SEC
Smart Energy Code

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Paper Reference:	**SECP_78_1303_20**
Action:	**For Decision**

DP112 progression

1. Purpose

Draft Proposal DP112 'Setting the Privacy Assessment Assurance Status' is ready to be converted to a Modification Proposal. We are recommending that this modification be progressed directly to the Report Phase. This paper sets out our proposed approach for progressing this modification for the Panel's approval.

The draft Modification Report setting out the detail of the modification can be found in Appendix A.

2. Summary of the proposal

What is the issue?

Each Party must complete a Full Privacy Assessment (FPA). Upon completion the Panel shall assign the Party with one of the four assurance statuses. It has been identified that two of these statuses are not entirely clear, and so a change to a more accurate status title has been requested.

What is the solution?

It is proposed to amend "Provisionally Approved" to "Deferred" and amend "Deferred" to "Rejected" as that more accurately reflects the situation and is in line with the original policy intent.

The Security Sub-Committee (SSC) also believes it would be more appropriate that where a Party is set a status of "Rejected" ("Deferred" under the current drafting) a second FPA is more appropriate than an updated User Privacy Assessment Response to provide assurance for all Parties and the DCC that the (significant) deficiencies have been addressed.

3. Proposed progression

We believe that this modification should be progressed directly to the Report Phase. The solution has already been formulated by the SSC which aligns Section I 'Data Privacy' to Section G 'Security'.

Determination approach

We recommend a Self-Governance approach for this Proposal, as it does not meet the criteria of Section D2.6. More specifically, it will not have a material effect on the Privacy requirements.

Implementation approach

We recommend an implementation approach of:

- 5 November 2020 (November 2020 SEC Release) if a decision to approve is received before 22 October 2020; or
- 25 February 2021 (February 2021 SEC Release) if a decision to approve is received after 22 October 2020 but before 11 February 2021.

4. Recommendations

The Panel is requested to:

- **AGREE** that DP112 should be converted to a Modification Proposal;
- **AGREE** that MP112 should be progressed to the Report Phase;
- **APPROVE** the Modification Report;
- **APPROVE** the implementation approach; and
- **AGREE** that MP112 should be progressed as a Self-Governance Modification.

Bradley Baker

SECAS Team

6 March 2020

Attachments:

- **Appendix A:** MP112 draft Modification Report
    - **Annex A:** MP112 legal text

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DP112

‘Setting the Privacy Assessment Assurance Status’

Modification Report

Version 0.3

Managed by Gemserv

This document has a Classification of White

About this document

This document is a draft Modification Report. It currently sets out the background, issue, solution, impacts, costs, implementation approach and progression timetable for this modification, along with any relevant discussions, views and conclusions. This document will be updated as this modification progresses.

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This document also has one annex:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.

Contact

If you have any questions on this modification, please contact:

Bradley Baker

020 7770 6597

bradley.baker@gemserv.com

1. Summary

This proposal was raised by Simon Crouch of Utiligroup.

The Security Sub-Committee (SSC) has recently raised MP091 'Updating Security Assurance Status'. One of the benefits of raising this modification is to align SEC Section I to SEC Section G.

Each Party must complete a Full Privacy Assessment (FPA). Upon completion the Smart Energy Code (SEC) Panel shall assign the Party with one of the four assurance statuses. It has been identified that two of these statuses are not entirely clear, and so a change to a more accurate status title has been requested.

The proposed solution will require amendments to SEC Section I 'Data Privacy'. The status 'Provisionally approved' will be changed to 'Deferred', and the status 'Deferred' will be changed to 'Rejected'. This will provide a more accurate reflection of the situation of these statuses.

Furthermore, when a Party is set the status of 'Rejected' ('Deferred' under current drafting), a second FPA will be undertaken as the SSC feel this is more appropriate.

This modification will take an estimated two days of SECAS effort to implement, costing approximately £1,200. There will be no associated implementation costs on SEC Parties or the DCC.

2. Issue

What are the current arrangements?

Section I 'Data Privacy' states that once a Party has completed its FPA the SEC Panel shall assign it an assurance status.

Section I2.32 sets out four potential assurance statuses:

1. **Approved**;
2. **Approved subject to** Party taking mitigating steps outlined in FPA;
3. **Provisionally approved** subject to Party taking mitigating steps outlined in FPA, undertaking a Follow-up Privacy Assessment and Panel approving the results of the Follow-up assessment; and
4. **Deferred** subject to Party amending its Privacy Assessment Response to resolve issues that are inadequately addressed, resubmitting Privacy Assessment Response and the Panel reconsidering that Parties assurance status.

The SEC confirms that the first two assurance statuses allow the User to complete the User Entry Process Tests (UEPT) but the second two assurance statuses do not allow the UEPT to be completed and indicate significant security deficiencies that require substantial remediation.

It is proposed to amend 'Provisionally Approved' to 'Deferred' and amend 'Deferred' to 'Rejected' as that more accurately reflects the situation and is in line with the original policy intent.

The SSC also believes it would be more appropriate that where a Party is set a status of 'Rejected' ('Deferred' under the current drafting) a second FPA is more appropriate than an updated User Privacy Assessment Response to provide assurance for all Parties and the DCC that the (significant) deficiencies have been addressed.

What is the issue?

In SEC Section I2.32, there are four potential assurance statuses a Party may receive after completing their FPA. While the first two, '1. Approved' and '2. Approved subject to', are clear to understand, '3. Provisionally approved' and '4. Deferred' are thought to be less clear, and thus could result in a level of confusion for a Party seeking to complete its UEPT.

What is the impact this is having?

The current wording in the SEC can cause confusion. This can create the wrong impression for Parties as to what the consequence of their assurance status actually is. Removing any confusion over what the assurance status means and making it clear and obvious to Parties what is expected will make the process clearer for all.

Subsequent to MP091 there is misalignment of statuses between Section I and Section G which could further cause confusion.

3. Solution

Proposed Solution

The proposed solution is to amend two of the four assurances statuses that are assigned to a SEC Party upon completing the FPA. SEC Section I2.32 will be amended so that the status 'Provisionally approved' will be changed to 'Deferred', and the status 'Deferred' will be changed to 'Rejected'. This will offer a more accurate reflection of the situation than what is currently stated in the SEC.

Furthermore, there will be a change to the current process where, when a Party is set the status of 'Rejected' ('Deferred' under current drafting), a second FPA will be undertaken as the SSC feel this is more appropriate. This will provide assurances to all Parties and the SCC that deficiencies have been identified and are under review.

4. Impacts

This section summarises the impacts that would arise from the implementation of this modification.

SEC Parties

SEC Party Categories impacted			
✓	Large Suppliers	✓	Small Suppliers
✓	Electricity Network Operators	✓	Gas Network Operators
✓	Other SEC Parties		DCC

The amendment to the current assurance statuses relating to the completion of the FPA will affect all Parties wishing to complete the UEPT.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section I 'Data Privacy'

The changes to the SEC required to deliver the proposed solution can be found in Annex A.

Consumers

This modification will have no impact on Consumers.

Other industry Codes

This modification will have no impact on other industry Codes.

Greenhouse gas emissions

This modification will have no impact on greenhouse gas emissions.

5. Costs

DCC costs

As there will be no impact on DCC Systems, there will be no associated implementation costs.

SECAS costs

The estimated SECAS implementation costs to implement this modification is 2 days of effort, amounting to approximately £1,200. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

There are no expected implementation costs on SEC Parties.

6. Implementation approach

Recommended implementation approach

SECAS is recommending an implementation date of:

- **5 November 2020** (November 2020 SEC Release) if a decision to approve is received on or before 22 October 2020; or
- **25 February 2020** (February 2021 SEC Release) if a decision to approve is received after 22 October 2020 but on or before 11 February 2021.

The November 2020 SEC Release is the earliest release that this modification can be targeted for.

7. Assessment of the proposal

Observations on the issue

DP112 was taken to the Change Sub-Committee (CSC) for decision. CSC members felt that the issue was well defined and agreed with the proposed progression of the proposal. CSC members unanimously felt that the proposal should be converted to a Modification Proposal and progress the Report Phase.

The proposal was also presented to each SEC Sub-Committee for initial comments. Each Sub-Committee was happy for the proposal to progress as they agreed with the proposed amendments. No further comments were received on the issue.

Proposer's rationale against the General SEC Objectives

Objective (g)[1]

The Proposer believes that this modification will better facilitate SEC Objective (g) by ensuring the SEC accurately reflects the situation of each assurance status.

[1] g) Facilitate the efficient and transparent administration and implementation of the SEC

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Appendix 1: Progression timetable

DP112 will be taken to the next Panel meeting for conversion to a Modification Proposal and proceed to the Report Phase on 13 March 2020. Upon entering the Report Phase, the modification will be issued for Modification Report Consultation.

Timetable	
Action	**Date**
Initial comments from SEC Parties	3 Feb 2020
Taken to CSC for decision	25 Feb 2020
Take to Panel for conversion to Modification Proposal	13 Mar 2020
Modification Report Consultation	16 Mar – 3 Apr 2020

Appendix 2: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	**Full term**
FPA	Full Privacy Assessment
DCC	Data Communications Company
SEC	Smart Energy Code
SSC	Security Sub-Committee
UEPT	User Entry Process Tests

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DP112 'Setting the Privacy Assessment Assurance Status'

Annex A

Legal text – version 0.1

About this document

This document contains the redlined changes to the SEC that would be required to deliver this Modification Proposal.

These changes have been drafted against SEC Version 7.0.

This document contains the changes required to deliver the Proposed Solution.

Section I 'Data Privacy'

Amend Section I2.33 as follows:

Initial Full Privacy Assessment: User Entry Process

I2.29 Sections I2.31 to I2.36 set out the applicable privacy requirements referred to in Section H1.10(d) (User Entry Process Requirements).

I2.30 For the purposes of Sections I2.31 to I2.36, any reference in Sections I1.2 to I1.5 or the preceding provisions of this Section I2 to a 'User' or 'Other User' (or to any related expression which applies to Users), shall be read as including a reference (or otherwise applying) to any Party seeking to become a User by completing the User Entry Process for the User Role of Other User.

Initial Full Privacy Assessment

I2.31 For the purpose of completing the User Entry Process for the User Role of Other User, a Party wishing to act in that User Role shall be subject to a Full Privacy Assessment.

Panel: Setting the Assurance Status

I2.32 Following the receipt by it of the Privacy Assessment Report and Privacy Assessment Response produced after the initial Full Privacy Assessment, the Panel shall promptly consider both documents and set the assurance status of the Party, in relation to its compliance with each of its obligations under Sections I1.2 to I1.5, in accordance with Section I2.33.

I2.33 The Panel shall set the assurance status of the Party as one of the following:

(a) approved;

(b) approved, subject to the Party:

(i) taking such steps as it proposes to take in its Privacy Assessment Response in accordance with Section I2.23(b); or

(ii) both taking such steps and being subject to a further Privacy Assessment of such nature and by such date as the Panel may specify;

(c) deferred and:
~~provisionally approved, subject to:~~

(i) the Party having first taken such steps as it proposes to take in its Privacy Assessment Response in accordance with Section I2.23(b) and been subject to a further Privacy Assessment; and

(ii) the Panel having determined that it is satisfied, on the evidence of the further Privacy Assessment, that such steps have been taken; or

(d) rejected and:
~~deferred, subject to:~~

(i) the Party shall have a second~~amending~~ Full~~its~~ Privacy Assessment ~~Response~~ to address any issues identified by the Panel as being, in the opinion of the Panel, not adequately addressed in that response as submitted to Panel; and

(ii) upon completion of the second Full Privacy Assessment the Panel will reconsider~~ing~~ the assurance status in accordance with Section I2.32 ~~in the light of such amendments to the Privacy Assessment Response~~.

Approval

I2.34 For the purposes of Sections H1.10(d) and H1.11 (User Entry Process Requirements):

(a) a Party shall be considered to have successfully demonstrated that it meets the applicable privacy requirements of this Section I2 when:

(i) the Panel has set its assurance status to 'approved' in accordance with either Section I2.33(a) or (b); or

(ii) the Panel has set its assurance status to 'provisionally approved' in accordance with Section I2.33(c) and the requirements specified in that Section have been met; and

(b) the Panel shall notify the Code Administrator as soon as reasonably practicable after the completion of either event described in paragraph (a)(i) or (ii).

Obligations on an Approved Party

I2.35 Where the Panel has set the assurance status of a Party to 'approved' subject to one of the requirements specified in Section I2.33(b), the Party shall take the steps to which that approval is subject.

Disagreement with Panel Decisions

Where a Party disagrees with any decision made by the Panel in relation to it under Section I2.33, it may appeal that decision to the Authority and the determination of the Authority shall be final and binding for the purposes of the Code.