Department for
Business, Energy
& Industrial Strategy

SMART METERING IMPLEMENTATION PROGRAMME

A Consultation on Smart Energy Code and Licence Amendments – September 2016

22 September 2016

The consultation can be found on the BEIS section of GOV.UK:
https://www.gov.uk/beis

Smart Metering Implementation Programme

Any enquiries regarding this publication should be sent to us at:
smartmetering@beis.gov.uk

General information

Purpose of this consultation

This document is a government consultation on amendments to the Smart Energy Code content and Electricity and Gas Supply Licence Conditions.

Issued: 22 September 2016

Consultation Closes: 5pm on 17 October 2016

Responses and Enquiries to:

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Territorial extent:
This consultation applies to the gas and electricity markets in Great Britain. Responsibility for energy markets in Northern Ireland lies with the Northern Ireland Executive's Department of Enterprise, Trade and Investment.

How to respond

Your response will be most useful if it is framed in direct response to the questions posed, by reference to our numbering, though further comments and evidence are also welcome.

Additional copies:
You may make copies of this document without seeking permission. An electronic version can be found at https://www.gov.uk/government/consultations/consultation-on-smart-energy-code-and-licence-amendments-september-2016.

Other versions of the document in Braille, large print or audio-cassette are available on request. This includes a Welsh version. Please contact us under the above details to request alternative versions.

Confidentiality and data protection

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

BEIS intends to publish the individual responses to this consultation on its website and you should therefore let us know if you are not content for the response or any part of it to be published. If you indicate that you do not want your response published we will not publish it automatically but it could still be subject to information requests as detailed above. If you do not want your individual response to be published on the website, or to otherwise be treated as confidential please say so clearly in writing when you send your response to the consultation. For the purposes of considering access to information requests it would also 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.

Quality assurance

This consultation has been carried out in accordance with the Government's Consultation Principles.

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

Email: enquiries@beis.gov.uk

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Executive Summary

The Smart Energy Code

1. Smart meters are the next generation of gas and electricity meters. They offer a range of intelligent functions and provide consumers with more accurate information, bringing an end to estimated billing. Consumers will have near-real time information on their energy consumption to help them control and manage their energy use, save money and reduce emissions.
2. The Smart Energy Code (SEC) is an industry code concerning the arrangements for the provision of the smart metering communication service. It has been created through the Data and Communications Company (DCC) Licence, and it was first designated on 23 September 2013, with further content added and refinements made thereafter.
3. This is a consultation on modifications to the SEC and the Gas and Electricity Supply Licences. Draft legal text as revised by the proposals in this consultation is published in parallel with this document as at Annexes A, B and C.

The Coverage of this Consultation

4. The principal areas covered in this document are described below.

- **Chapter 1:** Changes to the Supply Licence Conditions – sets out proposed draft amendments on Install and Leave, maintenance of smart metering systems and simplification of change of supplier information flows.
- **Chapter 2:** Changes to the SEC on Testing – sets out proposed amendments dealing with testing related to: government introduced SEC modifications for releases beyond DCC Live and the R1.X series of Releases[1]; Registration Data Provider (RDP) entry process testing following DCC Live; changes to Section H of the SEC regarding alignment with the Enduring Testing Approach Document (ETAD) at Appendix J of the SEC; and the provision of variant Communications Hubs for testing.
- **Chapter 3:** Other changes to the Smart Energy Code and other Licences – sets out proposed amendments regarding: analysis and information to support SMETS1 meter enrolment and adoption by the DCC; the Ofgem Significant Code

[1] For the meaning of this term, see the BEIS consultation of 16 August 2016 on the activation of SEC provisions for DCC Live: https://www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/sec-subsidiary-document-for-consultation/sec-subsidiary-documents.zip?sfvrsn=4

Review process to bring it in line with Ofgem's Code Governance Review 3 Final Decision; privacy requirements and the Data Protection Act 1998; making certain transitional variations enduring; the definition of Registration Data Provider Systems; changes to the SEC to enable it to accommodate multiple versions of the Technical Specifications; and some other minor miscellaneous changes.

Introduction

The Smart Energy Code

5. Smart meters are the next generation of gas and electricity meters. They will offer a range of intelligent functions and provide consumers with more accurate information, bringing an end to estimated billing. Consumers will have near-real time information on their energy consumption to help them control and manage their energy use, save money and reduce emissions.

6. On 23 September 2013, a new licensed entity, the Data Communications Company (DCC), was established. Together with its service providers, the Data Service Provider (DSP) and Communications Service Providers (CSPs), the DCC will provide a smart meter communications service. The DCC will offer a means by which Suppliers, Network Operators and others can communicate remotely with smart meters in Great Britain.

7. The SEC was created through, and came into force under, the DCC Licence. The SEC is a multiparty agreement which sets out the terms for the provision of the DCC's smart meter communications service, and specifies other provisions to govern the end-to-end management of smart metering.

8. The DCC, Suppliers of energy to domestic and smaller non-domestic customers, and Network Operators are required by their licences to become parties to the SEC and to comply with its provisions. Other bodies who wish to use the DCC's services, such as energy efficiency and energy service companies, or those that require Smart Metering Key Infrastructure (SMKI) Certificates to be placed on smart metering devices, must accede to the SEC in order to do so.

9. Consistent with other energy industry codes, the SEC is self-governed, enabling participants to raise change proposals, debate issues, and resolve disputes without the need for frequent day-to-day regulatory intervention. It is managed by a panel drawn from SEC Parties (‘the SEC Panel’) and is subject to the regulatory oversight of Ofgem. The SEC Panel is supported in the day to day administration of the SEC by the Smart Energy Code Administrator and Secretariat (SECAS).

Content of this consultation

10. The proposed changes to the SEC and Licences are primarily the detailed implementation of agreed policy ahead of completing the transfer of SEC governance to the SEC Panel and Authority. This is therefore primarily a consultation on new legal drafting, which in many cases derives from previous policy consultations or previous SEC and other Supply Licence Condition consultations. The sections of new draft legal text which are the subject of this consultation are described in detail in Chapters 1 to 3.

Structure of each section

11. In general each section of this consultation is 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 the policy approach has been translated into the proposed legal requirements for consultation;
- the third part ('**Legal Text'**) cross-references the proposed approach to the appropriate draft legal text for the SEC or Licence Condition for ease of reference; and
- the fourth part ('**Consultation Questions'**) sets out the questions inviting a response. Most sections include a general question inviting views on the proposed legal text for the SEC or Licence Condition, while some only seek views on proposed policy approaches. Furthermore, some sections include additional questions seeking views on specific topics.

12. **Annex A** (published together with this document) sets out the SEC legal text proposed in this consultation as it would look combined with the existing SEC content for that section. The version of the SEC published at **Annex A** alongside this consultation should therefore not be read as the latest in legal effect version of the SEC. The 'in legal effect' version can be found on the SEC website[2].

13. **Annex B** sets out how the proposed text would look once incorporated into the Gas and Electricity Supply Licences, **Annex C** sets out how the proposed text would look once incorporated into the DCC Licence.

14. 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 A, B and C.** We have sought to ensure that the explanatory text provides a clear and simplified overview of our proposals. However, only the legal drafting should be treated as the definitive text. Where SEC defined terms are used in this consultation document, they are capitalised.

15. An Impact Assessment for Smart Metering was published in January 2014. This estimated the costs and benefits associated with the GB roll-out of smart meters and identified a substantial net benefit of £6.2bn for the period to 2030 from the programme.

16. It is intended that the Government response covering the areas included in this consultation will be published at the turn of the year. We will schedule the laying of legal text or re-designation of subsidiary documents in order to continue to support the delivery of the DCC's services and the rollout of Smart Meters.

[2] https://www.smartenergycodecompany.co.uk/sec/sec-and-guidance-documents

Changes to the Supply Licence Conditions

1.1 Install and Leave

Description of the issue

17. The Government Response to the Smart Metering Rollout Strategy[3], published in July 2015, set out our intention to provide clarity that Install and Leave (I&L) for SMETS2 meters should be allowed in two situations.

    - Where having used the DCC Coverage checker a supplier expects there to be DCC Wide Area Network (WAN) but during the installation visit the WAN is not available – known as reactive I&L.
    - Where the DCC WAN is forecast not to be available at installation, but will be available before 2020 and the meter will be for a new connection – known as proactive I&L. In addition to this and since the publication of the Rollout Strategy Government Response BEIS is now also proposing in this consultation document that proactive I&L should be extended to meters which need to be replaced because they are no longer working.

18. Regulatory change to implement this policy will provide clarity on the arrangements that apply when suppliers install and leave. Currently Ofgem would need to assess whether a supplier had taken 'all reasonable steps' to meet the Operational Requirements in Licence Conditions[4] on a case by case basis. Any changes to licence conditions will need to be reflected in the SMICoP to provide certainty for suppliers on what steps they are required to take (or are prevented from taking) where they Install and Leave and to protect consumers. These regulatory changes do not make Install and Leave mandatory.

19. In the July 2015 Government response to the Smart Metering Rollout Strategy consultation, we proposed that installations would not count towards a supplier's rollout obligations unless and until the HAN is established; the customer has been offered an In-home Display (IHD) and had its function explained; and the energy efficiency advice has been provided. In practice, in implementing the detail of the licence changes relating to install and leave, we have not modified the operation of suppliers' rollout obligations, since these relate to the capability of devices rather than how that capability is utilised (for example to establish an operating WAN or HAN connection). Instead we have included additional obligations in the operational requirement licence conditions.

[3] https://www.gov.uk/government/consultations/smart-metering-rollout-strategy
[4] Standard conditions 43 and 49 of gas and electricity supply licences respectively.

20. In addition, the Rollout Strategy Government Response set out the Government's intention to consider further whether I&L for Pre-Payment Meter (PPM) installations should be permitted. The Government has decided not to regulate to prevent I&L for PPM customers. This decision recognises that each installation is likely to be different and that in some cases an I&L installation may still deliver certain, limited, benefits for some consumers. For example, the practicality of such an installation may be improved through the provision of a PPMID for manual UTRN entry. In addition, protection for the consumer is provided through existing licence condition 28 of the electricity and gas supply licences which requires the operation of prepayment meters to be safe and reasonably practicable in all the circumstances of the case.

21. The licence condition 28 requirement to be safe and reasonably practicable in all the circumstances of the case also applies to the continued operation of the meter. Should circumstances change and the supplier becomes aware or has reason to believe that it is no longer safe or reasonably practicable for the customer to use a PPM without WAN, the supplier would need to take action. We will review this decision if evidence suggests that PPM I&L is leading to a negative consumer experience. Ofgem has issued formal guidance[5] in relation to interpretation of the 'safe and reasonably practicable' duty.

22. I&L policy applies to SMETS2 meters only and covers domestic and non-domestic installations. References to WAN in the following paragraphs refer to the DCC WAN.

Translation into detailed requirements

Reactive Install and Leave

23. Suppliers will have the option to undertake reactive I&L when they visit a premises within 30 days of having confirmed WAN availability on the SM WAN Coverage Database[6] and during that visit find that the WAN is not available. If a supplier wishes to continue with the installation, they will be allowed to Install and Leave. The I&L policy will require the supplier to install the communications hub and then notify the DCC of the lack of WAN connectivity, as soon as reasonably practicable following the installation visit. This will trigger DCC's obligations under Section F7.18 of the SEC and in most instances should mean the customer is without WAN for no more than 90 days from the point of notification to the DCC.

24. In this instance the supplier will no longer have to take 'all reasonable steps' to establish a HAN during the initial installation, but they may choose to do so. Where the supplier does establish the HAN, the supplier must also discharge its In Home Display and SMICoP obligations. If the HAN was not established as part of the initial installation, the supplier will be required to take 'all reasonable steps' to establish the HAN and

[5] https://www.ofgem.gov.uk/ofgem-publications/99781
[6] As defined in the Smart Energy Code

discharge the relevant IHD and SMICoP obligations as soon as reasonably practicable after the WAN is established.

Proactive Install and Leave

25. Proactive I&L will apply where a supplier has used the SM WAN Coverage Database and it shows that there is currently no WAN but WAN is forecast to be available before the end of 2020 and a meter is installed at the premises for the first time; or the existing meter needs to be replaced because the supplier reasonably believes that it is faulty, unsafe or no longer complies with the applicable requirements of any metering legislation. In these circumstances a supplier can install a SMETS 2 Smart Metering System where there is no WAN.

26. When undertaking proactive I&L the supplier will not be permitted to establish the HAN and discharge relevant SMICoP and IHD obligations until the WAN is established. Once WAN is established (as indicated by the SM WAN Coverage Database), a supplier must take 'all reasonable steps' to establish the HAN and discharge the relevant IHD and SMICoP obligations in the presence of the occupant. The requirement that HAN is only established once the WAN is available will require an amendment to existing licence conditions that require that once a smart meter is installed relevant consumption information should be available to the consumer. Provision of relevant consumption information would not be possible if there is no WAN or HAN. Therefore a derogation from the requirement to provide information is proposed. The derogation will only stand until the WAN is established (as indicated by the SM WAN Coverage Database).

27. The approach to establishing the HAN and discharging IHD and SMICoP obligations differs between reactive and proactive I&L because under proactive I&L a customer could be without WAN for a prolonged period of time which could be a risk to the customer experience.

28. Neither reactive nor proactive I&L are mandatory; energy suppliers do not have to install smart meters in the absence of WAN. We intend to monitor the use of I&L through the 2016 Annual Supplier Reports that are returned to BEIS.

29. Interaction of I&L policy with the New and Replacement Obligation and premises where there is expected to be no WAN post-2020 will be considered separately to this consultation. Regulatory changes will need to be reflected in the SMICoP to protect the customer experience at installation. A working group has been established to consider this.

Legal text

Summary of new Licence Provisions	
Condition 1 of the Electricity Supply Licence and Gas Supply Licence	*New definitions for HAN Date, SM WAN, SM WAN Coverage Database.*
Condition 40, 41, 42 and 49 of the	*40.1 changes relating to provision of IHD.* *40.18 definition of the relevant period in relation to the HAN*

Electricity Supply Licence and equivalent changes to Condition 34, 35, 36 and 43 Condition of the Gas Supply Licence	*date* *41.23 clarity on use of words 'install', 'installed', 'installing' for domestic premises* *42.16 clarity on use of words 'install', 'installed', 'installing' for Designated Premises* *<u>Proactive Install and Leave</u>* *49.8 changes to implement an exception from requirements to establish WAN and HAN where the meter is a new meter or replacing a meter that no longer works and the SM WAN Coverage Database indicates that SM WAN is not currently available but will be available prior to 1 January 2021. Please note that the concept of a "Versions" of a Technical Specification in this proposed additional licence condition is discussed further in Section 3.6 of this consultation.* *49.9 changes indicating that the exception falls away from the date that the WAN becomes available (as indicated by the SM WAN Coverage Database).* *49.10 changes which restrict when the HAN may be established (the SM WAN Coverage Database must have indicated that WAN coverage will be available at any time in the 30 day period before HAN establishment).* *49.11 & 49.12 changes which mean that, where the SM Wan Coverage Database indicates that the WAN is available, but at the visit to establish the HAN, it is not, the supplier must inform DCC and must establish the HAN as soon as reasonably practicable after a notification from DCC that the WAN has been established.* *<u>Reactive Install and Leave</u>* *49.13 changes to implement an exception from requirements to establish WAN and HAN where the licensee has checked the SM WAN Coverage Database and it indicates that SM WAN is available but at the installation visit the SM WAN is not available.* *49.14 changes to require that the licensee notify the DCC that the SM WAN is not available.* *49.15&49.16 changes that mean where the HAN has not already been established, once the WAN is available the licensee must take all reasonable steps to establish HAN as soon as reasonably practicable after a notification from DCC that the WAN has been established.* *49.25 changes regarding IHD requirements.* *49.26 definition of Applicable Date, Mandatory Replacement Electricity Meter, Metering Legislation, New Electricity Meter, Notified Date and Relevant Period*
Condition 51 of the Electricity Supply Licence	*51.8 amendment to extend the exception regarding provision of consumption data to installations with no WAN and HAN.*

and equivalent changes to Condition 45 of the Gas Supply Licence	

Consultation questions

Install and Leave	
Q1	Do you agree that the legal drafting implements reactive I&L policy as proposed? Please provide a rationale for your views.
Q2	Do you agree with the proposed approach for the implementation of proactive I&L for new connections and replacement meters? Please provide a rationale for your views.
Q3	Do you agree that the legal drafting implements proactive I&L policy as proposed? Please provide a rationale for your views.

1.2 Maintenance of Smart Metering Systems

Description of the issue

30. We propose that some revisions are made to the standard conditions of electricity and gas supply (the 'Supply Licence Conditions') to better reflect our policy position on maintenance and replacement of Smart Metering Systems[7].

31. Our policy intention is that energy suppliers should take all reasonable steps to maintain a Smart Metering System so that it complies with a version of the SMETS (and where relevant CHTS) that has a current Maintenance Validity Period[8]. This change is intended to clarify that a component or device (for example, the ESME) forming part of a Smart Metering System installed to meet the requirements of SMETS2 can be replaced as part of future maintenance, with components or devices that comply with SMETS2, even if the Installation Validity Period of SMETS2 has expired at the time of the maintenance.

32. We have also added two additional concepts to the requirements in conditions 39 (electricity) and 33 (gas) that apply to the maintenance of smart metering systems. The first of these is a compatibility requirement, which essentially states that the Technical Specification with which the replacement device complies must be compatible with those met by other devices in the premises. This is discussed further in Section 3.6. The second is a "no backwards step" requirement, which requires that the replacement device does not meet a "lesser" Technical Specification that that has previously been in place. We do not consider this to be a new requirement as the previous drafting required a replacement device to comply with a version of SMETS that was valid on the date of installation of the Smart Metering System (rather than any earlier version of SMETS). The revised drafting provides additional flexibility since it permits suppliers to continue to meet the original SMETS version, but also permits them to upgrade to later versions if they wish. Again, this is discussed further in Section 3.6.

33. However, where the entire Smart Metering System is removed, in order to meet the roll-out duty suppliers must take all reasonable steps to ensure that any replacement Smart Metering System complies with a version of SMETS extant (i.e. an active Installation Validity Period) at the time that the replacement system is installed. For example, after the SMETS1 end-date if an existing SMETS1 smart metering system had to be replaced in its entirety it would not be permissible to install a new SMETS1 Smart Metering System in its place.

[7] The Government noted in an open-letter (24 March 2016) to energy suppliers on the maintenance of Smart Metering Systems after the SMETS 1 end-date, that it may be necessary to modify the supply licence conditions to ensure that its policy intention on maintenance and replacement of smart metering systems was properly reflected and would consult on any changes in due course.

[8] Please see Section 3.6 for a further discussion of the concept of Maintenance Validity Period and the associated concept of Installation Validity Period.

Translation into detailed requirements

34. The changes that we propose interact with wider changes discussed in Section 3.6. We propose to amend the maintenance requirements in the Supply Licence Conditions to clarify that a supplier can replace components of a Smart Metering System with components that comply with a version of the SMETS (or CHTS) that has a current Maintenance Validity Period, are compatible with the other devices installed in the premises and that are not a backward step compared to what was last installed. We also propose a new sub-section in the licence conditions that clarifies that where a supplier replaces an entire Smart Metering System with another, it must take all reasonable steps to ensure that the replacement meets the requirements of a version of the SMETS with a valid Installation Validity Period.

Legal Text

Summary of amendments to Supply Licence Conditions	
Licence Condition 39 (Electricity) and 33 (Gas)	Changes to Conditions 39 and 33 relating to maintenance and replacement of Smart Metering Systems. Please see section 3.6 for a further discussion of these changes.

Consultation Questions

Maintenance of Smart Metering Systems	
Q4	Do you agree that the proposed legal drafting accurately reflects our policy intention on maintenance and replacement of smart metering systems? Please provide a rationale for your views.

1.3 Simplification of change of supplier information flows

Description of the issue

35. In a change of supplier event, the current electricity supply licence condition 50 (Continuation of Arrangements on Change of Supplier) requires the old supplier to send a notice (Meter Asset Provider (MAP) Notice) containing the identity of the MAP(s) and contact details to the new supplier.

36. It also requires a notice to be sent to each relevant MAP with the new supplier's contact information. This ensures all parties have the information as to who is responsible for the supply and operation in relation to a churned meter.

37. However, in a change of supplier event within the electricity supply environment there already is a data flow (D0150) which the Meter Operator (MOP) sends to the new supplier, which includes MAP information (MAP ID) (this does not apply to the gas supply environment). This MAP ID can be used by the new supplier to 'look up' the contact details of the MAP.

38. We are therefore aware that there are potentially two information flows that contain similar information. In the interest of limiting the requirement for unnecessary information flows, and streamlining regulatory obligations, we are proposing a minor amendment to the electricity licence condition 50.3.

Translation into detailed requirements

39. We are seeking to clarify the notification requirements on the old supplier in electricity supply licence condition 50.3.

40. We are proposing to change the condition to not require the old supplier to send the new supplier the contact details of the relevant MAP if these are available by virtue of the information contained within the D0150 data flow.

Legal text

Summary Regulatory Provisions	
Electricity Supply Licence Condition 50.3	Condition 50.3 has been amended to clarify that the old supplier is not required to send the new supplier the MAP contact details if these are contained in the information sent to it in respect of the Supplier Transfer in accordance with the Master Registration Agreement (D0150).

Consultation questions

Simplification of change of supplier information flows	
Q5	Do you agree with the legal drafting of the proposed amendment to the electricity supply licence condition 50 regarding change of suppliers? Please provide a rationale for your views.

2 Changes to the Smart Energy Code - Testing

2.1 Testing required to implement changes to the SEC

Description of the issue

Testing to support Secretary of State SEC variations

41. The testing arrangements defined in Section T of the SEC are transitional and designed to prove that the arrangements embodied in a specific version of the SEC work as intended before those arrangements go live.

42. The Government has previously stated that it intends to make amendments to the SEC after DCC Live, for example, to introduce the 868MHz HAN solution. These amendments to the SEC would be delivered using the Secretary of State's (SofS) powers under Section 88 of the Energy Act 2008 or Section X of the SEC. Testing will be required to support the implementation of these changes (noting that any decisions in relation to the provision of testing services related to this change will be considered at a later date).

43. However, there is no current provision in the SEC to determine or provide the testing required when amendments are made by the SofS (rather than through the SEC Modification Proposal process), beyond DCC Live and the R1.X series of Releases. We therefore propose to introduce additional SEC requirements to provide for appropriate testing arrangements to be developed by the DCC, where directed by the SofS, to support changes to the SEC that the Secretary of State is considering, consulting on or has decided upon.

Clarification as to when testing requirements should be considered for SEC Modification Proposals under Section D

44. Section H14 of the SEC sets out some enduring testing requirements relating to the provision of various Testing Services by the DCC. Section H14.34 includes a requirement that where testing is required to implement a SEC Modification Proposal, that this must be provided as a Testing Service.

45. However, there is no obligation in the SEC to include or develop testing requirements (approach, governance, party involvement) within Modification Proposals, the Refinement Process or the Modification Report, for example:

- Section D1.7 which sets out the information that a Modification Proposal must contain but currently, there is no obligation to consider whether testing will be required prior to implementation of the Modification Proposal.

- Section D3.9 which sets out when the Refinement Process for Modification Proposals must be followed and D6.8 sets out the purpose of the Refinement Process. However, there is no obligation to consider testing requirements as part of the Refinement Process.
- Section D6.9 which sets out that at the request of the Working Group, the DCC can be required to prepare analysis of the impact of the Modification Proposal. Currently this analysis does not include the consideration of testing.
- Section D7.3 which sets out the content of the Modification Report but it does not require inclusion of testing requirements.
- Section D10.2 which requires the Panel to determine the actions required to ensure that an approved Modification Proposal is implemented in accordance with its timetable. This does not explicitly require testing to be considered as part of the implementation approach, although it could be argued that this is implicit.

46. We therefore propose to clarify SEC requirements relating to testing to support approved Modification Proposals by requiring that, where testing would be required to support its implementation that this is considered and suitable arrangements developed as part of the Modification Proposals.

Translation into detailed requirements

Testing to support Secretary of State SEC variations

47. Amendments to the SEC are required in order to provide for testing requirements associated with changes that are made by the SofS using Section 88 or Section X powers that are intended to be implemented after DCC Live and the R1.X series of Releases. We propose to make these amendments in Section X rather than section H, as the SofS powers to amend the SEC are not enduring.

48. Proposed amendments include a high level requirement on DCC, where directed by the SofS, to identify the testing requirements for each SofS led variation, including testing that would need to be provided by the DCC (in a modification-specific 'SEC Variation Testing Approach Document'). Should the SEC Variation Testing Approach Document be designated by the Secretary of State, the DCC will be required to provide this testing as a Testing Service (i.e. equivalent to H14.34 for SEC Modification Proposals).

49. In addition, a proposed amendment to Section X11.2 requires that where directed by the SofS, the DCC will be required to analyse and report to the SofS on matters relating to the proposed variation, including the extent of changes required to the DCC total system and likely costs associated with the change.

50. Chapter 3.1 of this document also sets out proposed changes to Section N to allow the SofS to commission analysis from the DCC in relation to SMETS1 Enrolment and Adoption, however the nature of the analysis potentially required in relation to SMETS1 Enrolment and Adoption is broader than that set out in X11.2 (for example, it could include analysis relating to the Adoption of existing SMETS1 Communications Contracts by the DCC), and therefore specific additional provisions have been developed in Section N to provide for such analysis.

51. In developing the 'SEC Variation Testing Approach Document', the DCC will need to comply with any requirements directed by the SofS including consultation requirements, and submit each SEC Variation Testing Approach Document to the SofS for approval in accordance with a timetable directed by the SofS. The direction requiring the

preparation of a SEC Variation Testing Approach Document will also outline the scope and objectives of the testing, and the essential content of the document including details on:

- The phases of testing to be undertaken
- The approach to testing
- Testing environments to be used
- Timetable for testing
- Testing participants involved – roles and responsibilities of testing participants
- Governance arrangements
- Entry and exit criteria, and
- The process by which the testing will be determined to be complete.

52. The DCC will be required to comply with any requests by the SofS to re-consult, reconsider or re-submit the draft SEC Variation Testing Approach Document. There will also be a requirement for relevant Parties to comply with each SEC Variation Testing Approach Document to the extent that they are required to, or choose to participate in the testing.

Clarification as to when testing requirements should be considered for SEC Modification Proposals under Section D

53. The SEC changes proposed in this area are designed to be sufficiently flexible to permit the development of an appropriate set of testing requirements that are suited to the needs of each Modification Proposal. A particular Modification Proposal's testing requirements could include an obligation for the DCC to draft an approach document to govern the testing arrangements, where this is considered appropriate.

54. Amendments require testing to be considered in the Modification Proposal, the Refinement Process, in analysis by the DCC (upon request of the Working Group) and in the Modification Report:

- For each Modification Proposal the proposer includes a statement of whether, in its opinion, the Modification Proposal will require the DCC to undertake testing of the DCC Total System and/or provide testing services as part of the proposal's implementation.
- That the Proposal will be subject to the Refinement Process where testing is likely to be required to support its implementation
- Where the Modification Proposal is subject to the Refinement Process, that process must include consideration of required changes to DCC Systems, User Systems and/or Smart Metering Systems and whether testing is required. If it is required, the Modification Proposal must include a robust testing solution
- That DCC prepares analysis (at the request of the Working Group) of testing of the DCC Total System required to implement the Modification Proposal and its view of the scope, phases, timetable and testing participants.
- That the Modification Report includes a proposed approach to testing (if testing is required to support implementation) and identifies whether the DCC is to be required to undertake testing of the DCC Total System and/or provide a testing service. The report must also specify whether implementation is likely to require

changes to systems (DCC Systems, User Systems and/or Smart Metering Systems) and if so, the likely associated costs.

Legal text

Summary of new SEC Provisions	
SEC Amendments	Testing to support Secretary of State SEC variations • X11.1 Identifies that Section X11 sets out a testing process to be followed for variations to the Code that the SofS is considering, consulting on or has decided upon. • X11.2 Requires where the SofS directs in respect of one or more proposed variations to the Code, the DCC shall analyse and report to the SofS on the matters set out in the direction, including the extent of changes required to the DCC total system and likely costs associated with the change. • X11.3 Identifies that each SEC Variation Testing Approach Document developed by the DCC is incorporated into the SEC pursuant to Section X5. • X11.4 Requires where the SofS directs in respect of one or more proposed variations to the Code, the DCC shall develop a 'SEC Variation Testing Approach Document' in consultation with relevant persons and as per a timetable directed by the SofS. • X11.5 Outlines the content that the 'SEC Variation Testing Approach Document' must include. • X11.6 Requires the DCC to submit a draft SEC Variation Testing Approach Document to the SofS for consideration and where directed by SofS must re-consider, re-consult and/or re-submit the draft document. • X11.7 Requires the DCC and other relevant parties to comply with the SEC Variation Testing Approach Document. • X11.8 Identifies that Section H14 and the Enduring Testing Approach Document (ETAD) apply in respect of testing under the SEC Variation Testing Approach Document, as if such testing was a Testing Service under H14.34 and each participant in that testing is treated as a Testing Participant for such purposes. *Clarification as to when testing requirements should be considered for SEC Modification Proposals – Amendments to Section D drafting* • D1.7 Amended to require that the Modification Proposal must include a statement as to whether, in the opinion of the Proposer, testing will be required to implement the proposal.

	• D3.9 Amended to require that Modification Proposals that are likely to require testing as part of their implementation are subject to the Refinement Process. • D6.8 Amended to identify that the purpose of the Refinement Process now includes the consideration of whether testing is required as part of the proposal's implementation and if so, to ensure that the Modification Proposal provides a robust testing solution.D6.9 Amended to require the DCC to, upon the request of the Working Group, prepare analysis on testing of the DCC Total System required including its views of the scope, phases, timetable and parties that should participate. • D7.3 Amended to require that where the Modification Proposal was subject to the Refinement Process, that the Modification Report shall specify whether and how DCC is required to undertake testing of the DCC Total System and/or provide testing services and whether implementation of the Modification Proposal will lead to system changes and if so, the likely associated costs. • H14.34-14.35 Amended to require that where an approved Modification Proposal requires DCC to provide testing services to implement, that such testing will be undertaken as a Testing Service, pursuant to Section H14.34 and parties eligible to participate in this testing shall be determined as provided for in the Section D Modification Process.

Consultation questions

Testing required to implement changes to the SEC	
Q6	Do you agree with the proposal and associated legal drafting to introduce additional requirements to provide for appropriate testing when the Secretary of State proposes to introduce amendments to the SEC? Please provide a rationale for your views.
Q7	Do you agree with the proposal and associated legal drafting (amendments to Section D) to clarify when and how testing requirements should be considered, for SEC Modification Proposals? Please provide a rationale for your views.

2.2 Enduring Registration Data Provider Entry Process Testing

Description of the issue

55. There is a requirement on each Electricity Distribution Licensees (both IDNOs - Independent Distribution Network Operators - and Distribution Network Operators (DNOs)[9]) and Gas Transportation (GT) Licensees to provide DCC with registration data in relation to MPANs/MPRNs (Meter Point Administration Number/Meter Point Reference Number) associated with its network. This registration data is required, amongst other things, to support the process for enrolling Smart Metering Systems related to those MPANs/MPRNs. This registration data is provided through an RDP (Registration Data Provider) nominated by the DNO/IDNO/GT (where no nomination is provided, the IDNO/DNO/GT is the RDP). DCC also has an obligation to send certain data to the Electricity Distribution Licensee or Gas Transportation Licensee, for example, whether there is an Enrolled Smart Metering System associated with the Network Party's MPANs. All of these arrangements are set out in Section E of the SEC.

56. It has been brought to our attention that should a new Licensee (DNO/IDNO/GT) enter the market and nominate a new or existing RDP, or an existing DNO/IDNO/GT decides to utilise the services of a new RDP (one that has not gone through Systems Integration Testing (SIT)), that this may expose a gap in the Smart Energy Code (SEC), in terms of RDP entry testing. This is because there is no requirement on DCC to provide a test environment to facilitate RDP entry after DCC Live Systems Integration Testing (SIT) has concluded.

57. However, there are a number of scenarios where it would be appropriate to require or enable testing of the RDP connection, comparable to the existing testing that has been undertaken during SIT. For example, where a new RDP is used or where an existing RDP is used and the new DNO/IDNO/GT chooses to undertake End-to-End Testing before sending live data.

58. We therefore propose to amend the SEC so that there is a requirement on new RDPs and DCC to complete testing before they first start providing data to each other and for DCC to provide a test environment for this testing.

59. We also intend to provide a right for a new DNO/IDNO/GT's which are planning to use an existing RDP to use this test facility, should it wish to undertake its own end to end testing before it has Supply Points or Meters Points and thus its obligation to send live data to the DCC commences.

[9] IDNOs are distribution network licence holders who own and operate smaller distribution networks located within areas covered by the DNOs. IDNO networks are mainly extensions to the DNO networks serving new housing and commercial developments. DNO/IDNO/GT's are also known as Electricity Network Party and Gas Network Party.

Translation into detailed requirements

60. The SEC changes proposed provide for a new Testing Service (i.e. RDP Entry Process Tests) and includes changes to Section E, Section H14 and Section X1.

61. These amendments will require that the RDP Entry Process must be completed before a new RDP starts sending Registration Data to the DCC and before the DCC starts sending data to it. Additionally, a new Licensee (DNO/IDNO/GT) using an existing RDP will have the right to test the exchange of data with the DCC. The DCC must provide a test environment that can be used for these purposes.

62. The proposed amendment will outline that, upon application by the RDP, the DCC will determine if the tests have been successfully completed. The RDP will have a right of appeal against the DCC's decision, first to the SEC Panel and then the Authority.

63. An additional amendment will require DCC to propose a set of rules, relating to this new RDP Entry Process, in the Enduring Testing Approach Document (ETAD). These rules will set out the tests to be performed and the procedure for undertaking them. There will also be a new provision in Section X that will require the DCC to consult on these changes to the ETAD and require that the updated ETAD be submitted to the SofS by such date as the SofS may direct. The SofS will be able to designate this new version of the ETAD using powers to do so in Section X5 of the SEC.

Legal Text

Summary of Regulatory Provisions	
SEC Amendments	• E2.5 Amended to state that the first exchange of data between a new RDP and the DCC (after Section E2.5 comes into effect) will be determined in accordance with new Section E4 (RDP Entry Process) • E4.1 Requires completion of RDP Entry Process Tests before data is exchanged between the DCC and the RDP, for the first time. • E4.2 Identifies that the 'RDP Entry Process Tests' demonstrate that the DCC and the RDP are capable of exchanging data under Section E2. Also, identifies that those RDPs that have successfully completed SIT are deemed to have successfully completed the 'RDP Entry Process Tests'. • E4.3 Identifies the rights for RDPs to undertake RDP Entry Process Tests, though each RDP is only obliged to complete the RDP Entry Process Tests once. • E4.4 Identifies that each RDP that undertakes RDP Entry Process Tests shall be considered a Testing Participant and will be required to undertake these tests in accordance with Section H14 and the ETAD. • E4.5-4.6 Identifies that the DCC determines if the RDP Entry Process Tests have been successfully completed. Upon request, he DCC must provide written confirmation of

	the outcome to the RDP. • E4.7 Identifies that where the DCC is not satisfied that the RDP has successfully completed the testing, the RDP may refer the matter to the Panel. Where the RDP disagrees with the Panel's determination then the matter may be referred to the Authority. • E4.8-4.10 Amended to outline the liability of and to the Network Parties. • H14.1 Amended to require DCC to provide RDP Entry Process Tests as a Testing Service • X1.19 Requires the DCC to develop a revised version of the ETAD which includes detailed processes concerning the RDP Entry Process Tests, so that the document may be re-designated pursuant to Section X5. • X1.20 Outlines the procedure that DCC must follow in developing revisions to the ETAD, including consulting with parties to draft the ETAD, submitting the draft ETAD to the SofS for review and complying with any request by the SofS to revise and resubmit the ETAD.

Consultation Questions

Enduring Registration Data Provider Entry Process Testing	
Q8	Do you agree with the proposal and associated legal drafting to provide enduring RDP Entry Process Tests? Please provide a rationale for your views.
Q9	Do you think that is appropriate that new Electricity Distribution Licensee or Gas Transportation Licensee holders, who opt to use the services of an existing RDP (which has already successfully completed RDP Entry Process Tests) be permitted to use this testing service? Please provide a rationale for your views.

2.3 Changes to the Enduring Testing Approach Document (ETAD)

Description of the issue

64. The ETAD sets out the right for DCC to request the removal of a Testing Participant's Devices from a DCC test lab where the DCC considers that the Testing Participant has breached obligations relating to the use of its Devices (at the DCC test lab). However we consider that this should be supported by drafting in Section H14 as Section H14 sets out the principal rights and obligations associated with the provision of the Testing Services. Accordingly any right to suspend any aspects of the Testing Services should also be set out in H14 together with an associated dispute resolution procedure which will provide Testing Participants with the opportunity to refer DCC decisions to the Panel for determination.

Translation into detailed requirements

65. The proposed drafting permits the DCC to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance with the rules set out in the ETAD. The requirement also includes a dispute resolution procedure.

Legal Text

Summary of new SEC Provisions	
SEC Amendments	H14.10A Permits DCC to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance with requirements set out in the ETAD. Any disputes regarding the removal of such Devices may be referred to the Panel for determination.

Consultation Questions

Changes to the Enduring Testing Approach Document (ETAD)	
Q10	Do you agree with the proposal and associated legal drafting to provide DCC with the ability to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance with the requirements set out in the ETAD? Please provide a rationale for your views.

2.4 Provision of variant Communications Hubs for testing

Description of the issue

66. We have previously set out our intent that DCC should provide Test Communications Hubs to testing participants[10]. This requirement is included in section F of the SEC.

67. We had intended that Test Communications Hubs would be available for all variants and in both DCC labs and participants' 'remote' test labs where possible, as this will increase Parties' ability to undertake assurance activities. However, it has become apparent that it may not always be practical or economically efficient for DCC to provide all Test Communications Hubs both locally in DCC's labs and remotely. In addition, it has been brought to our attention that the legal drafting around the provision of Test Communications Hubs could be further clarified. We therefore propose to amend the SEC to clarify requirements on DCC in respect of provision of Test Communications Hubs.

Translation into detailed requirements

68. We propose to amend Section F10 and H14 of the SEC to clarify that a particular variant of a Test Communications Hub does not need to be provided by the DCC where it is not reasonably practicable and/or cost effective to do so. However, where DCC considers this to be the case, it must publish its reasons for not making the variant available, and the DCC decision will be capable of referral, in the first instance to the Panel and finally to the Authority.

Legal Text

Summary of new SEC Provisions	
SEC Amendments	• F10.12 Ensures that the DCC provide every combination of HAN and WAN variant as a Test Communications Hub. • F10.13 Permits DCC to not provide every variant as a test communications hub if it is not cost effective and/or

[10] A Consultation on New Smart Energy Code Content (Stage 4) and Consequential / associated changes to licence conditions (June 2014) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/329306/SEC4_-_Consultation_Document.pdf

	reasonably practicable to do so. • F10.14 Requires that where the DCC relies on F10.13 the DCC shall publish the fact on the DCC website, with justification as to why it is not cost effective and/or reasonably practicable. If a Party disagrees with the justification they may refer the matter to the Panel. Where the DCC or Party disagrees with the Panel's decision, the decision may be referred to the Authority for determination. • H14.9 Has been amended to require DCC to provide a reasonable number of Test Communications Hubs of every HAN and WAN variant for use by Testing Participants at DCC's physical test laboratories. • H14.9A Permits DCC to not provide every variant of Test Communications Hub, pursuant to Section H14.9, if it is not cost effective and/or reasonably practicable to do so. • H14.9B Requires that where the DCC relies on H14.9A the DCC shall publish the fact on the DCC website, with justification as to why it is not cost effective and/or reasonably practicable. If a Party disagrees with the justification they may refer the matter to the Panel. Where the DCC or Party disagrees with the Panel's decision, the decision may be referred to the Authority for determination.

Consultation Questions

Provision of variant Communications Hubs for testing	
Q11	Do you agree with the proposal and associated legal drafting to clarify the requirements around Test Communications Hubs? Please provide a rationale for your views.

3 Changes to the Smart Energy Code - Other

3.1 Changes to Section N to support SMETS1 Enrolment and Adoption by the DCC

Description of the issue

69. In May 2015 the Secretary of State instructed DCC to commence work on the Initial Enrolment and Adoption Feasibility Report (IEPFR) project in line with Section N of the SEC. The IEPFR will assess the feasibility and costs of enrolling SMETS1 meters into the DCC. The DCC plans to consult stakeholders on a draft version of the report in the autumn. It will then be submitted to the Secretary of State to determine next steps.

70. The DCC is keeping BEIS informed on progress of their analysis regarding SMETS1 Enrolment. It is clear that this is a complex activity which might require further information and/or analysis in certain areas following the production of the IEPFR. For example, further information might be required in relation to Energy Suppliers' existing contracts for SMETS1 communication services so that the DCC can present a definitive view on the suitability and implications of adopting them.

71. The proposed amendment to the SEC will enable the Secretary of State to direct the DCC to undertake further analysis, should it be necessary, and to set out the process and timescales for doing so (including further consultation where appropriate). This will provide flexibility, if required, to better inform a decision by the Secretary of State on SMETS1 Enrolment with the DCC.

72. The proposed amendment will also require Supplier Parties to comply with any reasonable requests for information made by the DCC to support the analysis, should they wish their meters to remain within the scope of such analysis. While suppliers will not be obliged to provide this information to the DCC, non-provision of the information will result in the exclusion of that Supplier's SMETS1 Meters from the DCC's further analysis, unless the Secretary of State directs otherwise. The ability for the Secretary of State to direct otherwise is provided as it is recognised that there may be some genuine restrictions that prevent information from being shared and that, depending upon the nature of the information gap, it might still be possible to include that Supplier's meters within the scope of the analysis. Additionally a provision is included which gives the Supplier the right to refer matters to the

Secretary of State where it considers that any information request made by the DCC is not reasonable or where it is being given insufficient time to respond to the request.

73. The information that the DCC requests from Energy Suppliers could include the provision to the DCC of their existing SMETS1 Communications Contracts if, for example, SMETS1 enrolment is to be achieved in part through the adoption of those contracts by the DCC. It should be noted that in this context 'Communications Contracts' means the arrangements that the Energy Supplier has in place for communication services. Where an Energy Supplier has a bundled contract in place that covers the provision of both data and communications services, should DCC require information to further assess the feasibility of adopting those communication arrangements, this would only require the provision by the Energy Supplier of those parts of the bundled contract that support the provision of communication services and set out the terms that would apply to DCC were it to adopt it (assuming that it is possible to separate out these provisions in the bundled contract).

Translation into detailed requirements

74. We propose to add new provisions to Section N that will:

- Where directed to do so by the Secretary of State, require DCC to undertake further analysis in relation to the Enrolment of SMETS1 Meters.
- Require DCC to comply with any process and timescales specified by the Secretary of State for the purpose of undertaking that analysis, which could include a requirement to further consult on the new analysis.
- Require Suppliers to provide the DCC with any further information that the DCC reasonably requires for the purpose of undertaking the analysis should they wish their meters to remain within the scope of such analysis. Section M4 of the SEC sets out the confidentiality provisions that would apply should a Supplier Party provide Confidential Information to the DCC.
- Set out that should a Supplier not provide the DCC with the information requested, that its SMETS1 meters would not be included within the scope of the DCC analysis, unless the Secretary of State directs otherwise.
- Include a disputes clause by which Suppliers can make referrals to the Secretary of State should a Supplier consider DCC requests unreasonable.

Legal Text

Summary of new SEC Provisions	
SEC Amendments	New Section N4A inserted which: • Requires the DCC to comply with a direction from the SofS to undertake further analysis in relation to

	SMETS1 Enrolment • Lists matters that the direction may include such as the aspects of Initial Enrolment that are to be further analysed, the process and timescale to be followed by the DCC (including requirements for stakeholder consultation) and the meters to be included within the scope of the analysis • Provides that the DCC may request from Supplier Parties such further information as it reasonably needs to perform the analysis (which may include copies of Communication Contracts) • Requires Supplier Parties to comply with such information requests should they wish their meters to remain within the scope of the analysis • Provides that, should a Supplier not provide the information that the DCC reasonably requests, its meters should be excluded from the scope of the DCC analysis unless the Secretary of State directs otherwise • Provides a right of referral to the Secretary of State for a Supplier Party should it disagree with the information that the DCC is requesting, or DCC's view of whether the information has been provided in accordance with the request. Consequential changes are also made elsewhere in Section N.

Consultation Questions

Changes to Section N to support SMETS1 Enrolment and Adoption by the DCC	
Q12	Do you agree with the proposed changes and legal drafting in relation to Section N? Please provide any rationale.

3.2 Amendments to the Ofgem Significant Code Review process

Description of the issue

75. The Significant Code Review (SCR) process was introduced to provide a mechanism that was able to deliver effective and efficient complex change to the industry codes, through Ofgem leading holistic reviews. The SCR process in its current form could result in inefficiencies and duplication, if the industry decides at the end of the Ofgem-led industry consultation process within the SCR to undertake its own process which may revisit some of the work already undertaken.

76. Ofgem has consulted and concluded[11] on changes to its SCR powers for all energy codes that provide for a new collaborative, Ofgem-led, end-to-end approach. Ofgem considers that effectively incorporating what is currently the industry-led phase (of developing detailed code change) within the Ofgem-led process, would facilitate a more efficient end-to-end process and avoid potential duplication under two separate processes.

77. Ofgem proposes this would be an additional tool that it may use for delivering change under an SCR. It will also retain the ability to issue a Direction to a licensee to raise a code change/develop legal text. Ofgem has issued guidance on how it would decide which option it would follow when undertaking an SCR.[12]

78. We are consulting on amending the SEC to implement these changes as the SCR powers are set out in the SEC itself. Ofgem has already consulted on amendments to its powers for other industry codes, which are set out in the relevant licences of regulated companies. The SEC is unique in the powers being set out in the code itself.

[11] Ofgem's Code Governance Review 3: https://www.ofgem.gov.uk/publications-and-updates/code-governance-review-phase-3-initial-proposals

[12] https://www.ofgem.gov.uk/system/files/docs/2016/06/scr_guidance.pdf

Translation into detailed requirements

79. The draft legal text amends Section D of the SEC where the SCR powers are set out. Following implementation of these changes, there will be three main options for Ofgem running an SCR, which are[13]:

- Ofgem directs licensee(s) to raise modification proposal(s). At the end of the SCR process Ofgem would issue a direction to the relevant licensee(s). The direction may set out high level principles (with the detail to be developed by industry) or more specific, detailed conclusions to be given effect through code change(s). The modification(s) would follow the standard industry code modification processes. This is the current position and no changes to the legal text are required to deliver this.
- Ofgem raises modification proposal(s). At the end of the SCR process Ofgem would raise a modification(s) under the relevant code(s), and the modification(s) would follow the standard industry code modification processes.
- Ofgem leads an end-to-end process to develop code modification(s). The standard industry process would not apply; Ofgem would lead consultation and engagement needed to develop the appropriate code change(s). Ofgem would expect close involvement of the industry; for example, it may establish and lead workgroups similar to the approach under the standard code modification processes (but led by Ofgem). The modification would be submitted to the SEC Change Board for a vote.

Legal text

Summary of new SEC Provisions	
SEC Amendments	The processes for Significant Code Reviews are amended to reflect Ofgem's new powers in Section D. Consequential changes are made to Section A.

Consultation questions

Amendments to the Ofgem Significant Code Review process	
Q13	Do you agree that the legal drafting implements the changes to Ofgem's Significant Code Review powers contained in its Code Governance Review 3 Final Decision?

[13] The process is set out in detail in Ofgem's SCR guidance. See footnote 12.

3.3 Privacy requirements

Description of the issue

80. In order to safeguard consumer privacy, whilst enabling proportionate access to data, the Government put in place a Data Access and Privacy Framework[14]. This Framework is designed to provide sector-specific provisions that complement the requirements of the Data Protection Act (1998), which regulates the use of personal data.

81. The privacy requirements imposed on Users through Section I of the SEC therefore apply without prejudice to any obligations they may have under the Data Protection Act. Specifically, the Data Protection Act protects the rights of individuals whom the personal data is about (the 'data subject'), mainly by placing duties on those who decide how and why such data should be processed.

82. Section I of the SEC imposes requirements on Users to secure 'Appropriate Permission' or 'Unambiguous Consent' in order to carry out a number of actions, including:

- obtaining Consumption Data;
- sending Service Requests to join or unjoin a Type 2 Device; and
- accessing records.

83. In these circumstances, consent must be sought from the Energy Consumer. This individual is defined by the SEC as the "person who receives, or wishes to receive a Supply of Energy at any premises".

84. However, situations may arise where the individual considered to be the Energy Consumer does not occupy the premises where the smart meter is located and would not be the 'data subject' for the purposes of the Data Protection Act. This may include tenanted properties, where the contract to supply energy is arranged with the landlord rather than the tenant.

85. To ensure clarity on this issue we are therefore proposing to take steps to ensure the Smart Energy Code and the User Entry Guide makes clear reference to Users' wider obligations and relevant data privacy guidance

[14] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/43046/7225-gov-resp-sm-data-access-privacy.pdf

respectively. In particular, we are proposing to do this for Other Users whose actions are not governed by licence conditions.

Translation into detailed requirements

86. To ensure clarity in relation to the wider regulatory obligations imposed upon Users, we propose introducing a specific reference to the Data Protection Act in Section I of the Smart Energy Code.

87. In addition, to ensure proper consideration is given by Other Users to their obligations under the Data Protection Act, we propose widening the scope of the User Entry Guide to draw Other Users' attention to any relevant privacy guidance.

88. BEIS will work with Ofgem and other relevant parties to ensure that, where appropriate, guidance is developed and made available to Other Users regarding their obligations in respect of data protection. This guidance will highlight scenarios that could give rise to less routine data protection considerations for Other Users in relation to smart metering.

Legal Text

Summary of new SEC Provisions	
SEC Section H and Section I changes	• Expanded scope of the requirements for a User Entry Guide, so that a User Entry Guide includes a reference to any relevant privacy guidance (Section H1.8) • Introduction of a specific reference to the Data Protection Act (1998) (Section I1.1)

Consultation Questions

Privacy requirements	
Q14	Do you have any comments on the proposed changes to Section H and Section I? Please provide a rationale for your views.

3.4 Making certain transitional variations enduring

Description of the issue

89. We have identified a number of transitional variations to the SEC, previously directed by the Secretary of State pursuant to X3.6 (Provisions to be Effective Subject to Variations) of the SEC[15], which we had insufficient time to make using Section 88 at the time they were needed and hence which we had to initially make on a transitional basis. We now propose to use Section 88 powers to convert them into enduring variations.

Translation into detailed requirements

90. The changes that we had previously made on a transitional basis and now propose to make enduring are those that:

- extend the provisions in G2.36 to G2.38 that deal with security of software and firmware on IKI Cryptographic Credentials Tokens to also cover DCCKI Smart Card Tokens;
- clarify how the subscriber obligations in L13 operate for DCCKI Personnel Authentication Certificates. A slightly different treatment was needed for these certificates because the subscriber for these certificates does not generate the Certificate Signing Request, but instead it is generated by DCC in response to a Personnel Authentication Certificate Application from the Subscriber;
- include additional definitions in Section A to support the additional provisions in Section G and L13 described above in relation to Smart Card Tokens and Personnel Authentication Certificate Applications;
- modify the definition of User Systems to remove from it the explicit inclusion of both; those systems that communicate with the SMKI Repository; and those systems that communicate with the SMKI Issuing Authorities in relation to Devices that do not have an SMI Status of "commissioned" or "installed not commissioned". Both these changes were made because, from a security perspective, it was no longer considered

[15] Transitional variations to G2, L13 and definitions in relation to Smart Card Tokens and Personnel Authentication Certificate Applications were made in a letter of direction of 12 July 2016: www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/secretary-of-state-variations/2016-07-12-government-response-dccki-live.pdf?sfvrsn=2.
A transitional variation to H3,22 and for the definition of "User Systems" was made in a letter of designation of 3 June 2016: www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/sec-4.11/2016-06-03-government-response-uep-and-dccki-activation-consultation.pdf?sfvrsn=2

necessary for such systems to be explicitly included within the definition of User Systems. In the latter case, this means that Authorised Subscribers who are acting on behalf of suppliers (for example meter manufacturers) may become subscribers for Device Certificates prior to the installation of those Devices in premises without their systems being captured within the definition of a supplier's User Systems. This means that these systems can avoid being subject to those section G obligations that would otherwise apply to them as part of the supplier's User Systems; and

- require in H3.22A, Parties who are just about to become Users to submit information regarding their intended usage of DCC systems in advance of their actually becoming a User.

Legal text

Existing transitional variations to become enduring variations	
SEC Section A	*Definitions inserted for:* • *Personnel Authentication Certificate;* • *Personnel Authentication Certificate Application; and* • *Smart Card Token.* *Modification of the definition of 'User Systems' to exclude systems that are used to communicate with the SMKI Repository and communications with the SMKI Issuing Authorities in relation to Devices that do not have an SMI Status of "commissioned" or "installed not commissioned"..*
SEC Section G	*G2.36 to G2.38 – modifications to include reference to Smart Card Tokens.*
SEC Section H	*H3.22A – requirement for Parties intending to become Users to provide forecasts as if they are Users, where they expect to submit Service Requests.*
SEC Section L	*L13.3 –provisions expanded to recognise that DCCKI Certificates may be issued in response to a Personnel Authentication Certificate Application.* *L3.13 - DCCKI Interface Design Specification may set out the procedure by which a DCCKI Authorised Subscriber and the DCC may communicate over the DCCKI Service Interface* *L3.14 - DCCKI Code of Connection may specify any requirements on a DCCKI Authorised Subscriber* *L13.43 to L13.44 - obligations on DCCKI Eligible Subscribers, in relation to DCCKI Certificate Signing Requests, extended to apply also to Personnel Authentication Certificate Applications.*

	L13.45 – Obligations on DCCKI Eligible Subscribers, in relation to any DCCKI Certificate issued to them in response to a DCCKI Certificate Signing Request, extended to apply also to any Personnel Authentication Certificate issued to them in response to a Personnel Authentication Certificate Application.

Consultation Questions

Making certain transitional variations enduring	
Q15	Do you agree with the proposals to make certain transitional variations described in Chapter 3.4 enduring? Please provide a rationale for your views.

3.5 Definition of Registration Data Provider Systems

Description of the issue

91. The definition of RDP Systems is closely aligned to the definition of User Systems. Section 3.4 above explains that we are proposing to make enduring changes that we transitionally made to the definition of User Systems. In particular, we are proposing to remove from the definition of User Systems explicit references to systems that are (i) used to communicate with the SMKI Repository and (ii) used to communicate with the SMKI Registration Authorities in relation to Devices that are not installed in premises. We also propose to make equivalent changes to the definition of RDP Systems.

Translation into detailed requirements

92. In line with the change to the definition of User Systems, we propose to remove from the definition of RDP Systems a reference to those systems that are used to communicate with the SMKI Repository. For the second change to User Systems (i.e. the removal of references to systems used to communicate with the SMKI Registration Authorities in relation to Devices not installed in premises) there is no direct equivalent for RDP Systems, since RDPs are not Eligible Subscribers for Device Certificates and hence should have no communications with the SMKI Registration Authorities in relation to Devices whether they are installed or not. Hence in the case of RDP Systems, we propose instead simply to remove from the definition all references to communications with the Device Certification Authority (DCA).

93. The effect of this change is to remove the need for those systems which access the SMKI or DCCKI Repository to be included within the definition of RDP Systems and hence be subject to the majority of the SEC Section G obligations. Such systems will still need to be considered through the RDP's wider risk assessment and risk management obligations. The removal of the reference to the DCA should have little or no effect since RDPs are not expected to be communicating with the DCA in the first instance.

Legal Text

Summary of new SEC Provisions	
RDP System definition	- Remove references to DCA - Remove limb (b) (iii)

Consultation Questions

Definition of Registration Data Provider Systems	
Q16	Do you agree with the proposal to revise the RDP Systems definition and the associated legal drafting? If not, please provide a rationale.

3.6 Changes to the Supply Licence Conditions, the DCC Licence and the SEC to accommodate multiple versions of Technical Specifications and multiple versions of DUIS

Description of the issue

94. The roll-out licence conditions for smart metering[16] require suppliers to take all reasonable steps to ensure that Smart Metering Systems are installed at relevant premises before 31 December 2020. In order to qualify as a Smart Metering System, the Devices comprising it are required to meet the requirements of a valid version of SMETS or CHTS (as relevant) at the time of installation.

95. SMETS v1.1[17] has already been designated as a valid version of SMETS. At DCC Live, SMETS v2.0 and CHTS v1.0 will also become valid Technical Specifications. From this time, Smart Meters that meet the requirements of either SMETS v1.0 or SMETS v2.0 may be installed as part of Smart Metering Systems that count towards meeting suppliers' roll-out targets, i.e. both SMETS v1.0 and SMETS v2.0 will be valid for such purposes.

96. Following the end date for SMETS v1.1[18], Smart Meters that meet the requirements of SMETS v1.1 only will no longer be permitted to be installed to meet the rollout targets, although it will be permissible to maintain existing SMETS v1.1 compliant installations to the SMETS v1.1 specification[19].

97. Whilst precise timings have yet to be confirmed, it is also envisaged that SMETS v2.0 will itself be replaced, by a SMETS v3.0, and that an end-date will also be set for SMETS v2.0. When this takes place, future installations of Smart Meters would need to comply with the requirements of SMETS v3.0 to meet the installation obligations, but suppliers would still be permitted to maintain existing installed SMETS v2.0 devices in line with the SMETS v2.0 requirements. Hence new Smart Meters would need to meet the requirements of SMETS v3.0 but existing SMETS v2.0 devices could still be maintained to meet SMETS v2.0.

[16] Standard conditions 33 and 39 of gas and electricity supply licences respectively.
[17] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/43087/6425-smart-metering-equipment-technical-specifications-.pdf
[18] Now proposed to be 12 December 2017 as set out in the BEIS Senior Responsible Owner's letter to SMDG members, SEC Parties and the Panel of 14 September 2016.
[19] Please see section 1.2 for a further discussion of the maintenance related obligations.

98. It is therefore expected that over time multiple versions of the Technical Specifications (SMETS and CHTS) will exist and that the natural lifecycle of specifications will be such that:

(i) on its initial introduction suppliers may install Smart Meters or Communications Hubs (as relevant) that are compliant with the new specification;

(ii) the pre-existing prior version of the specification would be expected to continue to be valid for some time for the purposes of installation of Smart Meters and Communications Hubs. This is because an end-date for its validity would be set, for example, one year after the start date of the new version. There would therefore in this example be a year's overlap in which Smart Meters or Communications Hubs could be installed against either version in order to give suppliers sufficient time to use up their stock of devices that comply with the old version;

(iii) once the end date of the old version is reached, the old specification would no longer be valid for installation purposes but existing devices that meet the old version could continue to be maintained to it;

(iv) eventually the new version would also itself be replaced, and an end date set for its validity, after which time relevant installed devices could continue be maintained to meet this version, but new installations would need to meet the newer version.

99. It is also possible that it may be necessary to require retrospective changes to be made to devices, i.e. to require suppliers (or DCC for Communications Hubs) to update devices that have already been installed to a later version of a particular specification. Whilst the need for a retrospective change could arise, it would be important for those seeking to require a retrospective change to understand the consequences of requiring it, for example understanding whether the change was capable of being made via a firmware upgrade. It would be necessary to allow an appropriate period of time for the upgrades to be made. In practice whether or not a particular change needs to be applied retrospectively would be a decision that would be taken as part of the modification to the SEC that introduced the new Technical Specification or GBCS.

100. In the case of Communications Hubs, it is expected that changes would be required to be made retrospectively as a matter of course, although whether any particular new version of CHTS or GBCS was applied retrospectively to Communications Hubs, and if so how long DCC would be given to make the changes, would be dependent upon the SEC modification that introduced the new version of CHTS or GBCS.

101. When maintaining devices, we also wish to permit suppliers to "update" them to later versions of the relevant specification. Whether or not this would be possible would be dependent on the functionality of the relevant devices. If it was possible however, suppliers would, for example, be permitted to upgrade a SMETS v2.0 device to comply with SMETS v3.0 (as and when such a

version is introduced). We do not however wish to permit retrospective steps, for example to permit a supplier to "downgrade" an installed device to an earlier version of the relevant technical specification (even if that earlier version is still valid for new installations). This is because once a new version of a specification has been introduced, we only wish to permit suppliers to install devices that comply with the prior version in order to allow them to use up their stock of such devices. In general it would be considered more desirable for them to install against the newer version, and hence if a device can comply with a newer version we would not wish to see it downgraded. This does not mean that suppliers will generally be required to upgrade devices to a later version. Other than where a retrospective change is introduced, upgrading would be optional and the supplier could choose to continue to maintain existing devices to the original version of the specification even if it ceased to be valid for new installations.

102. Another relevant consideration is the interaction between Technical Specifications and (i) the GB Companion Specification (GBCS) and (ii) the CPA Security Characteristics. Given its detailed technical nature, we expect that GBCS is likely to be changed more frequently than, say SMETS or CHTS. We do not want to have to introduce a new version of SMETS or CHTS just because the version of GBCS which applies to it has changed. Furthermore, it is possible that one version of GBCS may be relevant to more than one version of a Technical Specification - for example if a new version of SMETS is introduced which requires different physical characteristics of new devices but which does not affect message processing. Alternatively more than one version of GBCS might apply to a particular version of a Technical Specification – for example if additional Communications Hub related provisions are added into a new version of GBCS, both the new and old versions of GBCS might be applicable to a particular version of SMETS.

103. As with the Technical Specifications, it is possible that changes to GBCS might need to be made retrospectively and we wish to include provision for this. Again it is recognised that any such retrospective change would need to be carefully considered. In the case of the CPA Security characteristics, devices of a particular Device Model are only required to comply at the time that the certification of the Device Model commences, however, where the CPA Security Characteristics are updated by CESG, we would generally expect the Device Model to be certified against the new version when being re-certified after expiry of its existing certificates.

104. We do not envisage that multiple versions of DUIS would be needed to support multiple versions of Technical Specifications. Instead if, for example, a new version of SMETS was introduced that included new commands for a particular Device, the additional Service Requests to support these new commands would simply be added to the existing Service Requests in DUIS.

105. Despite not needing multiple versions of DUIS to support multiple Technical Specifications, consideration has been given to the possibility that DCC might support two or more versions of DUIS at any particular point in time. This

might be beneficial to users if, for example, they neither needed nor wished to reconfigure their systems immediately when the DUIS interface was modified.

106. Having two or more versions of DUIS would allow for a managed approach to implementation of design changes, allowing updates to be introduced but not requiring those users who do not wish to use new functionality immediately to change their systems until later. Accompanying each DUIS would be a separate MMC and a version of the Parse and Correlate Software.

Translation into detailed requirements

107. In order to aid clarity and to avoid the need to have to unnecessarily introduce new versions of, say, SMETS when a revised version of GBCS is introduced, we propose to set out the validity periods of and interactions between the Technical Specifications, GBCS and CPA Security Characteristics all in one place: in a new Section A3 of the SEC.

108. In Section A3, we also propose to introduce the flexibility to allow the treatment of the Technical Specifications (SMETS and CHTS), GBCS and the CPA Security Characteristics in line with the requirements described above.

109. This section of the SEC will explain that Technical Specifications may exist in more than one version, and that any particular 'Version' will have a "Principal Version Number" and a "Sub-Version Number". For example Version SMETS 2.1 would have the Principal Version Number of "2" and the Sub-Version Number of "1". The intention is that if a new Version of a Technical Specification is to be applied prospectively (i.e. it applies only to devices that have yet to be installed, not those that already have been), then the new Version would have an increased Principal Version Number, e.g. SMETS v1.0 → SMETS v2.0, whereas if a change is to be applied retrospectively (i.e. existing devices must be upgraded to meet the new specification), it would have a new Sub-Version Number e.g. SMETS v2.0 → SMETS v2.1. Equivalent version numbering would also be adopted for GBCS and the CPA Security Characteristics.

110. This means that over time multiple Versions of a Technical Specification with different Principal Version Numbers would be expected to exist in regulation in parallel. Some of these versions would be valid for new installations and some would be valid only for maintenance of existing devices, but not for new installations.

111. In general there would only be a single Principal Version number and Sub-Version number combination for any particular Technical Specification version. This is because the changes introduced by a Version with a new Sub-Version number would be applied retrospectively and the Version with the previous Sub-Version number would cease to be valid for either maintenance or installation after a period of time. Multiple Versions with the same Principal Version number and different Sub-Version numbers might exist on a temporary basis where a period of time is allowed for retrospective upgrades from one Sub-Version to another.

112. Each Version of a Technical Specification would have:

- an Installation Period Start Date and an Installation Period End Date which would determine its Installation Validity Period (IVP); and
- a Maintenance Period Start Date and a Maintenance Period End Date which would determine its Maintenance Validity Period (MVP).

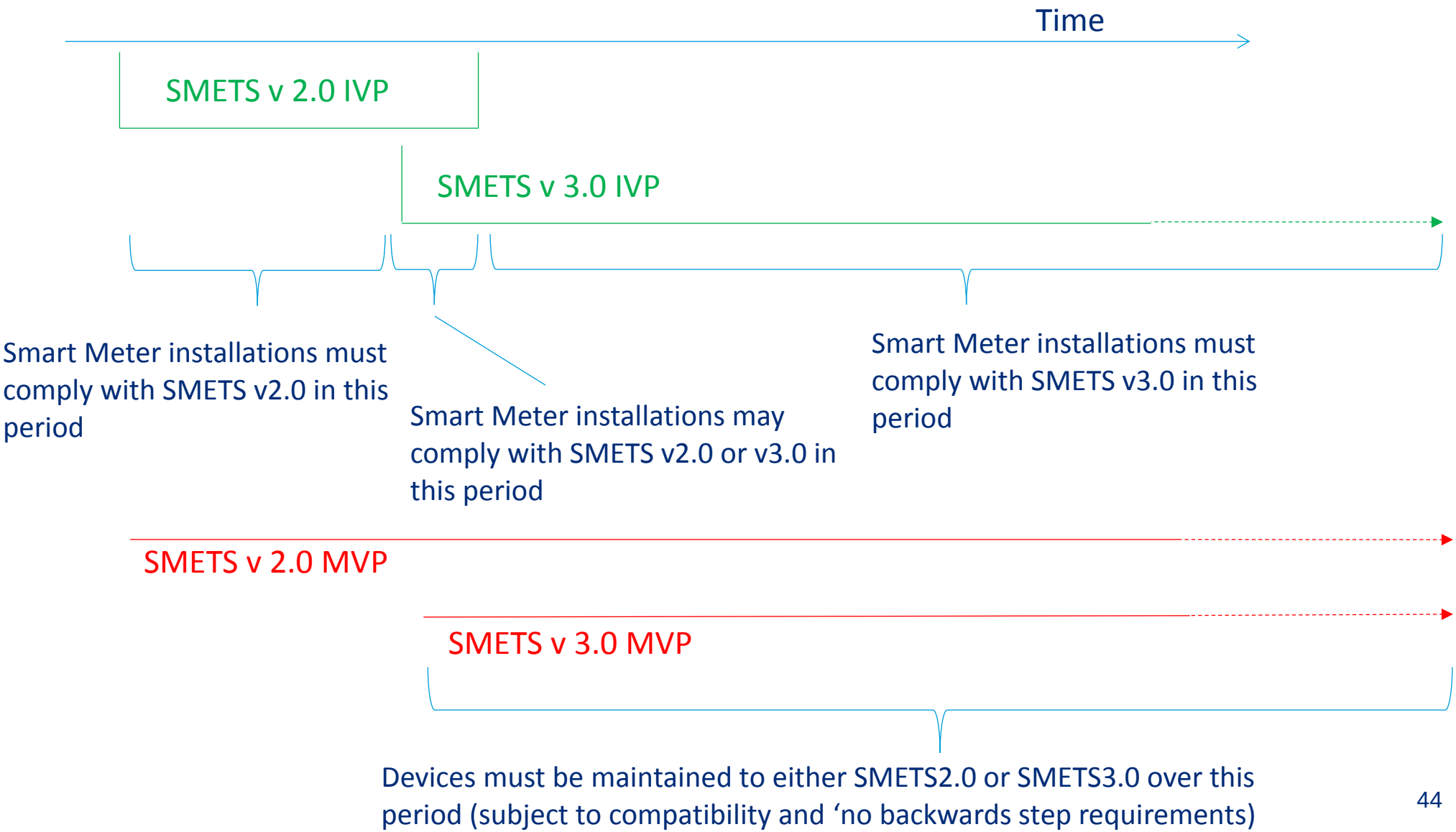
113. In either case, if a start date, but not an end date had been specified the IVP or MVP would remain "open", i.e. the relevant validity period would continue to apply. These dates would be set or amended as part of the code modification that was made to include a new version of a Technical Specification.

114. In order for a smart metering installation to count towards a supplier's rollout obligations, it would be necessary to install a Smart Meter and Communications Hub that complied with a version of SMETS or CHTS (as relevant) that had an IVP that included the date of installation of the Smart Metering System. Suppliers would be permitted to subsequently maintain the Smart Metering System so that the devices complied with a specification that had a valid MVP.

115. This means, for example, a device that was installed to meet SMETS v2.0 would need to be maintained to a version of SMETS v2.x that has a current MVP. It would also be permissible to maintain it to any version of SMETS v3.x (when introduced) which has a current MVP. The possible operation of the IVP and MVP for two (future) versions of SMETS is depicted diagrammatically below. This shows a situation where the IVP for SMETS v2.0 has been ended and a new SMETS v3.0 introduced. After the end of the IVP for SMETS v2.0, installations would need to comply with the later version SMETS v3.0 to meet the rollout requirements. Note however, that the Maintenance Validity Period for SMETS V2.0 in this example carries on indefinitely into the future, since devices that have been historically installed to meet SMETS v2.0 during its IVP can continue to be maintained to SMETS v2.0 into the future.

116. All versions of a particular Technical Specification would be maintained in their own Schedule of the SEC, however Sub-Versions would automatically be deleted from the SEC if and when their IVP and MVP had both expired. This is because once their IVP and MVP have expired, these Versions would no longer be valid for the purposes of either installation or maintenance of any Devices. The Code Administrator would be required to make available on its website a record of these deleted versions for reference purposes (for example when historical compliance was being considered).

Example of Installation Validity Periods (IVPs) and Maintenance Validity Periods (MVPs)



Changes to the Supply Licence Conditions, the DCC Licence and the SEC to accommodate multiple versions of Technical Specifications and multiple versions of DUIS

117. Each version of SMETS and CHTS would require Devices to comply with a relevant version of GBCS. The versions of GBCS that are relevant to a particular version of SMETS or CHTS would also be set out in Section A3 of the SEC. Versions of GBCS would have an "Applicability Period", and in order for a version of GBCS to be "relevant" to a particular version of a Technical Specification it would need to have an Applicability Period that included the current date at any particular point in time. Any new GBCS containing changes that are to be applied retrospectively would be introduced with an active Applicability Period, and the Applicability Period of the old version of GBCS would be set to end at some time in the future, by which time devices would need to be upgraded to comply with the new version of GBCS.

118. Similarly each version of GBCS would require devices to be certified as being compliant with a relevant version of the CPA Security Characteristics and again the versions of the CPA Security Characteristics relevant to each version of GBCS and the Applicability Period would be set out in section A3. In order for a device to comply with GBCS, then it would be necessary for the Device Model associated with the device to be CPA Certified against a relevant version of the CPA Security Characteristics. If, and when the CPA Security Characteristics were upgraded and hence the relevant version against which Device Models needed to be CPA Certified changed, it would not normally be expected that Certification against the new version would need to take place immediately. Instead certification would be needed only on the expiry of the existing CPA Certificates. Hence whilst existing certificates were valid, devices would continue to be compliant with a version of GBCS even though the relevant version of the CPA Security Characteristics had changed. Because of this, where a new Sub-Version of the CPA Security Characteristics is published by CESG, it is implicit that suppliers and DCC would have time to gain certification against the new version since their existing certification would remain valid. As this is the case the concept of an "Applicability Period" that sets out the period of time over which a version of the CPA Security Characteristics is relevant to a version of GBCS is not considered necessary.

119. An example of what it is proposed the initial TS Applicability Tables would look like is set out below.

120. It is envisaged that at any time a new document is introduced, the tables would need to be updated, and hence the necessary changes would need to form part of the SEC modification that introduced the new version. Where, as a result of introducing, for example, a new version of SMETS, the IVP End Date for the previous version of SMETS is to be set, a consultation on what this end date should be would take place as part of the change to the SEC that introduces the new version. On an enduring basis, it is envisaged that this would take place through the SEC modification process set out in Section D.

121. The proposed changes described above are intended to provide a flexible means of dealing with multiple versions of Technical Specifications and GBCS in the future. Prior to the changes taking effect, the current SEC and licence provisions, which we believe adequately deal with matters given the initial number of documents, will continue to apply.

Example TS Applicability Tables

Example Table 1 SMETS and Relevant Versions of GBCS

SMETS Version	Installation Period Start Date	Installation Period End Date	Maintenance Period Start Date	Maintenance Period End Date	Relevant GBCS Version(s)	Applicability Period Start Date	Applicability Period End Date
SMETS v1.1	18/12/12	12/12/17[20]	18/12/12	Not yet determined	Not applicable	Not applicable	Not applicable
SMETS v2.0	30/09/16	Not yet determined	30/09/16	Not yet determined	GBCS v1.0	30/09/16	Not yet determined

Example Table 2 CHTS and Relevant Versions of GBCS

CHTS Version	Installation Period Start Date	Installation Period End Date	Maintenance Period Start Date	Maintenance Period End Date	Relevant GBCS Version(s)	Applicability Period Start Date	Applicability Period End Date
CHTS v1.0	30/09/16	Not yet determined	30/09/16	Not yet determined	GBCS v1.0	30/09/16	Not yet determined

[20] Please see footnote 18.

Example Table 3 GBCS and Relevant Versions of CPA Security Characteristics

GBCS Version	Relevant Versions of CPA Security Characteristics
GBCS v1.0	The most recent Sub-Version of Principal Version 1 of the document entitled 'CPA Security Characteristic: Smart Metering – Communications Hub' published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable). The most recent Sub-Version of Principal Version 1 of the document entitled 'CPA Security Characteristic: Electricity Smart Metering Equipment' published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable). The most recent Sub-Version of Principal Version 1 of the document entitled 'CPA Security Characteristic: Gas Smart Metering Equipment' published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable). The most recent Sub-Version of Principal Version 1 of the document entitled 'CPA Security Characteristic: Smart Metering – HAN Connected Auxiliary Load Control Switch' published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable).

Compatibility Matrix

122. Section F2.11 of the SEC requires the Panel to produce a Technical Specification Compatibility matrix which sets out which versions of the Technical Specifications have been designed to be compatible with other Technical Specifications. We propose to clarify that this should set out the compatibility between Versions of SMETS, CHTS and specific associated GBCS Versions. Furthermore we propose that when installing and maintaining Devices, suppliers and DCC should only do so if, after being maintained, the Devices comply with specifications that are compatible with each other as identified by the matrix. We are also proposing a change to F2.11 that clarifies that the matrix should set out the compatibility between versions of the Technical Specifications (SMETS and CHTS) and GBCS. An example of what the initial compatibility matrix might look like is also set out below.

Example Compatibility Matrix

A Device meeting the requirements of a particular Version of SMETS and GBCS is compatible with another Device that meets the requirements of that Version of SMETS and GBCS.

Compatible SMETS and CHTS Versions (and associated GBCS Versions)

SMETS version	Relevant GBCS Version for SMETS	Compatible Versions of CHTS	Relevant GBCS Version for CHTS
SMETS v2.0	GBCS v1.0	CHTS v1.0	GBCS v1.0

Implications for supply and DCC licences

123. We also propose to change those conditions in supply and DCC licences that apply to the provision, installation and maintenance of smart metering devices and associated equipment to take into account the new concepts of Installation Validity Period and Maintenance Validity Period and more generally the proposals explained in this section. Essentially where a Smart Metering System (which for the purposes of the relevant licence conditions includes the Communications Hub and Smart Meter) is installed we wish to continue to require suppliers to install equipment that meets the requirements of a valid Technical Specification. With the potential for multiple Technical Specifications, the concept of “valid” translates to any version of the Technical Specification that has an Installation Validity Period that includes the date of installation.

124. For maintenance activities (please also see section 1.2 above in relation to maintenance of Smart Metering Systems) we have clarified that Smart Metering Systems must be maintained at all times to meet the requirements of a relevant Technical Specification that has a current Maintenance Validity Period.

125. For some devices, such as IHDs, PPMIDs and HCALCs (which do not form part of the Smart Metering System for the purposes of supply licences), we recognise that these might be installed after the installation of the original Smart Metering System. This might mean that the Installation Validity Period for the versions of SMETS that, for example, the Smart Meter meets might have expired when a PPMID is installed. In order to cater for this, we propose to require IHDs, PPMIDs and HCALCs simply to meet a Technical Specification that has a current Maintenance Validity Period and not to impose any

requirements relating to Installation Validity Periods on them when they are first provided.

126. We have additionally proposed that when providing or installing devices and when maintaining them, suppliers and DCC (for Communications Hubs) must ensure that their actions are such that the devices in the premises meet Technical Specifications that are compatible as defined by reference to the compatibility matrix produced by the Panel pursuant to Section F2.10. Hence, for example if upgrading or replacing a Smart Meter as part of a maintenance activity a supplier must ensure that the Technical Specification that the Smart Meter complies with is compatible with the Technical Specifications of the other devices in the premises. This is intended to ensure that devices in the premises can continue to work together. In DCC's case, the compatibility requirement includes taking reasonable steps to ensure that Communication Hubs remain compatible with Smart Meters, PPMIDs and HCALCs. We have not included an explicit requirement for DCC to maintain Communications Hub compatibility with IHDs. In the first instance, we are generally expecting that changes to CHTS will be "backwards compatible" with all versions of SMETS and hence that a compatibility issue should not arise. In the event that a new version of CHTS is introduced that is not backwards compatible, we believe that the requirement for DCC to maintain compatibility between Communications Hubs and Smart Meters should ensure that Communications Hubs remain compatible with any IHD being used in the premises. We have, though stopped short of proposing explicit requirements to maintain compatibility with IHDs because we do not believe that DCC will have ready access to information regarding which IHDs are being actively used at any particular premises.

127. We have also proposed a "no backwards step" provision which relates to installation and maintenance of devices. As already explained in Section 1.2, this requires that any devices replaced or upgraded as part of the maintenance activity do not meet a "lesser" Technical Specification that which has previously been met for that device. We do not generally consider this to be a new requirement as previously, for example any Smart Meter that was replaced as part of a maintenance activity was required to comply with a version of SMETS that was valid on the date of installation of the Smart Metering System (rather than any earlier version of SMETS). We have however introduced additional flexibility since replaced or upgraded devices are permitted to meet not just the same version as the originally installed device, but also, subject to the compatibility requirements discussed above, any later version.

Multiple DUISs

128. Whilst there are no immediate plans to introduce more than one version of DUIS, we have developed some drafting in the SEC that recognises the possibility that more than one version may exist. These provisions clarify that there will also be a corresponding version of the Message Mapping Catalogue and of the Parse and Correlate Software, that Users should indicate (in their Service Requests) which version of DUIS the Service Request has been submitted under, and that the rights and obligations under the SEC in relation to the Service Requests are to be interpreted in accordance with the relevant version of the DUIS indicated in the Service Request.

Legal text

Summary of new SEC Provisions	
New Section A3 of the SEC	New Section A3 setting out validity periods and interactions between various versions of technical specifications, including: - The approach to version numbering - An explanation that new Principal Versions have prospective effect and new Sub-Versions have retrospective effect - An explanation of IVP and MVP - An explanation of how Versions will be maintained within the SEC - Explaining that the version numbering also applies to GBCS and the CPA Security Characteristics - Explaining that for GBCS there is an Applicability Period, and that for the CPA Security Characteristics, any reference to retrospective changes are interpreted to apply on re-certification of the Device Model - Explaining how GBCS is relevant to a Technical Specification and how the CPA Security Characteristics are relevant to GBCS - Explaining that there may be multiple DUISs and associated versions of MMC and Parse and Correlate software and explaining how the SEC is interpreted if and when this arises.
Changes to a number of definitions in Section A	definitional changes associated with the above
Change to F2.11	Change to clarify that for the purposes of compatibility, the matrix should set out the compatibility between each Technical Specification and each relevant Version of GBCS and other Technical Specification and relevant Version of GBCS.
Change to supply licence conditions	Conditions 39.12 to 39.15 (electricity), 33.12 to 33.15 (gas) - Requirement to maintain Smart Metering Systems to meet a Technical Specification with a valid MVP, to retain compatibility with other devices in the premises and “no backward step” requirements.
Change to definitions in supply licences	Conditions 39.16 to 39.18 (electricity), 33.16 to 33.18 (gas) - Requirement that where a Smart Metering System is removed in its entirety and is replaced with another, the replacement does not constitute a “backwards step”. Conditions 40.13 to 40.15 (electricity), 34.13 to 34.15 (gas) - Requirement that an IHD is maintained during the Relevant Period to a version of SMETS with a valid

	MVP and that there is no backwards step. Condition 50.10 (electricity), 44.10 (gas) - Requirement that in the circumstances that where 50.9 applies and subject to 50.11, Replacement Apparatus must form part of a Smart Metering System. This implicitly requires the new Smart Metering System to meet Technical Specifications with an active IVP. Condition 52 (electricity), 46 (gas – PPMID only) - Removal of obligations relating to installation of PPMIDs and HCALCs. - Requirement that PPMIDs and HCALCs are maintained to a Technical Specification with an active MVP and no backwards step and compatibility obligations. Condition 53 (electricity), 47 (gas) - Deleted as matters relating to Technical Specifications are now dealt with in the Smart Energy Code. We have also made a number of other minor consequential changes in other conditions and made changes to a number of definitions.
Changes to DCC Licence	Condition 17.21 - Requirement to maintain Communications Hubs to a version of CHTS with an active MVP and no backwards step and compatibility obligations. Again we have made a number of changes to definitions as well.

Consultation questions

Changes to the SEC to enable it to accommodate multiple versions of Technical Specifications	
Q17	Do you agree with our proposals for how multiple Technical Specifications and GBCS should be managed within the Code and do you have any comments on the proposed changes to supply licence conditions, the DCC licence and the SEC in order to give effect to them?
Q18	Do you agree with our proposed approach to facilitating multiple versions of DUIS (and associated versions of the Message Mapping Catalogue and Parse and Correlate software)?

3.7 Minor Miscellaneous Changes

Description of the issue

129. A number of minor amendments are proposed across a variety of sections of the SEC for the purposes of either correcting minor errors or adding further clarity to the text. A summary of these changes are set below.

Translation into detailed requirements

Changes to H3.27 of the SEC

130. In our consultation on activating SEC provisions for DCC Live[21], we proposed that we would not activate section H3.27 when we activated the remainder of Section H3. H3.27 requires the DCC to submit a modification proposal containing rules enabling it to prioritise Service Requests, Service Responses and Commands to be sent to Communication Hubs Functions. We proposed not to activate this because we no longer consider it necessary to require the DCC to submit such a modification proposal. Instead, DCC may raise one if it wishes.

Changes to G5.1 and G5.15

131. We are proposing to correct the title of the ISO/IEC 27005:2011 standard referenced at G5.1 and G5.15.

Changes to X5

132. Section X5 of the SEC currently refers to paragraphs 27, 28 and 29 of DCC Licence Condition 22. In July 2016, Ofgem published a new version of the DCC Licence[22] with a new paragraph prior to these, meaning they have now become paragraphs 28, 29 and 30 respectively. In order to re-align the SEC and the DCC Licence, we are proposing to update Section X5 of the SEC to correct the current cross-referencing discrepancy, so that the SEC refers to the correct paragraphs in the DCC licence.

Definition Changes and other Miscellaneous Clarifications

133. We are proposing to make minor changes to definitions in Section A, to correct errors in the previous definitions. These are:

- Definition of Notification: we are making minor consequential changes to the definition of Notification by replacing the reference "98/34/EC" with "2015/1535/EU"

[21] Smart Metering Implementation Programme Consultation on Activating Smart Energy Code Provisions needed for CPL Live and DCC Live. 16 August 2016. https://www.smartenergycodecompany.co.uk/news-and-useful-links/latest-news/news-detail/2016/08/16/designation-of-remaining-sec-subsidiary-documents

[22] See: https://epr.ofgem.gov.uk/Content/Documents/Smart%20DCC%20Limited%20-%20Smart%20Meter%20Communication%20Consolidated%20Licence%20Conditions%20-%20Current%20Version.pdf

- Definition of NSA Suite B Cryptographic Algorithm: there is no reference to the Defined Term 'NSA Suite B Cryptographic Algorithm', other than within the Definitions Section A. We are therefore, proposing to remove this term
- A change has been made to correctly cross-reference the Registration Data Interface Documents to where they are situated in the Appendix to the SEC.

Clarification of application of Anomaly Detection Thresholds

134. We are proposing to make a number of relatively minor changes to Section G and definitions associated with Threshold Anomaly Detection setting to clarify that Anomaly Detection Thresholds will be set and applied on a User ID basis. Hence for example where a User has different User IDs for different User Roles, ADTs would be applied separately to each ID. If a User used a single User ID across more than one User Role then a single set of ADTs would apply to all relevant Service Requests send using that User ID.

Defining an end-date for the transitional variation regarding User IDs

135. In our direction letter of 3 June 2016[1] we set out a transitional variation to Sections H1.5 and H1.6 of the SEC to temporarily limit Parties to one identification number for each of their User Roles, and expressly did not require the DCC to accept more than one identification number from each Party for each of its User Roles. We explained that this was because the DCC had confirmed that it was unable to deliver at that time the functionality that would allow Users to use more than one User ID per User Role in accordance with the SEC requirements.

136. At its September 2016 meeting, the SEC Panel - which leads on the coordination of the timing and content of enduring releases - decided that the removal of this transitional variation should be targeted at a 29 June 2017 release.

137. We therefore intent to amend this transitional variation through a further direction letter later this year, so that it "shall apply until 30 June 2017 (or such later date as the Secretary of State may direct)." We have already consulted (by way of our DCC Live consultation of 16 August 2016*) on using equivalent wording to define the end date for a transitional variation regarding Self-Service Interface functionality, which the SEC Panel also decided should fall away at a 29 June 2017 release.

Other minor corrections

138. We are also proposing a number of minor corrections arising from BEIS's final review of a number of subsidiary documents prior to their incorporation into the SEC. The changes proposed are as follows:

[1] https://www.smartenergycodecompany.co.uk/docs/default-source/sec-documents/sec-4.11/2016-06-03-government-response-uep-and-dccki-activation-consultation.pdf?sfvrsn=2

- to add the following words at the end of the definition of Certificate in Section A: "(or, for the purposes of any Certificate Policy in which the term is defined, it shall have the meaning ascribed to it in that Certificate Policy)".
- to add a new definition in Section A as follows: "'IKI File Signing Certificate' means an IKI Certificate issued by the IKI File Signing Certification Authority." We have also added a definition of 'IKI File Signing Certification Authority'.
- To amend section L3.20 (IKI Certificates) of the SEC by the addition, after the words "IKI Certificate", of the following words: "in the circumstances set out in the IKI Certificate Policy".
- To amend Appendix Q (IKI Certificate Policy) of the SEC by replacing the words "IKI File Signing Certificate Authority" in the definition of Eligible Subscriber with the words "IKI File Signing Certification Authority", and to add definitions of "File Signing Certificate" and "IKI Certificate Revocation List".
- By amending Appendix X (Registration Data Interface Specification) of the SEC by replacing the words "Organisation Certificate Policy" in the definition of Issuer with the words "DCCKI Interface Design Specification".

Legal Text

Summary of new SEC Provisions	
Changes to Section A	• We have amended the definition of Certificate by adding the following words at the end: "(or, for the purposes of any Certificate Policy in which the term is defined, it shall have the meaning ascribed to it in that Certificate Policy. • We have added a new definition for IKI File Signing Certificate and IKI File Signing Certification Authority. • We have made minor changes to the definitions of Notification by updating its reference • We removed the definition of NSA Suite B Cryptographic Algorithm • We have modified the definition of Anomaly Detection Threshold.
Changes to G	• We have amended G6.3(a) to clarify the application of Anomaly Detection Thresholds. • We have made minor drafting changes in G5.1(a) and G5.15(a).
Changes to H3	• We have removed the text in H3.27 and replaced with "not used"
Changes to L3.20, Appendix Q and Appendix X	• We have made changes in line with the "Other minor corrections identified above".

Changes to Section X	• We have updated Section X5 to re-align the SEC to cross-reference to the correct paragraphs in the latest version of the DCC Licence.

Consultation Questions

Minor Miscellaneous Changes	
Q18	Do you agree with the proposals to make the changes set out in the Minor Miscellaneous Changes chapter and do you agree with the associated legal drafting? Please provide a rationale for your view.

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