Meeting SECP_04_1001, 10th January 2014 at 10am

Gemserv, 10 Fenchurch Street, London, EC3M 3BE

Minutes

Attendees:

Category	Panel Members
Large Suppliers	Simon Trivella (Chair)
Electricity Networks	David Lane
Gas Networks	Erika Melen
Small Suppliers	Andrew Beasley
	Leyton Jones
Other SEC Parties	Eric Graham
	Richard St Clair
DCC	Paul French
Consumer Member	Chris Alexander (Alternate for Richard Hall)

Representing	Other Participants
Ofgem (the Authority)	Roberta Fernie (part)
	Dora Ianora
DECC (for Secretary of State)	Ian Anthony
	Peter Dell'Osa
DECC	Gordon Hextall (part)
	Joseph Howard (part)
Panel Secretary	Alys Garrett
SECAS (Gemserv)	Jill Ashby
	Sarah Gratte
	Jane Butterfield
	Ken McRae
	Phillip Twiddy (part)
	Rebecca Mottram (part)

Apologies:

Category	Panel Members
Large Suppliers	David Ross Scott

	Adam Carden (Alternate for David Ross Scott)_

1. Minutes of SEC Panel Meeting 03_1312

There were no suggested amendments and the Panel approved the minutes as written.

2. Actions Update

SECAS highlighted that the majority of the actions outstanding from the previous meetings had been closed off with some of the outcomes to be discussed under the respective agenda items.

SECAS gave an update on Action SECP03/03, noting that the Registration Data had been provided by the DCC and that a formal gap analysis of organisations who have eligible supply points who have not signed up to the SEC was underway. The findings will be presented to the Panel at February's meeting. SECAS highlighted that most of the gaps seem to be where Parties had not notified all of their active MPIDs when acceding and where MPIDs had been moved into new Supplier portfolios.

The remaining ongoing actions are all on target and will remain on the actions log until completed.

3. Confidential M Matter

This matter was deemed as confidential by the Panel and a set of Confidential Minutes has been provided to attendees.

4. Draft 3 Year Budget 2014-2017

SECAS introduced the agenda item, highlighting that the paper highlights the changes agreed at SECP_03 with the complete Draft Budget included as an Appendix in the proposed format to be distributed to Parties for consultation.

The Panel asked whether the SECAS resource costs match the price given in the bid response. SECAS explained that two costs were given in the bid response one for the transition/mobilisation period and one for a future period of steady running. The cost for the mobilisation period was based on the services that had been specified in the ITT and since contract award the service requirements had been enhanced. The costs in the 2014-17 budget are therefore consistent with the charging model in the bid response, but revised in light of what is know now about the required range and scale of services.

The Panel requested that a statement should be included in the Draft Budget to reflect the comments provided and suggested either in section 5.2 or under the SECAS costs table.

There were no further comments on the Draft Budget and SECAS advised that the document would be updated and issued to Parties for consultation following the meeting in order to meet the timescales to publish an Approved Budget by the start of the Regulatory Year.

The Panel:

- **NOTED** the contents of the paper;
- **CONFIRMED** the revised SEC budget set out in section 4 of the paper as the Draft Budget; and
- **AGREED** that the consolidated Draft Budget set out in Appendix 1 of the paper be circulated to Parties for consultation as per the proposed timetable.

ACTION SECP04/01: SECAS to update and publish the Draft Budget 2014-2017 for consultation with responses due by 7th February 2014.

Post Meeting Note: Consultation published on 10th February 2014

5. Transition Governance Update

This paper consolidates headline updates from each of the Transition Work Groups attended throughout the month by SECAS as a standing agenda item to inform the Panel and the SEC Parties of activities occurring in the SMIP. The paper also includes updates from non-DECC led groups attended and a high level overview of any smart metering related publications issued by DECC in order to collate the information in one place for ease of reference. This month's update also incorporated a publications section which provides a high-level overview of any smart related publications from DECC or other relevant organisations. SECAS highlighted that each month's update is now provided on the Transition Governance page of the Smart Energy Code website.

The Panel discussed whether a SEC Sub-Committee relating to testing could be established. It was highlighted that a number of groups were discussing different elements of the testing process and it may be useful for a group to be established to discuss the rounded view of the testing regime as a whole. This would also be useful for the Panel to gain an understanding of some of the documentation that they are required to approve.

SECAS noted that assisting the Panel in understanding the testing documentation had been highlighted as a potential additional task for the Change Board in its transition phase.

A Panel Member noted that the Panel should be cautious that work being undertaken by other working groups isn't repeated and questioned whether the governance should sit under the SEC. SECAS highlighted that a paper was being drafted for the February Panel meeting that draws all the SEC Panel obligations placed on them that have been highlighted in the recent consultations and will provide options on how to meet the obligations. It was agreed that a testing Sub-Committee will be presented as an additional option in the paper.

The Panel **NOTED** the contents of the paper and highlighted the usefulness and the quality of this paper.

ACTION SECP04/02: SECAS to collate all SEC Panel obligations into a roadmap to present to the February Panel meeting.

6. SEC Consultation Stage 3

On 16th December 2013, DECC published the consultation 'New Smart Energy Code Content (Stage 3)'. SECAS presented the paper which summarised the obligations placed on the SEC Panel and highlights areas where the SEC Panel may wish to include a response to the consultation. It was noted that all of the obligations placed on the SEC Panel would be collated and presented to the Panel at a future meeting.

The Panel discussed that where they are required to make decisions on approving documents, disputes etc. specific expertise and advice may be required and it may be beneficial to set up expert groups for specific issues that arise. SECAS noted that DECC had signalled that they will be able to provide support to the Panel in establishing the Sub-Committees (PMA, TSC and SSC) and procurement activities (technical experts).

DECC informed the Panel that a number of sessions have been set up which SECAS have been invited to, to run through the SEC 3 Consultation document and to look at the outcomes in more detail.

The Panel discussed their response to the consultation to acknowledge the Panel duties and that the framework is fit for purpose. It was also agreed to request more clarity in certain areas, through liaison between DECC and SECAS.

The Panel:

- **NOTED** the responsibilities placed on the SEC Panel as a result of this consultation, as documented in sections 3-6 of the paper, assuming the consultation response and legal drafting confirms these proposals;
- **AGREED** the views expressed and that SECAS drafts a response to the consultation as noted above;
- **NOTED** that SECAS is engaging with DECC to help refine the timing of these responsibilities such that a roadmap can be developed; and
- **NOTED** that SECAS will map the emerging new Panel and SECAS responsibilities to the draft SEC content in order to monitor development of the final requirements. When the proposals are confirmed, SECAS will use this information to develop procedures to support the SEC Panel and SECAS obligations.

ACTION SECP04/03: SECAS to draft a response to the SEC 3 Consultation and to seek Panel approval before submitting by 14th February 2014.

7. Consultation on the Regulatory Arrangements for Enrolment and Adoption of Foundation Meters

On 16th December 2013, DECC published the consultation on the Regulatory Arrangements for Enrolment and Adoption of Foundation Meters. SECAS presented the paper which summarised the consultation highlighting the aspects which will impact SEC Panel activities and whether the Panel wished to respond to the consultation.

The Panel discussed ensuring they have the right support to undertake the activities placed on them such as authorising the Enrolment Project Feasibility Report (EPFR). A Panel Member noted that the Panel will have access to technical expertise through the SEC Panel Members from the Other SEC Parties category.

The Panel discussed determining compliance with SMETS1 and the potential for disputes. DECC noted that the Suppliers will be responsible for keeping the evidence of SMETS1 compliance and this is likely to take the form of a one page statement previously discussed at FSG. This statement can be requested by Ofgem and the SEC Panel in the event of a dispute. A Panel Member noted that Foundation arrangements under the SEC are still dependent on the DCC systems being able to enrol SMETS1 meters.

The Panel:

- **AGREED** the views expressed in the paper and that SECAS drafts a response to the consultation on behalf of the SEC Panel based on those views;
- **NOTED** their responsibility for approving Enrolment Project Systems Integration Testing (EPSIT) and Enrolment Project Interface Testing (EPIT) exit criteria and determining completion of EPIT; and

- **NOTED** that SECAS will develop proposals, and subsequent procedures, for supporting the SEC Panel in fulfilling its duties and present them to the SEC Panel as they are available.

ACTION SECP04/04: SECAS to draft a response to the Consultation on the Regulatory Arrangements for Enrolment and Adoption of Foundation Meters and to seek Panel approval by ex-committee before submitting by 30th January 2014

8. DCC Scope for Assurance

Gordon Hextall and Joseph Howard from DECC were welcomed to the meeting to present this agenda item.

Gordon provided the Panel with a background to this item. The Security Technical Expert Group (STEG) were provided with industry feedback that, as all SEC Parties/DCC Users would be completely dependent on new systems established by the DCC, a level of security assurance should be built into those systems. This fed into the DCC Licence Condition that a Competent Independent Organisation (CIO) should be procured to provide assurance on the design, build and test stages and make reports to the SEC Panel at the end of each stage.

Subsequently, the DCC have produced a scoping document for the CIO to assist with the procurement of the CIO. Once the document is approved by the SEC Panel, the DCC will begin the procurement. It was noted that the Transitional Security Expert Group (TSEG) had provided feedback to the DCC prior to submission to the SEC Panel and the proposed document includes those recommendations.

The Panel discussed when the Security Sub-Committee (SSC) should be established as they will be able to provide the SEC Panel with advice on the security documentation presented to the Panel for approval. It was noted that the SSC will not be defined in the SEC until SEC stage 4, although this does not preclude the early establishment of the Sub-Committee under the Panel's existing powers. However, this would depend on what duties the SSC would need to undertake and where the security rules/requirements were held. The Panel noted that they should be mindful of the cost of establishing the Sub-Committee and DECC provided a view that supporting the SSC may require two full-time roles within SECAS.

The Panel agreed that establishing the SSC may not be prudent at this stage, however work could begin on preparation the SSC and a paper would be discussed at the February Panel meeting about the timeline for the SSC and the other Sub-Committees.

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** the scoping document as produced by the DCC as recommended by TSEG.

ACTION SECP04/05A: SECAS to liaise with DECC regarding the establishment of the Security Sub-Committee by the SEC Panel.

ACTION SECP04/05B: SECAS to write to DECC confirming the Panel decision on the CIO scoping document

9. DCC Update

The DCC Panel Member provided the Panel with an update on the activities undertaken by the DCC since the last Panel meeting.

The milestones that have been achieved to date include:

- Completion of Licensee Mobilisation;
- Submission of Integrated Solution Delivery Plan; and
- Establishment of Service Design Authority.

Upcoming activities for the DCC include approval of test strategies, submission of the DSP Interface Specifications and submission of the Intimate Communications Hub Interface Specification.

The Panel were updated on the DCC's design forums, noting that they are commencing at the end of January working towards the design completion milestone at the end of June. The forums will cover a number of topics including Incident Management, Error Handling and Coverage Maps.

The DCC has now established the Testing Design and Execution Group (TDEG) and have issued a 2014 meeting schedule. The Common Test Scenario (CTS) design forum is due to start on 14/15th January 2014 and the outputs of all the CTS will require Panel approval in September.

It was noted that support from the industry is imperative to the success of the testing regime and that as much input and expertise as possible from the industry would be welcomed during preparation for testing.

The Charging Statement for 2014/15 Regulatory Year has now been issued and the Indicative Budgets have been issued for the following two Regulatory Years. A finance factsheet will be published on the DCC website to accompany the budgets.

The Panel were updated on DCC communication, noting that their first newsletter will be published in the next couple of weeks and a number of factsheets will also be published on their website. Additionally a number of forums have been held for Small Suppliers, DNOs and Meter Operators.

The Panel discussed that it may be beneficial for DCC Users to have a session with the DCC finance team along with Ofgem and DECC to explain the different components of the Charging Statement and how the charges are controlled in order to provide DCC Users with more comfort. The DCC Panel Member agreed that this could be arranged.

ACTION SECP04/06: DCC Panel Member to arrange a session to discuss the Commercial Framework with the DCC finance team, Ofgem, DECC and DCC Users.

The Panel:

- **NOTED** the DCC update.

10. SEC Party Update

SECAS advised the Panel that Better Energy Supply Limited would be admitted to the SEC in the Small Supplier category following the execution of an Accession Agreement by SECCo.

A Panel Member advised the Panel that a modification has been raised to the BSC in order to increase the performance assurance on off-the-shelf Suppliers as there are concerns that systems that have been tested may be changed when the Supplier solution is sold. It was noted that there are concerns that this may be seen as a barrier to entry but an Issues Group has been set up to look at this issue.

The Panel **NOTED** the admission of the Applicant as a Party to the SEC with effect from 10th January 2014, being the date that SECCo would complete the counterpart of the Accession Agreement.

11. Operations Report for December

SECAS introduced the Operations Report, the standing agenda item to inform SEC Parties and the Panel of the SECAS activity that has taken place in the past month and the resource effort for Panel approval.

SECAS highlighted that the SEC Website had gone live on 23rd December 2013, with around 100 visitors to date, with usage statistics to be provided in future Operations Report each month. SECAS requested any feedback on the website to be provided to the SECAS helpdesk.

The Panel noted the lower resource effort due to the Christmas break.

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** the SECAS resource effort of 164 days for December 2013.

12. Next Meeting Dates

Action SECP03/09 required SECAS to present the SEC Panel with some alternative meeting date options from April – December 2014.

SECAS presented the Panel with the options and it was decided that due to potential clashes with other industry meetings, the SEC Panel meetings should remain on a Friday for the dates previously agreed by the Panel.

SECAS agreed to send out Outlook invitations for the agreed meeting dates.

ACTION SECP04/07: SECAS to send out meeting invitations for April – December 2014 Panel meetings.

13. AOB

There was an update on the progress of approving the Panel Chair and Ofgem confirmed the process was “on track” and that they were aware of the February deadline to have the new Chair in place under the terms of the SEC.

SECAS advised the Panel that Gemserv is currently considering its options regarding an office move in September 2014 and is looking at options in the City, London Bridge and Canary Wharf. The Panel were asked for feedback on their preference of location and any primary requirements for a meeting venue. The Panel expressed that any location close to mainline stations would be convenient, meaning that Canary Wharf would be the least preferable out of the options presented. SECAS requested any further feedback to be sent to the SECAS helpdesk.

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

Signed: _____ **Date:** _____