigning of SMETS1 Service requests is carried out.
 - Instruction – Amendments to the scope of this definition to reflect the behaviour of some SMETS1 Devices.
 - SM WAN – Clarification that this definition refers to either the SMETS1 SM WAN or the SMETS2+ SM WAN. Further consequential amendments have been made to the definitions of DCC Systems and DCC Total System, and to Section G2.29 of the SEC, to ensure these cover both the SMETS1 and SMETS2 SM WANs. The definition of SIMCH Aerial is amended to refer to the SMETS2+ SM WAN only.
 - SMETS1 Installation: Inclusion of the draft TMAD definition of SMETS1 Installation to enable references to the set of Devices installed at a particular premises on the same HAN to be made, which may comprise either or both of an Electricity Smart Metering System and a Gas Smart Metering System.
 - SMETS1 SMSO – Amendments to this definition to ensure it captures smart meter system operators that provide some or all data and/or communication services in respect of SMETS1 Devices.
 - Threshold Anomaly Detection: Amendments to accommodate the proposed role of the DCO in the DCC's SMETS1 security architecture.

Section N (SMETS1 Meters)

- 7.2. The majority of the provisions in Section N of the SEC are now redundant, however Section N2 contains provisions that should apply to any enrolment of SMETS1 Meters. Minor changes are proposed to N2.2 to ensure that, given changes that are being made elsewhere in the SEC to support the enrolment of SMETS1 Meters, the drafting in N2 remains fit for purpose. Specifically, we propose to:
- Amend Section N2.2 to update the meaning of SMETS1 Services so that it refers to the communications services that are set out in the amendments to the SEC pursuant to which the SMETS1 Meters in question become capable of Enrolment. Previously this referred to a minimum set of SMETS1 communication services that were established prior to DCC's production of the

Initial Enrolment Project Feasibility Report. However this list of services has now been superseded by the SMETS1 communication services that are set out in proposed changes to the UISS and the baselined release 3 version of DUIS.

- Remove the requirement in Section N2.13 for any amendments to the SEC to facilitate Enrolment of SMETS1 Meters to include provisions updating Section I of the SEC where necessary, as the necessary amendments to Section I of the SEC to support the Enrolment of SMETS1 meters have now been considered by BEIS.
- Replace a reference to the Certified Products List at Section N6.3 with a reference to the Central Products List (the latter of which includes SMETS1 devices).
- Align the language used in the definition of SMETS1 Meter with that used elsewhere in the SEC.

Section H14 (Testing)

- 7.3. We propose an amendment to Section H14 of the SEC to remove the obligation on the DCC to provide a connection to a simulation of the SMETS1 SM WAN during Device and User System Testing. This is to align with the proposed changes to the Enduring Testing Approach Document (ETAD) that the DCC has recently consulted upon. We propose to make this change if, having considered responses to its consultation, it is concluded the relevant amendments to ETAD should be made.
- 7.4. Minor clarifications to Section H14.31(e) and H14.36A are also proposed to align with the definition of SMETS1 Eligible Product Combinations.

Section G (Security)

- 7.5. A minor amendment to Section G3.15(a) is proposed to reflect the fact that Users do not process Commands and Instructions.

Inventory Enrolment and Decommissioning Procedures Document (IEDP) and CPL Requirements Document: Streamlining of the CPL and Commissioning process

- 7.6. We propose amendments to the baselined versions of IEDP and the CPL Requirements Document¹⁵ to remove requirements on energy suppliers to:
- Confirm to the DCC the sub-version of SMETS1 with which a Device Model complies prior to the addition of that Device Model to the CPL.
 - Provide a written statement to the DCC in a prescribed format confirming that a Device Model complies with SMETS1 prior to seeking to Commission Devices of

¹⁵ Available from: <https://smartenergycodecompany.co.uk/the-developing-sec/>

that Device Model with the DCC, and to ensure that testing has been carried out to that effect. We also propose to remove a related requirement on the DCC not to Commission a Device until it has received such a written statement from the relevant energy supplier in respect of Devices of that Device Model, and a provision stating that a Party has a right to raise a compliance dispute under Section F3 of the SEC (as that right exists independently of the current IEDP drafting and will persist even if it is removed).

- 7.7. We consider that removing these requirements will streamline the existing processes and result in greater efficiencies as:
- The SMETS1.1 and SMETS1.2 specifications are functionally identical, and therefore there is no need for energy suppliers to notify the DCC of the sub-version of SMETS1 that applies prior to the addition of a Device Model to the CPL.
 - We consider that it would be inefficient to maintain the requirement for each individual energy supplier to test and confirm that the Device Models of Devices they are seeking to Commission are compliant with SMETS1 prior to doing so. This process would require duplicate testing to be undertaken by multiple suppliers, which would result in unnecessary costs being incurred. Energy suppliers have separate obligations in relation to technical specification compliance in their energy supply licences.
- 7.8. We consider that the requirement for Device Model combinations to be approved for addition to the EPC prior to enrolment of Smart Metering Systems comprising Devices of those Device Models provides sufficient assurance that any such Smart Metering Systems are capable of interoperating fully with the DCC Total System. By the point at which energy suppliers are seeking to Commission Devices with the DCC, the DCC will already have tested that the relevant Device Model works with its SMETS1 Service, and if the Smart Metering System being enrolled does not comprise a Device Model combination that is listed on the EPC it will not be capable of being successfully enrolled.
- 7.9. Subject to stakeholder comments on the proposed changes to the IEDP, we propose to re-designate the amended IEDP attached at Annex B as Appendix AC to the SEC, through the draft direction included at Annex D, on 21 January 2019 (or, if necessary, as soon as reasonably practicable within one month thereafter). We would appreciate views on the proposed re-designation date and the draft direction in response to this consultation. In advance of the DCC's SMETS1 Service being made available we will consult separately on re-designating the dates from which the amended CPL Requirements Document is to be incorporated into the SEC.

Section P (Production Proving)

- 7.10. Minor amendments have been proposed to replace references to the Certified Products List with references to the Central Products List (the latter of which includes SMETS1 devices).

Section L (Smart Metering Key Infrastructure and DCC Key Infrastructure)

- 7.11. Minor amendments have been proposed to include new Remote Party Role Codes for the Commissioning Party, Requesting Party and S1SP in relation to the migration of SMETS1 meters into the DCC under the process set out in TMAD.

Section I (Data Privacy)

- 7.12. SMETS1 Communications Hubs are not provided by the DCC, and as they are in the same physical enclosure as the Electricity Meter they are the responsibility of the Electricity Supplier. In the case of split supply premises¹⁶ the Gas Proxy Function (GPF), which stores gas consumption data and forms part of the Communications Hub, will therefore be the responsibility of the Electricity Supplier.
- 7.13. As a consequence, the Electricity Supplier in the case of SMETS1 split supply premises will be responsible for storing Personal Data (in this case gas consumption data) on behalf of the Gas Supplier.
- 7.14. We consider that the SEC should be amended in order to reflect this relationship. We therefore propose amendments to:
- Reflect the agreement of the Electricity Supplier to permit the storage of the Personal Data on the SMETS1 GPF.
 - Restrict the Processing that the Electricity Supplier can undertake in respect of the Personal Data
 - Require the Electricity Supplier to assist the Gas Supplier in complying with various of its legal obligations under wider data protection legislation.
 - Prevent the transfer or Processing of the Personal Data outside the European Economic Area (EEA).
 - Permit the Independent Privacy Auditor (on the instruction of SECCo on behalf of Users collectively) to audit compliance with these provisions on giving reasonable prior notice.
 - Ensure that any Sub-Processors are subject to written contractual obligations in respect of the Processing of the Personal Data which are at least equivalent to the obligations imposed on the Electricity Supplier under the SEC.
- 7.15. Electricity Suppliers and Gas Suppliers will need to assess whether they can discharge their legal obligations under wider data protection legislation, including the GDPR, and we welcome their views as to whether changes are required to these proposed amendments in order to assist them in discharging those legal obligations.

¹⁶ Split supply premises are premises where the gas supplier and electricity supplier are different.

Section X (Transition)

7.16. We propose the deletion of historic provisions relating to GFI Testing that are no longer relevant.

Legal text

SEC Section	Proposed Change
Section A	Addition of a new definition for: <ul style="list-style-type: none">• SMETS1 Installation Amendments to existing definitions for: <ul style="list-style-type: none">• DCC Individual Live Systems• DCC Live Systems• Instruction• SM WAN• SMETS1 SMSO• Threshold Anomaly Detection
Section N	Updates to the definition of SMETS1 Services and removal of the requirement for any amendments to the SEC to facilitate Enrolment of SMETS1 Meters to include provisions updating Section I.
Section H14	Removal of the obligation on the DCC to provide a connection to a simulation of the SMETS1 SM WAN during Device and User System Testing.
Section G	Minor amendment to reflect the fact that Users do not process Commands and Instructions.
CPL Requirements Document	Removal of an unnecessary requirement for energy suppliers to confirm to the DCC the sub-version of SMETS1 with which a Device Model complies prior to the addition of that Device Model to the CPL.
IEDP	Removal of a number of unnecessary requirements relating to the Commissioning of SMETS1 Devices.
Section P	Amendments to replace references to the Certified Products List with references to the Central Products List.
Section L	Addition of new Remote Party Role Codes relating to migration.
Section I	Inclusion of new provisions relating to the storage of Personal Data on the Gas Proxy Function by the Electricity Supplier on behalf of the Gas Supplier at premises where there is split supply.
Section X	Removal of historic provisions relating to GFI Testing.

Consultation questions

Consultation Question

5. Do you agree with the proposed changes to Sections A, N, H14, G, X, I, P and L of the SEC, the IEDP and the CPL Requirements Document?
 6. Do you agree with the proposed re-designation date of 21 January 2019 (or, if necessary, as soon as reasonably practicable within one month thereafter) for the amended IEDP to be incorporated into the SEC as Appendix AC?
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8. Catalogue of consultation questions

Consultation Question

1. Do you agree with the proposed amendments to Sections F and H of the SEC in relation to defining the point from which SMETS1 Smart Metering Systems are considered Eligible for Enrolment?
 2. Do you agree with the proposed amendments to the energy supply licence conditions in relation to ensuring early enrolment of SMETS1 smart meters?
 3. Do you agree with the proposed changes to the DCC User Interface Services Schedule (UISS), and Sections H and G of the SEC to reflect differences between the SMETS1 and SMETS2 communications infrastructure?
 4. Do you agree with the proposed changes to the CPA and CPL management process for SMETS2 meters?
 5. Do you agree with the proposed changes to Sections A, N, H14, X, I, P and L of the SEC, IEDP and the CPL Requirements Document?
 6. Do you agree with the proposed date for re-designation of Appendix AC to the SEC (IEDP) of 21 January (or, if necessary, as soon as reasonably practicable within one month thereafter)?
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9. General information

Responding to this Consultation

This document is a Government consultation on proposed changes to the Smart Energy Code, energy supply licence conditions, and the DCC Licence to facilitate the enrolment of SMETS1 meters into the DCC's national communications infrastructure.

Issued: 05 November 2018

Consultation Closes: 3 December 2018

Responses and Enquiries to:

Smart Metering Implementation Programme - Delivery
Department for Business, Energy & Industrial Strategy,
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Confidentiality and data protection

Information provided in response to this consultation may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 2018, General Data Protection Regulation and the Environmental Information Regulations 2004).

If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on the [Smart Energy Code website](#). This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.