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SEC Panel Meeting 64

SECP_64_1101, 11 January 2019

10:00 – 13:00, Gemserv, 8 Fenchurch Place, London, EC3M 4AJ

Final Minutes

Attendees:

Category	SEC Panel Members
SEC Panel Chair	Peter Davies
Large Suppliers	Ashley Pocock
	Simon Trivella
Small Suppliers	Karen Lee
	Mike Gibson
Electricity Networks	David Lane
Gas Networks	Leigh Page
Other SEC Parties	Gary Cottrell
	Mike Woodhall
DCC	Ro Crawford

Representing	Other Participants
Ofgem	Michael Walls
BEIS (Secretary of State)	Robert Thornes
	Duncan Stone (Part)
User Independent Privacy Auditor	Alistair Grange (Part)

Elxon	Kevin Spencer (Part)
Meeting Secretary	Louise Evans
SECAS	Abigail Hermon
	Phillip Twiddy (Part)
	Fiona Chestnutt (Part)
	David Kemp (Part)
	David Barber (Part)

1. Minutes and Actions Outstanding

The minutes from the December 2018 SEC Panel meeting were approved ex-committee and circulated. The Panel noted that the majority of actions had been closed, with the outstanding actions on target for completion. The following updates were provided.

Action Reference	Action
SECP63/01	SECAS to review the SECP_60_1409 Panel minutes and report an update on DCC.
	Action SECP60/01: DCC to provide a consolidated maintenance schedule that articulates the benefits of each outage, including the 20th, 23rd and 27th September 2018 at the next Panel meeting.
SECAS reviewed the SECP_60_1409 Panel minutes and Actions Outstanding paper for the October 2018 Panel meeting where the following update was provided: 'The DCC provided a consolidated maintenance schedule on 01/10/2018; the Operations Group Chair approved the plan on behalf of the SEC Panel on 02/10/2018'. Action: Closed .	
SECP63/02	DCC to confirm what the process steps are for calling on credit cover as part of the debt recovery process for defaulting parties.
The Panel were informed that the DCC follows the process as outlined in SEC Section J3.17 when drawing down on Credit Cover. SECAS will attend a meeting with the DCC to discuss the process and identify whether it needs improving. Action: Closed .	
SECP63/03	BEIS to share the SMETS1 pamphlet with the Panel via SECAS.

Action Reference	Action
The Panel noted that an overview of DCC Delivery of SMETS1 Services was included in the Independent Suppliers Newsletter circulated on 18 December 2018. SECAS agreed to circulate this with the post-meeting documentation. Action: Closed .	
SECP63/08	DCC to provide clarity on the release timeframes and confirmation of the full costs for the modifications targeted for the November 2019 Release.
The Panel were informed that the DCC Investigation Team is working with SECAS to confirm release candidates for the November 2019 release. The scope of the November 2019 release will be confirmed in February 2019, including costs. Action: Open .	

The Panel **NOTED** the updates and **AGREED** that the remaining actions should be closed.

A Member queried the next steps regarding the post-release lessons learnt exercise to be undertaken to improve testing approaches and governance. The Panel **AGREED** that SECAS should ensure the DCC provides a documented Lessons Learnt, for comment.

A Member queried whether a review had been undertaken regarding the differing business roles of Other Users. SECAS agreed to review the controls in place and determine whether the category needs to be sub-divided to cater for the different groups within the category that have different requirements.

SECP64/01: SECAS to review the Other User role to review the controls in place for Other Users and determine whether the category needs to be subdivided to cater for different groups within the category that have different requirements.

SECP64/02: SECAS to ensure the DCC provides a documented post-release Lessons Learnt, for comment.

2. SEC Panel Risk and Issue Register Update

SECAS provided the Panel with an update on the SEC Panel Risk Register and Issues Log, which included amendments to two existing risks and three issues.

SECAS noted the following updates to the mitigations for SEC Panel Risk 4 and SEC Panel Risk 13 respectively:

- **Risk 4:** A mitigation has been added to reflect post-release lessons learnt exercises undertaken to improve testing approaches and governance; and

- **Risk 13:** Further detail has been included against a mitigation action to ensure Faster Switching teams communicate consequential impacts to smart metering arrangements. The revised mitigation highlights the Impact Assessment to identify and prepare the consequential changes to the SEC arising from the Switching Programme and the introduction of the Retail Energy Code.

SECAS noted the following updates to the mitigations for SEC Panel Issues 1, 2 and 3:

- **Issue 1:** Mitigation is amended due to the progression of the review of the SEC Section D provisions.
- **Issue 2:** Mitigation is amended due to the DCC's cost benchmarking study initiated in December 2018 and expected to conclude by early March 2019.
- **Issue 3:** Mitigation is amended to note that the DCC may request additional planned maintenance in Q1 of 2019 to prepare for its planned Business Continuity Disaster Recovery Test scheduled for March 2019.

The Panel **AGREED** the amendments to the SEC Panel Risk Register and Issues Log.

3. Current Events of Default Update (**RED**)

The Panel were provided with a confidential update on four current Events of Default, and one new Event of Default, and considered recommendations from SECAS regarding the monitoring and remediation of each defaulting SEC Party. The discussion was classified as **RED** and therefore recorded in the Confidential Minutes.

The Panel **AGREED** to monitor the Parties in Default.

4. Supplier of Last Resort Process (**RED**)

A Small Supplier Member provided the Panel with the proposed next steps regarding a Supplier of Last Resort (SoLR) scenario. An alternative solution was also presented by SECAS.

The Panel also noted that SECAS had held a workshop on 18 December 2018, to discuss the SoLR process, and noted that further workshops will be arranged in the coming months.

The discussion was classified as **RED** and therefore recorded in the Confidential Minutes.

The Panel **CONSIDERED** both solutions and **AGREED** to investigate a simplified solution for the SoLR in question.

5. Full User Privacy Assessment Review – Shared Resource Provider ‘C’

Any SEC Party wishing to act in the DCC User Role of Other User is required to undertake a Full User Privacy Assessment. In accordance with SEC Section I2.23, the SEC Panel is required to consider the outcomes of the assessment and set an assurance status for each SEC Party that has undergone this process.

The Panel considered Privacy Assessment Reports and Privacy Assessment Management Responses for one SEC Party: Shared Resource Provider ‘C’. The agenda item was marked as **RED** and therefore recorded in the Confidential Minutes.

The Panel:

- **AGREED** not to set an Assurance Status for Shared Resource Provider ‘C’ during the meeting; and
- **AGREED** to set an Assurance Status ex-committee.

*Post-meeting note: On 23 January 2019, the SEC Panel **AGREED** the Assurance Status for Shared Resource Provider ‘C’.*

6. Recommended Target Operating Model for market wide half hourly settlement: ELEXON update

A representative from Elexon presented the Panel with the Design Working Group preferred variation of the Target Operating Model (TOM) for market wide half hourly settlement. The update was provided following the completion of a critical phase of development of the half hourly settlement design.

The Panel **NOTED** the presentation.

7. SMETS1 Testing Governance Planning

Following the December Panel update from BEIS on SMETS1 governance activities, the Panel were informed that subsequent discussion and planning sessions have taken place between SECAS, the DCC, Testing Advisory Group (TAG) and BEIS on the timing of the meetings and associated reports that will be provided to the TAG and Panel to enable a SMETS1 Initial Operating Capability (IOC) System Integration Testing (SIT) completion decision to occur.

The Panel were informed that at the December TAG meeting, that IOC SIT completion and IOC User Testing Services (UTS) commencement is expected in early March. It was noted that a meeting was held on 3 January 2019 to plan the timing of activities to enable the required governance activities to

be completed. SECAS noted that the plan involves discussion and resolution of SIT completion activities, as and when completed, and will mitigate against time constraints, enabling the TAG to focus on outstanding matters close to completion date. The Panel noted that planning activities for IOC SIT completion would involve an additional TAG meeting on 6 March 2019 to cover off remaining IOC SIT exit activities in advance of the TAG recommendation going to the SEC Panel. It was noted that, per the current plan, an additional Panel meeting would not be required.

The Panel were provided with an overview of the key assumptions that underpin the proposal, noting that the plan was based around the current draft Licence Condition 13 plan and querying whether the final elements of IOC SIT will complete by the dates indicated within the plan. SECAS noted that if these were to change, the SMETS1 testing governance activities plan would need to be revised.

The Panel noted that further updates would be provided to keep the Panel informed of progress and any changes to the planning.

It was noted that a similar approach will be needed for the SIT completion and UTS commencement for the Middle and Full Operating Capability phases (MOC and FOC). Further work will be required to consider the content and plan to support the 'go-live criteria' decisions for IOC, MOC and FOC, which will include TAG and Operations Group input to the Panel.

A Panel Member noted that the plan to involve TAG Members in the DCC Testing Assurance Board (TAB) meetings would be helpful. Another Panel Member questioned if there was enough time for the TAG recommendation paper to be prepared in advance of the SEC Panel March meeting. SECAS clarified that the intention was for the TAG IOC SIT completion recommendation paper to be pulled together in parallel with the SIT discussions at the January and February TAG meetings, leaving only final comments and observations to be added.

The BEIS representative noted that the plan presented could also be affected by other governance decisions and appeal mechanisms, which, if utilised, could cause the timescales on the plan presented to change. SECAS noted that the plan was a starting point and if it required revision, would be updated accordingly, with updates provided at future Panel meetings.

The Panel **NOTED** the update.

8. Change Status Report – January 2019

The Panel were provided with an update on the status and progress of Modification Proposals.

SECAS noted that an Authority decision on [SECMP0049 'Section D Review: Amendments to the Modification Process'](#) is anticipated early January 2019, and if approved, SECAS will issue a call for membership to the Change Sub-Committee promptly.

The Panel were also provided with an update from the DCC on the current progression of SEC Modification Proposals as they undergo Preliminary Assessments and Impact Assessments.

The Panel **NOTED** the update.

9. SEC Modification Timetables

SECAS presented the Panel with an overview of all 33 open SEC Modification Proposals and proposed timetables for the ongoing SEC modifications. The Panel were invited to agree on how to proceed.

SECAS advised that the second Preliminary Assessment (PA) for [SECMP0007 'Firmware updates to IHDs and PPMIDs'](#) is currently being assessed, but noted that it is not likely to be a candidate for the November 2019 release. A Panel Member raised a concern regarding the timelines, noting that the modification was initially raised in March 2016. The Panel noted that updating Over-The-Air (OTA) firmware for In Home Displays (IHDs) and Prepayment Interface Devices (PPMIDs) via the DCC's infrastructure is crucial and represents a risk should the Modification not be implemented.

SECAS agreed to review the SEC Panel Risk Register to check if this risk is already covered. The DCC suggested the possibility of separately implementing the modification outside the release cycle, following completion of the PA. SECAS agreed to provide the Panel with an update on the status of SECMP007 at the February 2019 Panel meeting.

The Panel discussed an expedited approach for progressing low cost, immaterial modifications such as [SECMP0060 'Amend Requirements to remove 'Pending' devices from SMI'](#). The Panel agreed to request the Impact Assessment from the DCC for SECMP0060 prior to the completion of the public consultation due to the low cost of the modification.

The Panel:

- **AGREED** to review the status of SECMP0007 and consider an approach for expedient implementation; and
- **AGREED** to request the Impact Assessment for SECMP0060.

SECP64/03: SECAS to confirm the status of SECMP0007 and the PA and provide the Panel with an update at the February 2019 Panel meeting.

SECP64/04: SECAS to review the SEC Panel Risk Register to check if the risk of late implementation of SECMP0007 is included.

SECP64/05: The DCC to complete the Impact Assessment for SECMP0060.

10. SECMP0039 'Communication Hub returns notification mechanism for Other SEC Parties' Modification Report

SECAS presented the Panel with the Modification Report for [SECMP0039 'Communication Hub returns notification mechanism for Other SEC Parties'](#) Modification Report.

The Panel:

- **AGREED** that SECMP0039 should be progressed to the Report Phase;
- **APPROVED** the Modification Report;
- **APPROVED** the implementation approach; and
- **AGREED** that SECMP0039 should be progressed as a Self-Governance Modification.

11. Change Service Improvements: proposed framework for raising changes

Due to time constraints, the Panel agreed to postpone the discussion until the February SEC Panel meeting.

- The Panel: **AGREED** to postpone the discussion until the next meeting due to time constraints.

12. BEIS Update

BEIS provided the Panel with an update on recent publications, forthcoming consultations and key milestones.

With regards to the [Consultation on a new ECoS DCC licence condition](#), the Panel discussed the Transitional Change of Supplier (TCoS) and the cost of an enduring solution. A Member queried whether there is a 'leave as is' option so as not to incur additional cost. BEIS noted the point.

The Panel were informed that the commercial contract will be finalised following the consultation.

The Panel **NOTED** the update.

13. DCC Update

The DCC presented the Panel with an update on the activities undertaken since the last Panel meeting.

SMETS1

The DCC noted that the delivery of the SMETS1 programme is on target, noting that MOC and FOC remain on plan.

The DCC informed the Panel that the LC13 consultation closed in November 2018.

The DCC noted that a customer engagement event is planned for the end of February, and a Panel Member suggested that SECAS attend the event and present on how to become a DCC User.

Release 2.0

The Panel were informed of two firmware issues which have not been resolved so the DCC are working with BEIS and customers to understand the appetite for the specific pallet. Single band release 2 is in UIT but there is little appetite for moving this into production.

Major incident reporting

The Panel were provided with an overview of two major incidents that occurred in December.

The first incident related to a meter install outage which occurred on 30 and 31 December 2018. The DCC noted that both occurrences were resolved on the same day they occurred.

The second incident related to a meter install disruption which was resolved the next day.

The Panel **NOTED** the update.

SECP64/06: SECAS to attend the February DCC customer engagement event and present on how to become a DCC user.

14. SEC Panel Sub-Committee Report

SECAS provided the Panel with an update on recent activities from all the SEC Panel Sub-Committees.

The Panel **NOTED** the update.

15. DCC Reporting

The Panel were provided with the following reports from the DCC as required by the SEC:

- Certificate Signing Requests (CSR);
- Forecast Variance Report;
- Post Commissioning Information Report; and
- Service Request Variance and Metrics Report (September, October and November).

There was discussion around whether all the reports provided by the DCC and presented to the Panel are reviewed by the Operations Group. SECAS agreed to review all DCC reports and present who is responsible for reviewing which reports.

SECP64/07: SECAS to review all DCC reports and present who is responsible for reviewing which report.

A Member raised that a DCC service desk communication had been issued, referencing the SEC, which had not been Panel approved and the DCC agreed to investigate this.

SECP64/08: DCC to investigate the DCC service desk communication which made a statement on behalf of the SEC Panel.

The Panel **NOTED** the reports.

16. Operations Report – December 2018

The Panel were presented with the Operations Report for December 2018. The report provided an outline of the activities undertaken by the SECAS team in support of the SEC.

The Panel noted that the following organisations would be admitted as Parties to the SEC following countersignature of their Accession Agreements by the SECCo Board:

- GOTO Energy (UK) Limited (Small Supplier);
- IAZFS Limited (trading as MB Energy) (Small Supplier);
- SQS Group Limited (Other SEC Party).

The Panel **NOTED** the report.

17. Smarter Markets Project Update

The Panel were provided with an update on the activities currently being undertaken to support the project.

The Panel **NOTED** the update.

18. Transitional Governance Update

SECAS presented the Panel with an update from the transitional governance entities and other smart metering related meetings and workshops attended by SECAS in the last month.

The Panel **NOTED** the contents of the paper.

19. Any Other Business

A Panel Member requested that SECAS undertake a review of the SEC Parties list, and the categorisation of Suppliers as Small or Large. A Member raised a historic exercise where Suppliers were asked by SECAS to redeclare which category they fall in to. SECAS agreed to review this.

SECP64/09: SECAS to undertake a review of the SEC Parties list and request that Suppliers redeclare whether they are a Small or Large Supplier.

There was no further business and the Chair closed the meeting.