Meeting SECP_05_1402, 14th February 2014 at 10am

Gemserv, 10 Fenchurch Street, London, EC3M 3BE

Final Minutes

Attendees:

Category	Panel Members
Large Suppliers	Simon Trivella
	David Ross Scott
Electricity Networks	David Lane
Gas Networks	Erika Melen
Small Suppliers	Andrew Beasley (via teleconference)
Other SEC Parties	Eric Graham
DCC	Paul French

Representing	Other Participants
DECC (Secretary of State)	Rob Thornes
Ofgem (the Authority)	Dora Ianora
	Roberta Fernie
Panel Secretary	Alys Garrett
SECAS	Jill Ashby
	Ken McRae
	Sarah Gratte
	Jane Butterfield
	Phillip Twiddy (part)
	Natalia Sandomierska (part)
	Rebecca Mottram (part)

Apologies:

Category	Panel Members
Small Suppliers	Leyton Jones
Other SEC Parties	Richard St Clair

1. Minutes of SEC Panel Meeting 04_1001

The DCC Member noted that in Action SECP04/06 the whole Commercial Framework will be discussed rather than just the Charging Statement.

There were no further suggested amendments and the Panel approved the minutes subject to the suggested amendments.

2. Actions Update

SECAS provided the Panel with an update on the Actions Outstanding from previous meetings:

Action	Update
SECP02/09	A meeting had been held with the Chair of the IMF to discuss the transition of the transitional workgroups held by DECC to the enduring SECAS groups. JA updated the Panel on the discussions noting that the weight of the governance was still within the SMIP. Further meetings will be held in order to build up detailed plans of the transition handover as and when further information is available.
SECP03/07	SECAS attended the Small Suppliers Forum on 12th February 2014 to present an overview of the SEC, its governance and the accession process. The presentation was well received and there were a number of questions regarding accessions including the definition of Large Supplier and Small Supplier, non-domestics acceding and whether dormant licences need to accede.
SECP04/03	It was noted that the SEC 3 consultation response had been submitted to DECC and the action could be closed.
SECP04/06	The DCC Member updated the Panel, noting that a 2-3 hour session will be held for DCC Users with both DECC and Ofgem in attendance to discuss the DCC's Commercial Framework, the Charging Statement and the price controls. A likely date for this session is 20th March 2014.

All other actions had either been completed or will be discussed under their respective agenda items.

3. Confidential Session

The matters discussed here are covered in the Confidential Minutes provided to attendees of the meeting.

4. Panel Constitution Update

SECAS updated the Panel on the Consumer Members, noting that Richard Hall had tendered his resignation as a Panel Member. The resignation letter also notified their intention to leave both Consumer Member seats at the Panel vacant at this time due to insufficient resource.

The Panel highlighted their disappointment at the lack of consumer representation, especially during the transition phase. The Panel expressed their wish to further understand why there would be no Consumer Member of the Panel and the DECC representative noted that they would have discussions with Consumer Futures to understand their reasoning for leaving both seats vacant.

SECAS highlighted that it was Consumer Futures' intention to keep up to date with the Panel and Change Board activities and to remain engaged with the SMIP through consultation responses. The Panel suggested whether they should write to Ofgem to highlight their concern and the Panel agreed that they should await the outcome of the DECC discussions before taking this step.

It was suggested that the Panel could advise the Central Delivery Body (CDB) on the concern over the lack of consumer representation on the Panel, as consumers are at the heart of the smart meter roll out and the CDB are responsible for communicating the message to the consumers.

ACTION SECP05/01: DECC to hold discussions with Consumer Futures to obtain further insight into the reasoning for leaving both of the Consumer Members' seats vacant and to report back to Panel

ACTION SECP05/02: SECAS to draft a letter to the CDB to notify them of the lack of Consumer representation on the SEC Panel

SECAS provided a further update on the appointment of the independent Panel Chair, noting that the Authority had approved the appointment of the recommended candidate. The Panel confirmed the appointment of the candidate subject to contract. For handover, the appointed Panel Chair would attend the March Panel meeting as an observer and assume the responsibilities of the Panel Chair from the April meeting.

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** to notify the CDB of the Consumer Members' resignation.

5. Draft Budget – Consultation Responses

SECAS introduced the agenda item highlighting that three responses had been received to the Draft Budget during the consultation period. SECAS noted that the next steps of the process as laid out in SEC Section C8.13 were to consider and respond to those comments and amend the Draft Budget if necessary.

SECAS highlighted that the responses were generally supportive however, they asked for further clarity in some areas of the budget. A Panel Member noted that Parties could be provided with the understanding on how the budget has been derived in terms of the SECAS budget line and that more commentary could be provided in this area. It was discussed that the budget for SECAS differs from the bid price and therefore, information could be provided to SEC Parties on why there is a difference.

SECAS noted that there was an outstanding action to run through the bid response and contract with the SECCo Board and suggested that a meeting could be convened with a sub-group of the Panel as a pre-cursor to provide transparency around the SECAS budget and provide any points of clarification required. DECC asked whether it would be useful for a DECC representative to attend as they were involved in the bid process and the Panel agreed that it would.

It was noted that the SEC Draft Budget would have to be approved by the 7th March 2014 in order to become the Approved Budget by the start of the 2014/15 Regulatory Year (15 days after the budget has been published).

ACTION SECP05/03: SECAS to schedule a meeting with a sub-group of the Panel to walkthrough SECAS costs before 7th March 2014.

The Panel noted that following this meeting an ex-committee paper would need to be provided to the Panel in order for them to approve the Draft Budget by 7th March 2014.

ACTION SECP05/04: SECAS to coordinate the ex-committee approval of the SEC Draft Budget by 7th March 2014

The Panel:

- **CONSIDERED** the comments received from Parties to the Draft Budget consultation; and

- **CONFIRMED** a final review of the Draft Budget will take place w/c 24th February 2014 prior to final approval.

6. Establishment of the Panel Sub-Committees

SECAS introduced the agenda item noting that the overarching paper detailed the high-level process for the establishment of Sub-Committees under the SEC. This covered either Panel-led or specified within the SEC, such as those that have been signposted in recent consultations e.g. Security Sub-Committee, Technical Sub-Committee and Policy Management Authority. It was noted that the recommended process had already been followed for the establishment of the Change Board.

The Panel discussed the nominations process and whether this should be run by the Panel Members through their Party Categories or run centrally by SECAS. It was noted that the Panel Members can use their current relationships and engagement routes with their Party Categories to gain the required participation. It was also recognised that the process could be flexible and adjusted depending on the constitution of the Sub-Committee.

The Panel noted the importance of each Sub-Committee reporting to the Panel and cooperating with one another via coordination between the Committee Chairs and the Panel Chair. A Panel Member noted that this should not preclude the Panel Chair being the Chair of one or more Sub-Committees that require independent chairs. SECAS also noted that Panel Members are not precluded from being Sub-Committee Members.

The Panel:

- **NOTED** the contents of the paper;
- **AGREED** the nominations and appointment framework for Sub-Committee Member appointments as outlined in the paper;
- **AGREED** the lead-times for establishing Sub-Committees as outlined in Section 3.2 of the paper; and
- **CONFIRMED** the reporting and co-ordination approach as outlined in section 3.3 of the paper.

SECAS updated the panel on a meeting on 12th February attended by SECAS, the key DECC-leads for a number of Sub-Committee areas and the Panel Chair. DECC updated SECAS with the latest thinking of the Programme in regard to the development of the Sub-Committees and all attendees found the meeting to be very informative. A further meeting will be scheduled with DECC to update them of the Panel's views and will form the basis for further Panel papers on this matter.

6 a) Establishment of the Security Sub-Committee (SSC)

SECAS introduced the paper highlighting that the requirement for a Security Sub-Committee has been signposted by DECC however, it is not likely to be included in the designated drafting of the SEC until SEC4. The paper outlined options for the Panel to consider whether to wait for the designated drafting before establishing the Sub-Committee or establish it sooner. SECAS highlighted that the information in the paper had been based on the most recent information passed on from DECC on 12th February 2014 and noted that this may differ from the drafting to be released in the consultation.

The constitution of the SSC was discussed and a Panel Member noted that as Other SEC Parties would not be represented there may be the option for the Chair to appoint up to two other Members at his discretion if he felt a category of Parties was not being represented. The Panel noted that this would not be for the Panel to decide however, any comments on constitution could be relayed to

DECC through a SEC Panel response to the relevant consultation. The DECC representative agreed to feedback the comments internally. It was further noted that if the SSC were to be set up before the requirement appeared in the designated drafting, then the Panel would determine the composition of the Sub-Committee until the SEC requirements were designated/baselined.

SECAS noted that DECC had signalled that they would be keen for the SSC to be set up to run in parallel to the Transitional Security Expert Group (TSEG) in order to provide for a smooth transition to the enduring governance entity. The Panel questioned which group would hold accountability through these arrangements and it was confirmed that this would remain with TSEG until the SEC drafting became designated. This resulted in questioning what duties the SEC Panel could discharge through the SSC as the scope of the SEC requirements for the SSC would not be in place. SECAS highlighted to the Panel that although the SSC requirements in the SEC may not be designated until the end of the year, this does not preclude the Panel establishing a Sub-Committee to undertake a 'shadow' role preparatory to fulfilling the full role of the SSC. The Panel asked whether there would be any requirements on the SEC Panel that could be delegated to the SSC before SEC4 comes into effect. SECAS confirmed there are no specific powers or duties at this time, although this would likely become clearer in the consultation for SEC4.

The DECC representative noted that currently whilst there are no obligations on the SEC Panel that require the SSC to be in place. there may be potential advantages to a 'shadow-SSC' in gaining the required expertise. It was suggested that dialogues would continue so that the Panel could make a more informed decision on whether they should establish the SSC early or wait until there are designated obligations. It was suggested that SECAS discuss this further with DECC to gain insight into their thinking for the consultation and SEC4 drafting and feedback to the Panel at the next meeting.

The Panel discussed whether the SSC would have a role in the assurance of the design build and test phases and if so, when this would take place. It was noted that it is expected that they will have a role and it would be useful if this should be clarified, even if outline, prior to the consultation.

The Panel noted that although there may be some benefit in establishing the SSC early, this should be balanced against any the costs that would be involved. SECAS highlighted that the two FTE's that had been indicated by DECC that would be required to support the SSC may not necessarily mean dedicated security experts and that some of this resource could be harnessed from the existing SECAS team, i.e. analytical or administration staff. It was also noted that there could be the opportunity for SECAS to work alongside the DECC security team in order to smooth the transition. An action was taken to produce a cost model for the establishment of the SSC including Member expenses, an independent Chair, security experts and SECAS resource.

The Panel:

- **NOTED** the contents of the paper;
- **DEFERRED** the approval of the preferred approach in relation to the SSC following clarification at the March Panel meeting;
- **CONFIRMED** that SECAS should prepare a cost model to assist the Panel's considerations; and
- **AGREED** to continue the dialogue with DECC regarding the role and establishment of the SSC and other Sub-Committees.

ACTION SECP05/05: SECAS to liaise with DECC to obtain further information on the role of the SSC and update the Panel with this and a cost model for the establishment and maintenance of the SSC to the March meeting.

6 b) Establishment of the Technical Sub-Committee (TSC)

This paper provided the Panel with the information currently available with regards to the establishment of the Technical Sub-Committee (TSC). The role of the TSC was described in the SEC Stage 2 consultation; however the composition and timing of the establishment of the TSC are for the Panel to determine.

The Panel discussed the timing of introducing the TSC and the code subsidiary documents that would be under their remit. It was noted that the technical documents that are currently being developed sit under the transition governance of the Technical and Business Design Group (TBDG) and will not move to SEC governance control until they are stable documents. The paper noted that a driver for the establishment of the TSC could be reviewing and owning the technical documents. It was discussed that DECC will control the handover of documentation to the SEC and further clarity on the ownership of the documentation could be provided and when it will be included in the SEC governance would be useful.

It was agreed that a paper would be discussed at the March Panel meeting to include further clarity on the role of the TSC and a draft Terms of Reference. A Panel Member raised that the TSC may be useful in providing the SEC Panel with support during the Testing Phases to provide technical detail and risk assessment validation. SECAS also recapped that a Panel Member had previously considered the merits of a testing Sub-Committee. This could support a more holistic paper looking at all of the Sub-Committees and the timeline for establishing them for consideration at the April Panel meeting.

SECAS noted that Energy UK had asked whether there could be the potential under the SEC Panel to have a work-group to consider dual band communications hubs as this could lead to a future modification. SECAS highlighted that this would be expected to be something that would fall within the remit of the TSC, which might add weight to establishing it sooner rather than later. The Panel discussed that the 868MHz development needs work and may result in a change to the SMETS and other technical documentation. As this technical documentation (the Technical Specifications) is not yet part of the SEC, it was difficult to see how the TSC could develop these in isolation of the transition governance entities. It was agreed that SECAS would contact Energy UK for further background on their thinking for considering dual band communications hubs under the SEC/SEC Panel rather than transition governance.

The Panel agreed that TSC would have a close relationship with the Change Board and that the Change Board could discuss the processes for communicating with the TSC and asking for impact assessments without increasing the modification timeline. SECAS highlighted this was not to replace the TSC's duty to define the process of identifying technical issues in Modification Proposals, but would be a useful preparatory step in mapping out the interactions between the two Sub-Committees.

ACTION SECP05/06: SECAS to clarify the role of the TSC and draft a Terms of Reference for review by the Panel.

ACTION SECP05/07: Change Board to discuss the processes for communicating with the TSC at their next meeting and report back to Panel

The Panel:

- **NOTED** the contents of the paper;
- **AGREED** that Panel will review the timetable for establishing the TSC in April and that SECAS develops a draft ToR including options for the composition of the Sub-Committee for the March Panel meeting;

- **AGREE** that SECAS obtains views from the Change Board on ways of working between Working Groups and the TSC to assist the TSC in developing the process to monitor Modification Proposals and any impacts on the End-to-End Technical Architecture; and
- **NOTED** that SECAS continues to monitor the development of the Technical Specifications and will update the Panel as required.

6 c) Establishment of the Policy Management Authority Sub-Committee (PMA)

This paper provided the Panel with the information currently available with regards to the establishment of the Policy Management Authority (PMA) Sub-Committee. It was noted that the PMA had been signposted through the SEC 3 consultation and describes the proposed composition.

SECAS highlighted that further discussions had been held with DECC since the paper had been issued and noted that it was indicated that SECAS rather than DECC would undertake the member nomination process as well as Panel/SECCo procuring an independent Chair and a PKI specialist. It was noted that further talks could be held with DECC in order to build the requirements for the procurement exercise.

ACTION SECP05/08: SECAS to continue liaison with DECC to build requirements for the procurement exercises and draft the ToR for the Sub-Committee for approval at the May Panel meeting.

The Panel:

- **NOTED** the contents of the paper;
- **AGREED** that SECAS prepares the ToR for approval at the May 2014 Panel meeting; and
- **AGREED** that the preparation period commences in late April/early May 2014 or eight to twelve weeks in advance of the published establishment of the PMA.

7. Supporting SEC Panel Duties through the Test phases

SECAS introduced the agenda item highlighting that a number of SEC Panel duties during the testing phases had been identified in Consultation and Consultation Response documents over the last few months. The duties and the activity surrounding them have been built into an outline activity plan for the SEC Panel.

SECAS presented to the Panel an indicative view of the risks to achieving their obligations noting that a number of the risks can be mitigated by early engagement by the Panel. A high level overview of Panel's role each the testing stages was also provided. The Panel discussed the independent auditor's report that is received by the Panel for information only at the end of Systems Integration Testing. It was noted that the audit will provide a report detailing whether the Test Approach had been followed and whether the Entry and Exit Criteria had been met. The Test Approach will be approved by the SEC Panel and therefore the DCC should engage with the Panel early in order to mitigate the risk of delay to the approval of that approach. It was noted that there may be a possibility for the TSC to provide expert advice to the Panel if it is established at this time.

SECAS proposed that, as the approval gates are on the critical path, there should be a 'no surprise' approach. To facilitate this it was suggested:

- A consultative approach with the DCC should be taken in order to mitigate concerns to be addressed prior to finalising approvals;
- There should be 3-4 months engagement prior to the SEC Panel approving a specific document.

The Panel noted that when it comes to approving Exit Reports for User Integration Testing they should be mindful of the potential confidential nature of the items that will need to be discussed.

SECAS noted that in light of some of the earlier discussions regarding the establishment of Sub-Committees the activity plan would be updated and presented back to the Panel in order to walk through the detailed plan behind each item.

ACTION SECP05/09: SECAS to update the SEC Panel activity plan and present to a future Panel with detailed work plans.

The Panel **NOTED** these developments and will provide feedback to refine these products.

8. SEC Stage 2 Government Response

SECAS presented the agenda item highlighting that the purpose of the paper is to summarise the key outcomes from the Government response to the SEC Stage 2 Consultation published on 30th January 2014.

The key areas for the Panel to note were highlighted along with any duties placed on the Panel through the legal drafting.

SECAS highlighted that there a now a number of versions of the SEC available and the Panel agreed that it would be useful for each version to be made available on the SEC Website for ease of reference.

ACTION SECP05/10: SECAS to publish each version of the SEC on the SEC website

The Panel:

- **NOTED** the contents of the Government Response to the Consultation on New Smart Energy Code Content Stage 2;
- **NOTED** new Panel and SECAS responsibilities that emerge from the consultation; and
- **NOTED** the intentions regarding SEC implementation management.

9. DCC Update

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

Progress against plan

It was highlighted that there are currently re-planning activities underway due to there not currently being a complete version of the Great Britain Companion Specification (GBCS) available. The DCC are working closely with DECC in order to minimise the impact on the overall programme timeline and are currently consulting on changing the criteria of Implementation Milestone 5 so they can continue to progress activities with an incomplete GBCS. The Panel requested that they are kept up to date with this issue and the overall programme impact in terms of time and cost.

The DCC User Gateway Interface Specification (DUGIS) cannot be completed until the GBCS is complete and so the DCC have committed to a further release of the DUGIS once the GBCS is finalised.

The design workshops are underway and have had good engagement with industry. The DCC will also be communicating on a potential change for industry to consider for a new service on WAN connectivity.

Testing

The DCC will be working on developing the Common Test Scenarios (CTS) from early March and will be ensuring that the industry are involved during all stages of the development which should provide the Panel with reassurance that the industry's concerns have been met. They are aiming for the CTS to be published in July following Secretary of State approval.

Finance

It was noted that the DCC are working towards providing an appropriate level of transparency regarding the Charging Statement, aiming to provide Users with as much comfort as possible whilst protecting the commercials. A session for the DCC to run through the Commercial Framework with DCC Users has been set up for 20th March 2014 with DECC, DCC finance and Ofgem in attendance.

Other Progress

The DCC are offering a service to undertake a review of draft communications contracts for Foundation Suppliers on a bi-lateral basis in order for them to address any concerns surrounding adoption before contracts will have to be in place.

The procurement is underway for SMKI and Parse & Correlate services.

The Panel **NOTED** the DCC update.

10. Registration Data Gap Analysis

SECAS introduced the item, highlighting that this analysis had been undertaken off the back of an action to identify the organisations with eligible supply points that had not acceded to the SEC.

It was highlighted that there had been confusion for some non-domestic Suppliers and whether they had to accede to the Code if they opt out of the DCC. SECAS and DECC highlighted that they had had communication with ICOSS and explained that all licensees are required to sign up to the SEC whether they are going to opt out of the DCC or not. The Panel noted that they are not the enforcer of the licence and therefore, cannot take any further action with the missing organisations. The Panel agreed that a note should be sent to Ofgem highlighting their concerns over the missing parties and the interim Panel Chair agreed to follow up on the discussions with ICOSS.

ACTION SECP05/11: SECAS to draft a letter to Ofgem highlighting the SEC Panel's concerns over the licensees that have not yet acceded to the SEC

ACTION SECP05/12: Interim Panel Chair to hold discussions with ICOSS in order to identify any areas of concern or for clarification

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** to notify Ofgem of their concerns over the licensees not yet acceded to the SEC.

11. SEC Party Update

SECAS noted that since the circulation of the paper, an Application Form had been received from Salient Systems Ltd to be admitted to the SEC as an Other SEC Party.

The Panel were also updated on Telecom Plus and the transfer of the customer portfolio under the Electricity Plus and Gas Plus supply licences from npower. This transfer results in the formation of a new Large Supplier Voting Group. Since circulation of the paper, a note had been received from First Utility highlighting that they also now fell in to the Large Supplier Category. There are now 8 Large Supplier Voting Groups.

The Panel:

- **NOTED** the contents of the paper; and
- **NOTED** the admission of Salient Systems Ltd as a Party to the SEC with effect from 14th February 2014, being the date that SECCo would complete the counterpart of the Accession Agreement.

12. Change Board Update

SECAS provided the Panel with an overview of the paper which gives an update on the first Change Board meeting held on 3rd February 2014.

SECAS highlighted the breadth of experience that the Members bring to the group from other Industry Codes bringing useful ideas as to how the Change Board will work. Positive feedback had been received from the group on the guidance documentation and the worth of the walkthrough of the Modification process provided at the meeting.

The Panel noted that SECAS attendance at the Change Board would involve a core of three team members to include the Chair, Modifications analyst and meeting secretary. Additional support will be called upon for specific topics.

The Panel:

- **NOTED** the contents of the paper; and
- **NOTED** the next update will be provided following the next Change Board meeting (scheduled for late March).

13. Transition Governance Update

SECAS presented the Transition Governance paper which 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 throughout the month.

SECAS highlighted that since the circulation of the paper, Ofgem had published a consultation on the DCC Regulatory Instructions and Guidance and an overview paper will be presented at the March Panel meeting.

A Panel Member had attended the SMDG meeting on 13th February 2014 and provided an update to the Panel. Discussions were held around the overall progress of the programme including the DCC's replanning activities due to the incompletion of the GBCS. Sacha Deshmukh, CEO of the Central Delivery Body, presented to the group on the CDB's engagement plan and there were also discussions around difficult installations and the ENA are taking legal advice on the issue. Energy UK is looking to deliver a report in September 2014 documenting the issues.

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

14. Operations Report for January

SECAS presented 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 noted that the invoice for the SEC Website would be presented at the March meeting following successful go-live of the website.

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** the SECAS resource effort of 193 days for January 2014.

15. AOB

SECAS highlighted to the Panel that Gemserv had shortlisted two offices for the new premises and a further update will be provided once a new office location has been finalised. The date of the office move has been pencilled in for the middle of August.

SECAS highlighted that as part of DECC's Red Tape Challenge, DECC are merging four current Statutory Instruments[1] (SI) concerning the exclusion of a right of appeal under the Energy Act for Authority decisions on Code Modifications in specified circumstances into a single instrument which will simplify the legislative landscape and mean that it is necessary to refer to only one SI. This change incorporates the SEC into the listed Codes although DECC are not changing any of the provisions and therefore the SEC Panel are not required to take any action.

SECAS raised that a letter had been received from Ofgem highlighting the need for Code Panel co-ordination in order to ensure the benefits of smart metering can be realised. The Panel suggested that the new Panel Chair could coordinate with the Chairs of the other Industry Code Panels to take this issue forward. They also noted that Ofgem remain fully engaged in order for the industry to address any of their concerns as early as possible.

A Panel Member noted that a European Code Coordination Application Forum had been established by National Grid in order to ensure that anything introduced into European legislation are introduced into the relevant GB network codes. It was noted that the SEC is still under development and therefore any European Legislation should be fed into the drafting however it was agreed that SECAS should contact the ECCAF in order to establish a communication route.

ACTION SECP05/13: SECAS to establish a communication route with ECCAF.

ACTION SECP05/14: Panel Chair to coordinate with industry code Panel Chairs regarding cross-code working in response to the open letter from Ofgem

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

Signed: _____ **Date:** _____

[1] the Electricity and Gas Appeals (Designation, Exclusion and Modification of Time Limits) Order 2014