Meeting SECP_01_1110, 11th October 2013 at 10am

Gemserv, 10 Fenchurch Street, London, EC3M 3BE

FINAL Minutes

Attendees:

Category	Panel Members
Large Suppliers	Simon Trivella (Chair)
	David Ross Scott
Electricity Networks	David Lane
Gas Networks	Joanna Ferguson (Alternate for Erika Melen)
Small Suppliers	Andrew Beasley
	Leyton Jones
Other SEC Parties	Eric Graham
	Richard St Clair
DCC	Paul French

Representing	Other Participants
Ofgem (the Authority)	Roberta Fernie
	Dora Ianora
DECC (for Secretary of State)	Ian Anthony
	Rob Thornes
Panel Secretary	Rebecca Mottram
SECAS (Gemserv)	Jill Ashby
	Sarah Gratte
	Jane Butterfield
	Dan Cantle (part meeting)
	Jagjit Dosanjh-Elton (part meeting)
	Catherine Cousins (part meeting)

Apologies		
	Gas Networks	Erika Melen
	Consumer Member	Richard Hall

1. Interim Chair

SECAS introduced the first item on the agenda, which was to select a Panel Chair from the Elected Members in accordance with SEC X4.4, who will serve as the Chair until the Independent Chair has been appointed.

The Chair asked the Panel Members if there were any other matters that would be tabled in AOB. One Member highlighted the notification required from Panel Members. SECAS highlighted the purpose of the SEC Panel declaration was to pre-notify any conflicts of interest which may prevent a Panel Member voting on particular matters.

Panel:

- **NOTED** the contents of the paper; and
- Unanimously **AGREED** the selection of Simon Trivella from the Elected Members as the Chair for this meeting.

2. Meeting Minutes Format

SECAS advised that the context of this paper was to obtain consensus on the standards and conventions for minutes of Panel meetings.

Panel observed that it was practice in other Codes not to identify Members by name, although this was not followed across all the Codes. A Panel Member stated that the Panel are required to act independently, so there is no value in attributing remarks to particular category Members. Not specifying who or which category of Member made a comment could allow for Panel Members to speak openly and freely. The Panel further noted that there may be instances where a Member wants their Party Category to be identified, for example the Consumer Member, therefore this could be stated if preferred, but the general rule was that the minutes would not attribute matters to particular Panel Members.

The Chair asked the Panel to consider whether voting tables would follow the same format and also be anonymised. SECAS advised that the Secretariat would make a record of the voting for Panel Members and this information would be available on request of a SEC Party, as stated in SEC C5.18. The Chair clarified that if this was only available to Parties, it may preclude a Panel Member or Ofgem obtaining the detailed record. The Panel therefore agreed that SECAS should accede to such a request from a Panel Member or the Authority. The Panel agreed that if the Panel's decision was by majority then this outcome should be recorded in the minutes and this supported the collective responsibility.

The Panel discussed other conventions regarding the minutes, with one Member suggesting that the draft minutes should be distributed to Panel only, with the agreed final minutes being circulated to all Parties. One Panel Member recommended that 'Panel Headlines' should be issued, ideally the day after a meeting, as this is a very efficient means of keeping Parties informed expeditiously and is of assistance to Panel Members in keeping their respective Party Categories informed without duplicating effort. The Panel unanimously supported this practice for managing Panel headlines and the draft and final minutes and confirmed SECAS should adopt this process.

Panel:

- **NOTED** the contents of the paper; and
- Unanimously **AGREED** the conventions to be applied for the minutes of Panel meetings such that:
    - Comments will not be attributed to individuals or Members by Party Category in the minutes;
    - Panel voting outcomes in the minutes will reflect whether it was by a majority or unanimous resolution;
    - Panel Headlines will be issued the day following the meeting; and

- Draft minutes will be distributed to Panel Members only with the final minutes being circulated to Parties when these are agreed by Panel at their next meeting.

Action SECP01/01: SECAS to adopt approach to issue Panel Headlines from this first and all subsequent Panel meetings and to circulate draft minutes to the Panel only.

3. SEC Original Parties

SECAS highlighted there were 76 Original Parties to the SEC that represented 38 organisations. The paper included a breakdown of the organisations and the number of Parties within that organisation and their Party Category, which is summarised in Table 1 below.

Party Category	Number of Licensees/Parties
Electricity Networks	19
Gas Networks	16
Large Suppliers	21
Small Suppliers	17
Others	3
Grand Total	**76**

Table 1: Summary of Original Parties

SECAS noted that an exercise to ensure appropriate communication channels were in place was currently underway to request details of operational contacts from all SEC Parties, as the details received on the accession forms may not have been at that level. Additionally SECAS highlighted that some licensees seem to be absent and DECC confirmed to the Panel that they had sent information to all relevant licence-holders. Consequently, SECAS are in the process of comparing details from the register of electricity and gas licensees on Ofgem's website against those Parties who have already acceded to the SEC. It is possible that some of these licensees are not active but since they have new licence conditions requiring them to sign up to the SEC it is prudent to identify any potentially missing SEC Parties.

Several Panel Members offered assistance to SECAS with this exercise by checking the active MPIDs in both electricity and gas. DECC also offered to share details of their internal work during the original SEC accession process with SECAS to assist with the collation of details. The Panel noted the wider benefits of collecting this information as soon as possible, such as for the DCC invoicing purposes.

Action SECP01/02: SECAS to contact relevant Panel Members and DECC for assistance in collating information on potential missing Parties.

Regarding the obligation for only domestic suppliers to accede to the SEC, SECAS highlighted there were permitted instances where a non-domestic Supplier could be supplying domestic premises, the most-quoted example being caretakers' houses. Anticipating such cases to be raised as queries, SECAS would benefit from having a view on what an appropriate response for such cases should be, for example, Ofgem have issued guidance on such cases in the past. The Panel considered that these Parties should be directed to contact Ofgem for advice on their licence obligations in this circumstance.

A Panel Member questioned the difference between being an Original SEC Party or a subsequent SEC Party. It was clarified that the Original SEC parties had to sign a Framework Agreement, whereas subsequent SEC Parties would sign an Accession Agreement, however the effect of either instrument was ultimately the same, i.e. to bind the Party to the terms and conditions of the SEC.

The Panel were of the view that SECAS should contact any organisations from the Ofgem licensees list who had not yet acceded to the SEC to remind them of their obligations under their licence conditions. Furthermore, the Panel considered that this should be followed-up after one month by SECAS informing Ofgem of any licensee organisations that had failed to respond.

Panel:

- **NOTED** the contents of the paper; and
- Unanimously **AGREED** for SECAS to write to applicable licensee organisations reminding them of the need to accede to the SEC.

ACTION SECP01/03: SECAS to write to any licensees who have not already acceded to the SEC providing them with information on how to do so and inform Ofgem after one month of any organisations who have failed to respond.

4. Independent Chair Appointment Process

SECAS provided an overview of the paper and highlighted that an Independent Chair needed to be appointed by the Panel within five months, as set out under Section X4.6 of the SEC. The paper outlined a process similar to that carried out recently under other industry codes (e.g. Balancing and Settlement Code and Connection and Use of System Code) as a proven model that could be followed given the five month timescale.

SECAS also updated the Panel that the Gemserv Board had recently gone through a similar process to recruit a Non-Executive Director and through this process has established good contacts with appropriate recruitment firms, which may be of use to the Panel in selecting candidates for an Independent Chair.

The Panel considered whether the proposed three calendar days work per month may not be sufficient, particularly within the first year of appointment, as the Chair may have to attend a number of Programme workgroups due to transitional arrangements. SECAS confirmed that the proposed commitment was taken from the recent recruitment for the independent chair of the Central Delivery Body and put forward as an assumption in order to provide a 'straw man' example. The Panel discussed whether this was an equitable comparison and were of the view that the commitment for the SEC Independent Chair would be twice that, as a minimum.

The Panel were satisfied that the matter could proceed in line with the process outlined in the paper and a Sub-Committee of the Panel be established to oversee the appointment process. SECAS highlighted that the Panel needed to be clear whether it was delegating any decision-making to this Sub-Committee and the Panel confirmed that they would have responsibility for determining the scope of the role, the expected duties and proposing a suitable remuneration. A Panel Member suggested external agencies may be required particularly advertising and assessing candidates to bring forward for interviews. SECAS confirmed that its HR and Management team could also provide support for the Panel during the recruitment process.

The Panel confirmed that the Sub-Committee be formed and nominated Panel members from each Party Category with a cross section of expertise:

- Eric Graham (Chair)
- David Ross Scott
- Andrew Beasley
- Erika Melen

The Panel noted that a contingency date of 25th October had been set aside for any outstanding Panel business from its establishment matters and the Sub-Committee could meet on that date for a scoping exercise to provide an update on the preparation of the Independent Chair recruitment to the November Panel meeting.

SECAS noted that, if the Sub-Committee was to undertake any matters for the Panel after 25th October, Terms of Reference (ToR) and procedural requirements would need to be produced which could then be agreed Ex-Committee, for expediency.

Panel:

- Unanimously **AGREED** the process recommended in paper SECP_01_1110_04 for appointing an independent Panel Chair; and
- Unanimously **AGREED** the establishment of a Panel Sub-Committee and their preferred nominees to assist in the selection of an independent Panel Chair through initially scoping the role requirements and, subject to ToR to be agreed by the Panel, undertaking further activities in order to achieve the selection of that Chair within the timescales set out in SEC X4.6.

ACTION 01/04: The four nominated Panel Members to meet on 25th October to scope the role requirements; SECAS to draft a ToR for approval by the Panel in relation to the Sub-Committee's deliverables

5. Transitional Governance Participation

SECAS advised that the paper had been issued to confirm the participation of SECAS and Panel at specific Transition Governance Workgroups. However, in the wider context, Panel had previously requested DECC to provide clarification on managing Transition Governance and, the recent Knowledge Transfer sessions presented by DECC (see paper SECP_01_1110_13) had provided further information after the paper was circulated. Consequently, in order to provide a broader picture, SECAS had prepared slides on the Transitional Governance arrangements for presentation at the Panel meeting, which would be circulated to Panel Members. The slides set out the context of the Transition Phase of the Smart Metering Implementation Programme (SMIP), moving from design to delivery. The purpose, membership and timetable for the Transition Work Groups were outlined, and an overview of the high level ownership and change management of key SMIP documents was presented. The Chair advised that a DECC slide on the 'drip feed' of finalised (or designated) documents into the enduring baseline under the SEC would also be useful to include in the slide pack.

ACTION 01/05: SECAS to include the additional DECC slide on Transition Change Management

DECC advised that the SEC Stage 2 consultation would be released by the end of the month and a meeting of the SMIP Regulatory Workgroup would be scheduled to facilitate discussions following its release. The Panel agreed it would be beneficial to have a SECAS representative at the regulation workstream going forward.

Of the new Transition Work Groups, the Panel were advised that SECAS had been invited to attend the Implementation Managers Forum (IMF) and the Technical and Business Design Group (TBDG) and that the first meetings of these groups had taken place. However, a Panel representative has been requested to attend the Smart Metering Delivery Group (SMDG) and the Smart Metering Steering Group (SMSG).

The Panel were of the view that the SMSG should be attended by the Independent Panel Chair (once appointed) and in the interim the SECCo Company Secretary, or a member of the Gemserv senior management team, should attend to enable insight into the Programme discussions at this early stage.

The Panel discussed the means of Panel representation at the SMDG as the person needs to be familiar with the detailed operational design and the risks of the programme rather than from a governance perspective. SECAS confirmed that the remit of the SMDG was broadly to sanction changes to designated documents, and therefore Panel participation may be beneficial to the wider Transition governance and document ownership handovers.

The Panel considered whether a Panel member whose organisation does not also attend the meeting should be the representative to avoid perception concerns from other attendees. However, the Panel

Members were confident that they could act in the capacity of a SEC Panel representative at the SMDG, regardless of whether a representative of their own organisation was also present. The Panel nominated Eric Graham and Paul French on an alternating basis as Panel attendees for SMDG. DECC clarified that the ToR membership would need to be amended to note a Panel Member invitation rather than Panel Chair.

Updates from all of these Transition Workgroup meetings are to be provided (by the relevant attendee) to subsequent Panel meetings.

Action01/06 SECAS to advise DECC of the SEC Panel attendees for SMDG and SMSG (and note the variation to the SMDG ToR that it will not be the Panel Chair) and DECC to invite a SECAS representative to attend the Regulation Workgroup going forward

6. SEC Panel Budget

SECAS presented the proposed SEC Panel Budget from SEC commencement until 31st March 2014, as set out in Appendix 1 of paper SECP_01_1110_06. The preparation of the draft budget at the first Panel meeting is to provide a good-faith estimate of the SEC Recoverable Costs for the next six months and to enable the DCC to meet its Licence obligations for the production of its first Charging Statement, which is to be published within three months of its Licence Commencement Date (i.e.23rd December).

The Panel discussed the proposed provision for Panel expenses, which include SEC Panel Member and Sub-Committee member expenses and the appointment and remuneration for the Independent Chair within the period. The prevailing view was that the budget provision looked low for the number of potential Members (e.g. 10 Panel Members + 1 Chair; up to 16 Change Board Members) and the number of proposed meetings to be held. The Panel considered that the provision for Panel and Sub-Committees Members' expenses and the Panel Chair should be increased; and the overall Panel costs should therefore be revised from £40,000 to £60,000.

The proposed SECAS internal resource costs were predicated on those costs provided within the bid response. These best estimate costs have been amended with the variation in the SEC content since the original bid and the invitation to participate in the Transition Governance working groups.

SECAS advised that the Insurance and Financial Audit budgets were based on experiences of similar contracts awarded to Gemserv; however the Advisors and Legal budgets were estimates based on those submitted in the SECAS bid response.

In terms of the External Resource Costs budget for the SECCo Website and Customer Satisfaction Survey (CSS), the Panel noted these matters were subject to later agenda item discussions and no amendment was necessary at this stage.

The Panel noted that the General Provisions should be uplifted to 10% of the total budget and therefore, should be adjusted in line with the above amendments to the provision for Panel costs to £150,000.

Panel:

- **AGREED unanimously** to adjust the draft budget to increase the provision for Panel Costs to £60k and the general provision to £150k; and that this revised draft budget should be considered the Approved Budget for the period from SEC Designation to 31st March 2014.

ACTION 01/07: **SECAS t**o issue a Panel paper to bring forward the revised draft budget for Panel confirmation as the Approved Budget to 31st March 2014

7. Panel Expenses Policy

SECAS advised that the proposed policy was consistent with those in use in other industry code arrangements. Panel's attention was drawn to a subsequent amendment. SECAS had raised a clarification to the designated version of the SEC, which contained an inconsistency relating to members of Working Groups claiming expenses. DECC's legal adviser kindly provided that clarification and SECAS confirmed to the Panel that only Panel and Sub-Committee Members could be reimbursed for their expenses. Panel were therefore requested to note this amendment for the purposes of its considerations of this paper. ***Post-meeting note**: The exclusion of Working Groups from reimbursement for expenses has since been amended within the SEC stage 2 consultation.*

The Panel noted that Sub-Committees would include Change Board meetings. DECC advised that the SEC could be amended later to remove Sub-Committees from claiming expenses if required by the Panel.

SECAS also clarified that the mileage rates within the draft policy were the published rates on the HM Revenue and Customs (HMRC) website, which may be different to other code expenses policies.

The Panel considered that the Expenses Policy should be amended to reflect that travel tickets qualifying for reimbursement should be those of 'reasonable economic value' as ticket tariff structures today can mean first-class fares are cheaper than standard fares if booked sufficiently in advance. The Panel were of the view that references to the use of 'first-class in exceptional circumstances' or 'second-class' are redundant. The Panel also advised that the mileage rate should be amended to state '...operating company rate or HMRC equivalent up to a 45p a mile rate'. Panel also enquired how SECAS would monitor any assessment of the 10,000 mile threshold, particularly since the likely practice for Panel Members is to submit claims in the first instance through their employer, rather than directly to SECAS, due to personal tax considerations. The general consensus was that this added little value in the context of the likely travel expenses that would arise.

The Panel offered to provide SECAS with an indication of the expenses incurred by each Panel Member to attend the meeting, so an estimate for the Panel costs could be drawn based on the number of meetings scheduled until year end.

Panel:

- Unanimously **AGREED** the proposed expenses policy, SUBJECT TO amendments to replace out-dated references to first-class and second-class travel with a fare of 'reasonably economic value and remove the 10,000 mile threshold in the mileage allowance; and
- **AGREED** Annabel Swaleh as the named person for approving Recoverable Costs.

ACTION 01/08: Provide SECAS with an indication of the expenses incurred when attending meetings (Panel Members).

8. Approving and Invoicing SEC Recoverable Costs

SECAS introduced paper SECP_01_1110_08a which sought to draw together the charging arrangements from the SEC and SECAS contract with the objective to provide the Panel with an overview within one document in order to inform them regarding:

- the interactions between its Approved Budget, SECCo invoicing and DCC charges to DCC Users; and
- the high level process and timings for invoicing SEC Recoverable Costs

The aim is to establish an integrated process and timetable for approving and invoicing the Recoverable Costs of the SEC.

SECAS summarised the six-monthly SECAS budget and payment regimes within the contract. These were detailed in section 5.1 of the paper and these minutes do not purport to either repeat or codify that information.

Noting that the Panel budget has been covered under a separate agenda item (see section 6 of these minutes) the focus for the Panel in this matter is the recommendations for a way forward for approving the SECAS charges and managing the inter-dependencies between the SECAS, SECCo and DCC invoicing and payment cycles.

In the first instance, SECAS advised the Panel that the first SECAS invoice should have been issued to SECCo within 5WDs of month end (i.e. 7th October 2013) as outlined within the SECCo contract. SECAS reassured the Panel that this had not been executed, as it was well known to SECAS that the SECCo establishment matters were at an early initiation stage (and indeed were dependent on matters to be commenced at the SECCo Board meeting immediately following this Panel meeting) meaning it would be unable to settle such an invoice. Moreover, SECCo was dependent on receiving income via the DCC's charges in order to service invoices, and DCC itself has been granted three months (under its licence) before producing its first invoice to DCC Users (the SEC Original Parties). Thus, to mitigate a circumstance whereby both SECAS and SECCo could each be placed into a non-compliance with their contractual obligations to, respectively, invoice and pay the SECAS charges; it was firstly proposed that invoicing of these charges be deferred to a later date.

By way of facilitating this, SECAS had also issued an associated paper (SECP_01_1110_08b) which set out an approach for Panel to have oversight of the SECAS resource effort. In the context of this being the first Panel meeting, this paper was issued under confidentiality to Panel Members only. This approach was used to mitigate any risks in releasing information in advance of the Panel being able to assess whether this matter could be considered confidential business of the Panel.

This paper provided the Panel with the facility to recommend the approval of SECAS resources (comprising both the human and material resources) expended in order for the SECCo Board to release payment as a SEC Recoverable Cost duly incurred by SECCo. It proposed that Panel could undertake a 'first line review' as the conduit between the 'coal face' of the SECAS services and the SECCo Board as the contracting entity. The SECAS contract does not require this step in the process to recover SECAS charges; however Gemserv recommended this approach to Panel. The intent is that this approach would be used as an enduring means of Panel involvement in both the operation of its and any of its Sub Committees, budgets.

SECAS also proposed that a way forward should be pursued as a priority so that SEC Parties are provided with certainty that these start-up issues for aligning the inter-dependencies between SECCo and DCC charging can be managed effectively and collaboratively under the SEC. The Panel strongly supported an approach whereby the SEC invoicing arrangements worked collaboratively with the DCC. The approval of the first Panel budget was noted as an important step in the process for DCC to compile its first Charging Statement, which in itself is on the critical path to commencing DCC invoicing.

The Panel noted that the SEC, DCC Licence and SECAS contract have only just come into being and had been in force for less than a month at the time of the Panel meeting. It was also recognised that the respective entities managing these new industry appointments need time to assess a range of establishment and mobilisation matters with varying priorities.

Panel discussions led to a view that the practicalities of mobilisation for all of the new governance entities should inform a pragmatic approach to managing co-ordination in the short-term. It was anticipated that, in the medium to long term, any issues with co-ordination would be mitigated by a better understanding of the leading timescales.

Panel supported an approach to maintain a monthly 'statement' of SEC Recoverable Costs until such time as payment between SECCo and DCC could commence.

A Panel Member raised a question as to the amount that would be included in the first SECCo invoice and SECAS noted that the draft SEC budget provided a good estimate to the cumulative amount. Depending on when the charging is activated, the amount potentially equates to half of the SEC budget.

Panel unanimously:

- **RESOLVED** that invoicing and charging inter-dependencies between SECCo and DCC should be managed effectively and collaboratively;
- **RECOMMENDED** to the SECCo Board that the matter of any SECAS/SECCo charges should be deferred until invoicing and payment means are in place between the relevant entities;
- **AGREED** the desirability for transparency of the timetable for the advance input of the SEC Recoverable Costs for the DCC's charging purposes; and
- **AGREED** SECAS and DCC should liaise on invoice timings for the short and long term.

9. SEC Accession Application Fee

SECAS provided an overview of the need for Panel to set any Application Fee for parties acceding to the SEC and introduced paper SECP_01_1110_09 which set out a view of the pros and cons of a fee. This paper also provided non-exhaustive examples of fees applied by other Code arrangements, ranging from zero to a quantum of thousands of pounds.

The Panel discussed that section B1.5 of the SEC allowed for 'a fee to be determined from time to time which would be payable by Applicants to SECCo' and considered the merits of an Application Fee in relation to signalling a 'bond' to prospective SEC Parties for intent to accede and participate in the SEC arrangements.

SECAS highlighted that any such fee would give rise to administration within the SECAS and SECCo operations, since payments would have to be deducted from the Recoverable Costs claimed via the DCC. However, this could be a marginal overhead in comparison to administering volumes of potentially 'dormant' Parties signed up to the SEC.

SECAS requested the Panel's views on what factors should be taken into account for an Application Fee, noting that presently any derivation of costs reasonably incurred were informed only from the current SEC contents. Panel discussions on this matter considered that an appropriate fee could be 'pegged' at relevant stages of the SEC life-cycle. For example, it might be set at zero at the outset and a fee could be added, based on the appropriate costs of any administration and e.g. testing costs.

The Panel's preference was to set an Application Fee of zero until the end of the calendar year, with the option to revise this as this option should not be open-ended. This approach would be consistent with the zero-fee policy applied to the Original Parties being available to any other licensees/applicants who had not acceded to the Framework Agreement (see paper SECP_01_0110_003_01).

SECAS noted that, in assessing the reasonable costs, the effort to support the SECCo shareholding administration would also need to be a factor.

Panel unanimously:

- **AGREED** the recommendation not to introduce an Accession Application Fee at this stage;
- **RESOLVED** that an Application Fee should be introduced at a future date, potentially from January 2014, based on the reasonable costs of administering new Applicants; and
- **REQUESTED** SECAS provide the Panel with input for the resource effort in administering a SEC Party and SECCo shareholder.

ACTION 01/09: SECAS to provide an estimate of resource effort required to cover the administration of a new SEC Party at the next Panel meeting

10. Change Board

SEC X2.3(d) notes that the Change Board will be established by the Panel "as soon as reasonably practicable" after the SEC is designated. Until the Change Board is constituted, Panel will perform this function in the event that a Modification Proposal is raised. Although the Modifications process is

largely disabled during Transition, SEC X 2.3(a) sets out that Urgent or Fast-Track Modification Proposals may be raised.

SECAS presented some slides with an outline approach to assist the discussions of when the Change Board could be established. A first consideration would be to prepare sufficient guidance material for the Change Board and Parties on the Modifications process. SECAS confirmed that some of this collateral was included within the bid response, but further detail would need to be drafted to build this information into guidance and procedural documents. As well as templates and forms, the SEC legal text needs to be underpinned by 'plain English' guidance to assist Parties and other stakeholders in participating in the Modifications process.

One approach to developing and peer-reviewing the guidance and process materials could be to establish a Sub-Committee. The benefits of this approach include an opportunity for Parties to participate in SEC operations at an early stage and participants at this Sub Committee may naturally become the nominees for the Change Board Members. The Change Board could then be established following the completion of the guidance materials and be in place if an Urgent Proposal was received. A potential timetable for this approach could be putting the Sub Committee in place from November 2013 and the Change Board constituted by the end of January 2014.

The Panel discussed whether it may be more appropriate to have a Change Board established without an interim Sub-Committee. SECAS confirmed that they could develop the necessary guidance which would take approximately eight weeks. The Panel confirmed SECAS commence development of the templates and guidance documentation, which could be reviewed by the Change Board when established.

SECAS confirmed that SEC does not specify how the Party Categories determine the appointment of their respective Change Board Members. The relevant Change Board Member appointments are then notified to SECAS. The Panel considered how they may effectively communicate the need for nominations for Change Board representatives to the relevant Party Category. A Panel Member suggested it may be appropriate to use existing forums to discuss nominations of Change Board representatives i.e. Supplier Forum, ENA Smart Metering Steering group etc.

Of particular importance was to inform Parties that each Party Category needs to define their process for nominees to be appointed. The Panel considered that each Party Category may adopt a different approach and as such SECAS could circulate a road map of the Change Board nomination timetable. This would include notification of the relevant Elected Panel Member to contact in respect of the Party Category and the timescales for Change Board appointments to be notified.

Panel:

- **AGREED** unanimously agreed that the Change Board should be established with the aim of a first meeting in January 2014. On that basis, notification of Change Board Member appointments would be required by the end of November/start of December 2013.

ACTION 01/10: Circulate a road map for the Change Board nomination process to all SEC Parties (SECAS)
ACTION 01/11 Draft the documentation required for the Change Board ready for approval by the Change Board when established (SECAS)

11. SEC Website

SECAS provided a paper for the Panel setting out the requirements in the SECAS contract for the creation and content of the SEC website. SECAS apprised the Panel that, in preparing the response to the SECAS tender, Gemserv had undertaken an exercise with a preferred provider in order to include draft specifications and outline costs.

In order to keep as close to the specification and costs used in the tender response, the paper included options based on implementation within three months of either contract commencement or

Panel agreement for the commencement of development for the website, which would be discussed at the first Panel meeting. The paper noted that three months was the minimum elapsed time for the design, build and test of the website, taking into account the specified content and robust functional, security and user testing. Two approaches were consequently presented to the Panel in terms of delivery;

- One option where the delivery date was linked to 3 months from Panel approval to proceed (e.g. 13th January 2014)
- Another option to retain a fixed delivery date (23rd December 2103) from the contract commencement, which may have implications to accommodate the reduced design build and test timescales.

Pros and cons of each approach were set out in the paper and the Panel were invited to provide their views. A Panel Member was of the view that keeping to the original delivery date should be the primary aim and considered that a means of achieving this may be to expand the resource available in the design, build and testing in order to complete the project by 23rd December 2013. SECAS confirmed that this option could be explored; however, the context of the paper had been delivering within the good faith estimate of costs in the tender response, which were predicated on three months elapsed time.

Panel discussions leaned towards a preference for the primary objective to deliver the website by 23rd December and SECAS confirmed to Panel that it considered it advantageous to the SEC communications services if a website was in place, since this enables Parties to actively find information, rather than relying on a limited distribution list.

The Panel requested SECAS to provide feedback on costs arising from achieving both the content specifications and the 23rd December 2013 implementation date. Panel noted that time-driven matters such as this could be managed through the facility of Ex-Committee resolutions in order to mitigate further delays in the process. SECAS confirmed that it would contact its website development partners as a matter of urgency and would provide a written update to Panel thereafter.

Panel:

- **AGREED** unanimously to pursue an approach to achieve the 23rd December 2013 implementation date for the website, SUBJECT TO amending the requirements to include all the deliverables within a reduced timescale at an acceptable cost. .

ACTION 01/12: Provide feedback to the SEC Panel following discussions with the proposed service provider regarding delivering the contractual requirements by 23rd December 2013 (SECAS)

12. Customer Satisfaction Survey

SECAS provided an overview of the paper regarding the SECAS contract requirements for a customer satisfaction survey (CSS).

Generally, a CSS is to be undertaken once every six months, except for the first six months of the contract. In this initial period, there is a requirement for a CSS to be produced and agreed with SECCo (as the 'customer' under the SECAS contract) during the first four months. In order to prepare any CSS, SECAS is looking to the Panel for guidance before bringing matters to SECCo Board for agreement.

The paper laid out the capability areas specified in the contract which are to be measured in a CSS and drew the Panel's attention to a number of the criteria which, due to the early nature of the SEC, provided limited or de-scoped (for example, Modifications) scope for measure by Parties within the four month timescale.

The Panel discussed the merit of conducting a survey with Parties in the early stage but had concerns if a CSS was issued with criteria that do not enable Parties to provide responses to relevant SECAS matters. SECAS clarified that the issue considered in the paper was the content of the specified CSS

and its timing in relation to the activity levels for the criteria. If the Panel wished to undertake a feedback exercise with Parties, this could be managed outwith any CSS under the contract, noting that the CSS specification was linked to contract KPIs.

DECC highlighted that their interpretation of the requirement was that, within the first four months, the CSS questions should be crafted and agreed; then the survey should be conducted six months after contract commencement.

The Panel requested that clarification of the contract wording in relation to a CSS be considered at the next Panel meeting.

Panel:

- **NOTED** the contents of this paper and AGREED unanimously that further clarifications be provided in order to inform any revisions to the requirements.

ACTION 01/13: Review the contract wording regarding the CSS requirements and provide clarity to the SEC Panel (SECAS/DECC)

13. Knowledge Transfer Sessions Update

SECAS provided a summary of the paper and advised that SECAS had attended all of the applicable Knowledge Transfer sessions presented by DECC and updated Panel that access to the documents on DECC's Huddle website had now been provided. SECAS advised Panel that the Knowledge Transfer presentations by DECC were thorough and informative, and the personnel who led the sessions were very helpful.

It was also advised that SECAS intended to develop the topics under this paper to form the basis for 'information' packs for Parties that SECAS would develop, having regard to appropriate use of DECC material that is not yet formalised.

The Panel complimented SECAS on the usefulness of the paper and generally on the breadth and quality of the papers issued for the first Panel meeting. SECAS confirmed an intent to provide regular updates to the Panel drawing from a number of sources of information from the Programme and it was encouraging to know that this information was helpful to Parties

Panel:

- **NOTED** the contents of this paper.

14. SEC Panel Pack

SECAS provided an overview of the intent to provide collated reference material to assist Panel Members in their role and requested comments on the content and usefulness of the information.

A Panel Member requested clarification of the timescales for confirmation of attendance in advance of the meeting. SECAS highlighted this is chiefly related to managing quoracy issues in obtaining information sufficiently in advance to avoid wasted effort if a meeting is to be inquorate. However, there was no intent that this advance notice period be stringently enforced.

Panel:

- **NOTED** the contents of this paper.

15. SECAS Newsletter

SECAS highlighted to the Panel that there was a requirement in the SECAS contract to provide a monthly update of specified information and that this is to be circulated electronically to SEC Parties.

In the first instance, the paper noted that, an email update would be issued to SEC Parties. The first email will be issued on 23rd October and will include the requirements as outlined within the SECAS contract regarding details of SEC Parties or changes to SEC Panel Members; as well as any other

pertinent matters that may be briefly covered in a newsletter. Similar updates will be provided to Parties by email in the following months, until the SEC website is in place.

Once the website is operational, the monthly newsletter will be issued in HTML format in order to optimise access to more information through the SEC website.

Panel:

- **NOTED** the contents of this paper.

16. Joint Code Working

SECAS highlighted to the Panel duties to establish joint working arrangements with other Energy Codes, as expressed in SEC C2.3(l). It was not intended at this stage that the joint working should be formalised by attendance of SECAS, or Panel Members, at any other Energy Code Committees or Panel. Rather, the Panel may wish to consider whether there may be a need to initiate liaison with other codes. A case in point might be the interactions between the Registration information in section E of the SEC and the MRA, UNC and iGT UNC. Notwithstanding this example, it may be prudent to establish communication channels with other codes such as SPAA, BSC and DCUSA.

SECAS requested guidance from the Panel as to whether communication should be instigated at an early stage or whether it should be done on an ad hoc basis. In either circumstance, SECAS informed the Panel that the existing good relationships between Gemserv and other Code Administrators would serve equally well.

The Panel were supportive that SECAS should initiate communication with the other Code Administrators as an initial step. Having established a communication channel this should facilitate cross-code checks where necessary in the short term and will inform enduring joint working arrangements in the long term.

ACTION 01/14: SECAS to establish communication channels with all Energy Codes as a foundation to ways of working with the SEC Panel.

17. Meeting Dates

SECAS introduced the paper with prospective forward meeting dates for the Panel. A Panel Member noted that the January date should be amended to Friday 10th for schedule alignment.

Panel:

- **AGREED** unanimously to the scheduled Panel meeting dates SUBJECT TO a revision from 17th to 10th January, through to March 2014;and
- **CONFIRMED** that the contingency provision for a Panel meeting on 25th October 2013 be taken for the scoping meeting for the meeting of the Sub-Committee scoping the Independent Chair requirements.

The Panel accordingly requested Outlook invitations be issued for the forward SEC Panel meeting dates.

ACTION 01/15: SECAS to circulate Outlook calendar invitations for future SEC Panel meetings (SECAS)

18. Any Other Business

A Panel Member requested an agenda item for the November meeting to look at potential SEC Party communications, with the potential for a Workgroup to be established.

SECAS suggested that the Chair for the next meeting should be decided in advance.
Panel

- Unanimously **AGREED** that Simon Trivella should continue in the role of Chair for the next meeting.

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

Signed: _____ **Date:** 15/11/13