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## SEC Change Board Meeting 26\_2301

23 January 2019 10:00 – 11:00

8 Fenchurch Place, London, EC3M 4AJ

### Final Minutes

#### Attendees:

Category	Change Board Members
Change Board Chair	David Kemp
Large Suppliers	Jonathan Hawkins ( <i>Teleconference</i> )
	Amie Charalambous ( <i>Teleconference</i> )
	Stacey Brentnall ( <i>Teleconference</i> )
	Simon Trivella ( <i>Teleconference</i> ) ( <i>alternate for Oorlagh Chapman</i> )
	Samantha Cannons ( <i>Teleconference</i> )
	Paul Saker ( <i>Teleconference</i> )
	David Rodger ( <i>Teleconference</i> )
Small Suppliers	Carolyn Burns ( <i>Teleconference</i> )
Networks	Jeremy Meara ( <i>Teleconference</i> )
	Paul Fitzgerald ( <i>Teleconference</i> )
	Shanna Key ( <i>Teleconference</i> )
Other SEC Parties	Mike Woodhall ( <i>Teleconference</i> )
	Elias Hanna ( <i>Teleconference</i> )
	Gerdjan Busker ( <i>Teleconference</i> )
Representing	Other Participants
DCC	Robin Healey ( <i>Teleconference</i> )
	Bushra Ali ( <i>Part</i> )
Ofgem	Michael Walls
SECAS	Louise Evans
	Joe Hehir ( <i>Teleconference</i> )

## 1. SECCB\_26\_2301\_01 – SECMP0018

[SECMP0018 'Standard Electricity Distributor Configuration Settings'](#) was raised to amend the Great Britain Companion Specification (GBCS) to specify the standard Electricity Distributor configuration settings to be applied to an electricity smart meter by the Manufacturer. Application of default configuration settings will reduce the need for Electricity Distributors to apply settings immediately after commissioning.

The Change Board noted the comments that had been raised in the consultation. No comments were raised by members, and the Change Board proceeded to vote.

### Change Board Vote on SECMP0018:

The voting outcome is shown below:

Party Category	Approve	Reject	Abstain	Conclusion
Large Suppliers	7	0	0	Approve
Small Suppliers	1	0	0	Approve
Networks	2	0	1	Approve
Other	3	0	0	Approve

The view of the Change Board is that SECMP0018 will better facilitate SEC Objective (a)<sup>1</sup> as the application of configuration settings at the point of manufacture would reduce unnecessary communication and DCC traffic.

The Change Board:

- **AGREED** that SECMP0018 should proceed to vote;
- **DETERMINED** that SECMP0018 should be **APPROVED** under Self-Governance; and
- **PROVIDED** rationale for this decision against the General SEC Objectives.

There will now be 10 Working Days for any SEC Party who wishes to refer the Change Board's decision to the SEC Panel. This referral period will close at **5pm on Wednesday 6 February 2019**. If no referrals are received by this date, then SECMP0018 will be implemented on **27 June 2019** (as part of the June 2019 SEC Release).

## 2. SECCB\_26\_2301\_02 – SECMP0043

[SECMP0043 'Modification to Services Force Majeure Provisions'](#) aims to introduce a new application process under SEC Section H, which the DCC and the Panel would follow if the DCC wishes to claim relief for exceptional events for its Operational Performance Regime (OPR) reporting. This new process is distinct from the existing Services Force Majeure application process. It introduces a broader concept of exceptional event under a new definition of OPR Exceptional Event and sets out

<sup>1</sup> Facilitate the efficient provision, installation, operation and interoperability of smart metering systems at energy consumers' premises within Great Britain

the relief application process. This solution would apply only to the DCC's reporting under the OPR, and not to the DCC service provider reporting under SEC Section H13.

As the Proposer, the DCC highlighted the key benefits of introducing the modification:

- 1) If there is an exceptional event, the decision as to whether the DCC is given relief would be made by the SEC Panel on behalf of industry; and
- 2) The modification better enables the DCC to comply with the First Enduring General Objective in its own Licence.

The DCC believe the modification better facilitates SEC Objectives (b)<sup>2</sup> and (g)<sup>3</sup> by removing uncertainty. The DCC emphasised that those members of the Working Group who did not support the modification did so based on a perceived lack of evidence, however, noted that four Working Group meetings were held, one of which was dedicated purely to the Force Majeure examples provided by the DCC.

No further comments were raised, and the Change Board proceeded to vote.

#### Change Board Vote on SECMP0043:

The voting outcome is shown below:

Party Category	Approve	Reject	Abstain	Conclusion
Large Suppliers	1	6	0	Reject
Small Suppliers	0	1	0	Reject
Networks	0	3	0	Reject
Other	0	3	0	Reject

The majority view of the Change Board is that SECMP0043 would not better facilitate any SEC Objectives. The following rationale was provided:

1. The OPR falls under the remit of the Smart Meter Communications Licence (DCC Licence) rather than the SEC, therefore where changes are required to the OPR that are not the direct result of consequential changes to the SEC Code Performance Measures, these need to be directed to Ofgem for consideration as a Licence or Regulatory Instruments and Guidance (RIGs) change.
2. It was queried whether the modification is permissible under the DCC Licence. The DCC Licence notes that the OPR must not differ substantially from the illustrative provisions of Parts A to D of Schedule 4, which directly references the calculation of the measures under Part C of Condition 38, which in turn notes that the amounts shall be zero unless determined otherwise in accordance with calculations as may apply under the OPR which is to be developed and populated by the Authority in a direction to be given to the Licensee between March 2016 and August 2020.

Such a direction was submitted to the DCC by the Authority on 4 September 2017 to take effect from 1 April 2018. The direction refers to the calculations (OPR Performance Measure

<sup>2</sup> Enable the DCC to comply at all times with the objectives of the DCC and to discharge the other obligations imposed upon it by the DCC License

<sup>3</sup> Facilitate the efficient and transparent administration and implementation of the SEC

Methodology) contained within the RIGs, though because the Authority concluded that OPR and SEC Performance Measurement Reporting should be consistent, the majority of these refer to the SEC Performance Measures.

3. The modification does not better facilitate any of the SEC objectives, conversely, in accordance this modification directly contravenes SEC Objective (b).
4. It is not believed that the SEC Panel has any established right to approve or reject any performance-related matter that is under the Authority's governance as part of the DCC Licence.
5. The SEC Panel do not have any legal vires to alter Regimes under Authority governance, it is also not believed that the SEC Panel will ever be provided with what they require in order to fulfil the obligations this modification would seek to impose on them.

The SEC Panel would be given 10 Working Days (from notification) to determine whether the DCC are entitled to relief, however:

- i) Problem investigations have generally taken significantly longer than the proposed resolution window; and
- ii) Inaccuracies have been identified with the performance reporting provided by the DCC with no means of SEC Panel validation. This information should be available to the Authority via the SEC Operations Group.

One Large Supplier member disagreed and believed there would be benefits to Objectives (b) and (g). They believed this will marginally better facilitate SEC Objective (b) by creating a suitable performance framework for the DCC to work within and removing doubt as to how any exceptional events may or may not apply to the OPR framework. They felt that while creating additional processes to deal with OPR relief does not better facilitate SEC Objective (g), the minor procedural changes do better facilitate this, and so on balance they felt the objective was better facilitated overall.

The Change Board:

- **AGREED** that SECMP0043 should proceed to vote;
- **RECOMMENDED** to the Authority that SECMP0043 should be **REJECTED**; and
- **PROVIDED** rationale for this recommendation against the General SEC Objectives.

If the Authority determines to approve the Modification on or before 14 February 2019, SECMP0043 will be implemented on **28 February 2019** (February 2019 SEC Release); if a decision to approve is received after 14 February, it will be implemented **10 Working Days following decision**.

### 3. SECCB\_26\_2301\_03 – SECMP0059

[SECMP0059 'Amendments to SEC Security Assessments for Non-Domestic Suppliers and Other Users'](#) seeks to provide clarity for non-domestic energy Suppliers on the type of User Security Assessment that is required for the second and third years after the initial Full User Security Assessment; and align security assessments for Other Users with the arrangements that currently apply to Small Suppliers to ensure proportionate assurance of the security risks.

No comments were raised, and the Change Board proceeded to vote.

#### Change Board Vote on SECMP0059:

The voting outcome is shown below:

Party Category	Approve	Reject	Abstain	Conclusion
Large Suppliers	7	0	0	Approve
Small Suppliers	1	0	0	Approve
Networks	0	0	3	Abstain
Other	3	0	0	Approve

The view of the Change Board is that SECMP0059 will better facilitate SEC Objectives (f)<sup>4</sup> and (g)<sup>5</sup>, some Change Board members were also of the view that SECMP0059 would better facilitate SEC Objective (a)<sup>6</sup>. Members noted their views were for the same reasons as given in the Modification Report.

The Network Party members abstained, believing this to be a matter for Suppliers and Other SEC Parties to determine.

The Change Board:

- **AGREED** that SECMP0059 should proceed to vote;
- **DETERMINED** that SECMP0059 should be **APPROVED** under Self-Governance; and
- **PROVIDED** rationale for this decision against the General SEC Objectives.

There will now be 10 Working Days for any SEC Party who wishes to refer the Change Board's decision to the SEC Panel. This referral period will close at **5pm on Wednesday 6 February 2019**. If no referrals are received by this date, then SECMP0018 will be implemented on **28 February 2019** (as part of the February 2019 SEC Release).

#### 4. Change Status Report

The Change Board **NOTED** the Change Status Report.

#### 5. Any Other Business

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

<sup>4</sup> Ensure the protection of data and the security of data and systems in the operation of the SEC

<sup>5</sup> Facilitate the efficient and transparent administration and implementation of the SEC

<sup>6</sup> Facilitate the efficient provision, installation, operation and interoperability of smart metering systems at energy consumers' premises within Great Britain