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Action:	For Decision
<u>Acronyms and Defined Terms SEC Glossary</u>	

OPSG Risk Register – Progress Report

1. Purpose

This paper provides an update on the status of actively managed entries on the Operations Group (OPSG) Risk Register, together with any activities planned to take place during the following month.

The OPSG is requested to note the contents of the paper and next steps in line with the recommendations at the end.

2. Actively Managed Risks

This section presents the Risks which are being actively monitored by OPSG.

Risk Number	Risk Description	Severity Rating
OPSG-006	There is a risk that the CSP N will fail to meet SEC requirements, creating barriers for Service Users when operating at a large scale.	20 (Critical)

Impact

The impact of this risk is the capacity for Suppliers to operate Devices could be impaired. The OPSG has limited confidence that the Services in the Communication Services Provider North (CSP N) Region will be delivered in accordance with SEC requirements.

It may not be possible for Users to deploy Emergency Releases at scale in the CSP N Region due to constraints on firmware image processing time which could cause reputational damage to the programme and the SEC.

It may not be possible for Users to execute their Smart business processes in accordance with their reasonable expectations (for example prepayment top-ups).

Mitigation Actions

- Increased monitoring of Service performance to detect early signs of any shortfalls, particularly as usage increases. This could be achieved using the Business Process Indicators implemented through MP122A - Ongoing.
- The DCC and the CSP N to present a clear Optimisation and Scaling Plan that shows how the Services will improve to meet the needs of Users throughout the rollout – Ongoing.
- Dependant on results of an independent review, implementation of remediations identified in the review – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-015	There is a Risk that the DCC's Comms Hubs Supply chain will not be able to deliver to Service User's requirements due to a global component shortage and increasing costs of the components.	20 (Critical)

Impact

The DCC will be unable to meet the User expectations on CH deliveries which could have a subsequent impact to meeting roll-out targets.

The DCC noted at the June Supply Chain Capacity Working Group that the CSP N will also be impacted by the global component shortage for August 2021 deliveries. The DCC noted a wider risk for next year regarding the increase in component costs and reduced availability).

Mitigation Actions

- DCC to monitor risk via CH Supply Chain Working Group and report updates to OPSG – Ongoing.
- DCC to explore options for better management of supply chain and forecasting with Users – Ongoing
- DCC to provide an update to OPSG on progress on remediation and mitigation plans at the August OPSG Main meeting – Complete.
- DCC to provide an update at the Supply Chain Working Group and OPSG regarding the CH supply chain risk – Complete.
- The DCC to report on the revised plan for TCHODR from the outputs of the consultation – Complete.
- DCC to engage with CSPs and SEC parties to implement new TCHODR – Complete.

Risk Number	Risk Description	Severity Rating
OPSG-002	There is a risk that unstable connections between Comms Hubs (CHs) and HAN devices impedes the Service User's ability to send Commands to the devices and the device's ability to send Responses & Alerts to the Service Users, in a large number of premises as the rollout progresses.	15 (High)

Impact

Communication between User Systems and Devices will be affected, leading to a variety of operational and consumer facing problems (for example, not being able to set, tariffs, update firmware, receive security Alerts etc.) and damaging the programme reputation.

Mitigation Actions

- DCC to identify the triggers and their causes via the HANSIT report and present those findings to the Technical Specifications Issues Resolution Sub-group (TSIRS) forward – Ongoing.
- SECAS to follow the TSIRS and actively report developments to OPSG – Ongoing.
- OPSG to sponsor a workstream looking at providing recommendations on measures of interoperability at Device Model level – Complete.
- SECAS to confirm with the Smart Metering Device Assurance (SMDA) scheme operator the proportion of deployed Device Models that have been assured by the SMDA scheme and therefore gain a better approximation of the scale of untested Device Models – Complete.
- SECAS to carry out actions taken from the Interoperability Workshop – Complete.
- OPSG to monitor development of reporting – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-016	There is a risk that the full required 2G/3G service will not be provided until the final sunset date and at the currently agreed price.	15 (High)

Impact

The 2G and 3G sunsetting could cause many operational problems, for example potential loss of comms to live Devices if there is no alternative service. This risk could impact DCC's ability to maintain geographical coverage and service capacity. The 2G and 3G sunsetting could cause the price of the Services to increase.

Mitigation Actions

- DCC to confirm actions taken under the contract to ensure continuity of complete service, including geographical coverage and capacity until 2033 – Ongoing.
- DCC to continue the development of a transition plan, taking account of any commercial and technical uncertainties related to 2G/3G sunsetting – Ongoing.
- DCC to confirm implications, if any, for SMETS1 providers announced intentions to close 3G services in 2023 – Complete.
- DCC to detail impact for customers during transition – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-001	There is a risk that an increasing number of Device Model Combinations will adversely affect HAN quality or availability leading to issues concerning the interchangeability of Devices, information transfer between Devices and incorrect Data being exchanged.	12 (Moderate)

Impact

Potential for a repeated consumer queries to Supplier regarding lack of consumption information on the Display.

Loss of consumer confidence in the smart metering solution and general consumer confusion. Potential regulatory implications to the Supplier (under SLC49) if not corrected for.

Mitigation Actions

- DCC to identify the triggers and their causes via the HANSIT report and present those findings at TSIRS moving forward – Ongoing.
- OPSG to sponsor a workstream looking at providing recommendations on measures of Interoperability at a DMC and Device level – Complete.
- SECAS to find out from the SMDA Scheme what proportion of deployed DMCs have been assured by SMDA and therefore, gain a better approximation of the scale of untested DMCs – Complete.
- SECAS to follow TSIRS and actively report developments to OPSG – Ongoing.
- SECAS to carry out actions taken from the Interoperability Workshop – Complete.
- OPSG to monitor development of reporting - Ongoing

Risk Number	Risk Description	Severity Rating
OPSG-004	There is a risk that the proportion of meters that cannot be contacted by the DNOs significantly increases as the rollout progresses (as DNO certificates on the Meters are either incorrect or missing). This Risk potentially concerns DNO systems which may need to be changed.	12 (Moderate)

Impact

Two-way communication between Distribution Network Operators (DNOs) and Devices, including Commands as well as Alerts/Responses, is impeded. Supplier Parties could be breaching their obligations by not placing the certificates or by placing the wrong certificate (excepting for Independent Distribution Network Operators - IDNOs).

Mitigation Actions

- DCC to include in its internal transformation plan efforts to improve communications and reporting with the DNOs – Complete.
- SECAS to analyse the reporting and data produced by the DCC – Complete.
- SECAS and DCC engage with Supplier and Network Parties to ensure alignment on issues and progress the clean-up of incorrect certificates (the fixable portion) – Ongoing.
- SECAS to monitor OPSG Issue 004 'Incorrect or Missing Distribution Network Operator Certificates on Meters – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-005	There is a risk that the DCC's delivery capabilities for the POA and PRA Alerts, which inform the DNOs regarding the supply state of the premise, are insufficient to be of greatest value to DNOs. In addition to delivery capabilities, failures can also occur because of manufacturer device problems.	12 (Moderate)

Impact

Lack of regulatory compliance by the DCC. The DNOs do not know supply state of a premises, and this may become a risk as the penetration of smart meters and newer innovations such as Electric Vehicles and Load Control increases.

Mitigation Actions

- SECAS to monitor the progress of [MP096 - 'DNO Power Outage Alerts'](#) – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-008	There is a risk that Users and the DCC will be unable to deploy firmware upgrades in a timely manner if the service in CSP N does not consistently achieve the target service level performance (99%) for PM2 'Firmware Payload delivery'.	12 (Moderate)

Impact

Regulatory non-compliance by the DCC and User impacts to deploying firmware updates at scale. Energy suppliers and the DCC will be unable to deploy firmware upgrades in a timely manner and will increase the number of retries generating additional cost and effort. It may not be possible for energy suppliers to deploy emergency releases at scale in the CSP N Region due to constraints on firmware image processing time which could cause reputational damage to the programme and the SEC.

Users are unable to successfully roll out firmware to their portfolio increasing the likelihood of operational issues being left unresolved.

Mitigation Actions

- OPSG to monitor CSP N plans towards 92% SLA with a follow up plan to be required for 99% SLA – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-009	There is a risk that the CSPs will not meet SEC required (non-PM-2) performance levels and capacity demands at peak rollout/end of rollout. A "sub-risk" exists for a similar concern at the end of the CSP contract	12 (Moderate)

Impact

Users do not receive the Services at the expected standard causing additional time and effort with material impacts to the end energy consumer (specifically prepayment consumers).

Mitigation Actions

- The TABASC to monitor the arrival dates for next generation CHs in the Central and South (C&S) Regions, their relevant communication technology and timeline of introduction – Ongoing.
- The TABASC to undertake a review of the CSP N architecture to assess its scalability – Ongoing.
- DCC to provide the OPSG assurance on its capability to meet the requirements in the proposed CSP N Scaling and Optimisation Plan – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-003	There is a risk that the number of CH Exceptions significantly exceeds reasonable tolerance as the rollout progresses, causing reputational and regulatory damage.	9 (Moderate)

Impact

Users are non-compliant with obligations relating to installation and commissioning. Additionally, depending on the type of exception, a CH may not be contactable and be left in an 'unknown' state. Inaccuracies of databases/data in the SMI.

Faults logged to the DCC would fall outside contracted SLAs; CSPs can claim no performance against these CHs. Reputational damage to energy suppliers and the programme in case of site visits, CH replacement processes, and incomplete coverage.

Mitigation Actions

- Re-establish PMEL governance as a vehicle for managing this Risk and establishing defined and specific Exception categories – Completed.
- DCC to monitor the rates of Exceptions and report at OPSG – Ongoing.
- The DCC to consider how CH exclusions will impact 4G CHs – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-011	There is a risk that critical operational modifications (e.g. MP15, 24, 122, 117) that deliver industry desired processes and improvements or those facilitating innovation are unable to progress due to a lack of clarity around DCC costs, length and time of progression, and the inability from industry to scrutinize.	9 (Moderate)

Impact

Key changes are unable to be introduced due to the sheer scale and variation of costs for DCC Service Providers.

Mitigation Actions

- Tracked under the SEC Panel Risk Register as Risk 1: "The progression of Modification Proposals is not meeting required timescales due to the delayed completion of activities

(e.g. submission of Impact Assessments and any requested information within reasonable timescales from the DCC)" – Ongoing.

- Tracked under TABASC Risk Register as TABASC011.3: "Cost or complexity of upgrading may deter any individual from triggering upgrade, leading to piecemeal enhancement of existing technologies" – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-012	There is a risk that the ancillary DCC services will be inadequate to meet demands related to general service management (e.g. service desk, DCC support services etc.) as the rollout progresses	9 (Moderate)

Impact

Lack of capacity to serve Service Users. Potential for the programme to suffer reputational damage.

Mitigation Actions

- DCC to include noted ancillary services explicitly in readiness assessments for any changes or new capabilities – Ongoing

Risk Number	Risk Description	Severity Rating
OPSG-010	There is a risk that the SMETS1 DCO will not be able to maintain a consistent and stable service across the different cohorts of Devices, potentially impacting end User systems (e.g. needing to create individual instances in back-end).	8 (Moderate)

Impact

Non-compliance to the SEC required standards. This can lead to User and consumer impacts (specifically for Prepayment consumers).

This can also lead to the prevention or delay in SMETS1 migrations, impacting Users' business processes, along with their ability to maintain the planned schedule of Dormant and Active migrations to meet regulatory obligations.

Mitigation Actions

- The Dual Control Organisation (DCO) Stability plan to be presented at and reviewed by OPSG to monitor status of the service and remediations – Complete.
- SECAS and DCC to begin working on the requirements for a Modification Proposal and for DCC to start consideration of the change request – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-014	Because it is unlikely that IDNOs will become DCC Users and because these parties will not have SMKI certificates, there is risk	8

	that certain post-commissioning obligations on Suppliers cannot be fulfilled	(Moderate)
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Impact

These meters will be unable to communicate or be communicated to via the smart metering infrastructure by IDNOs. IDNOs are not DCC Users and do not have relevant credentials in Devices).

Mitigation Actions

- Monitor Industry developments on regulatory position on IDNOs becoming DCC Users – Ongoing.
- Monitor risk related SEC Modifications ([MP128A](#) - Gas Network Operators SMKI Requirements and [MP128B](#) - Incorrect Gas Network Operator Certificates) – Ongoing.

Risk Number	Risk Description	Severity Rating
OPSG-007	There is a risk that the DCC will be unable to execute or maintain scheduled BCDR and necessary arrangements (e.g., site visits, on-site testing) exercises due to government regulations on Pandemic	5 (Low)

Impact

Non-compliance to SEC requirements and untested Disaster Recovery processes. Communications across the WAN network may be severely impeded.

Mitigation Actions

- DCC to present pandemic risks updates and their expected impacts to services at OPSG sessions moving forward – Complete.
- No additional mitigation actions confirmed yet. Possible candidate for closure subject to OPSG agreement.

3. Recommendation & Next Steps

The OPSG is requested to:

- **NOTE** the contents of this paper;
- **PROVIDE** any new candidate Risks for consideration; and
- **PROVIDE** any comments on the wording, impact, and severity of any existing OPSG Risk.

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