Meeting SECP_11_1508, 15th August 2014, 10:00 – 12:00

Gemserv, 10 Fenchurch Street, London, EC3M 3BE

Final Minutes

Attendees:

Category	Panel Members
Panel Chair	Peter Davies
Large Suppliers	Simon Trivella
	David Ross Scott
Small Suppliers	Leyton Jones (via teleconference)
	Mike Gibson (Alternate) (via teleconference)
Electricity Networks	David Lane
Gas Networks	Joanna Ferguson (Alternate)
Other SEC Parties	Eric Graham
	Howard Porter (Alternate)
DCC	Paul French
Consumer Member	-

Representing	Other Participants
DECC (Secretary of State)	Peter Dell'Osa
Ofgem (the Authority)	Laura Nell
Panel Secretary	Alys Garrett
SECAS	Jill Ashby
	Sarah Gratte
	David Thorne
	Phillip Twiddy (part)

1. Minutes and Actions Outstanding

The Panel noted that the minutes were agreed ex-committee on 24th July 2014 to enable them to be sent out to all SEC Parties within 10 Working Days of the meeting.

SECAS provided the Panel with an update on the Actions Outstanding from previous meetings, noting that the majority of the actions had either been closed or were to be discussed under their respective agenda items. The following updates were provided:

Action	Update
SECP10/06	The elections process is underway and voting has been initiated for the Large Supplier Party Category and the Other SEC Party Category with a voting deadline of 27th August 2014.

2. Security Update

SECAS presented the Panel with an update on the security activities being undertaken. It was highlighted that the secondment of existing security expertise from the DECC programme to support the Security Sub-Committee was still in discussion and that a decision should be made by the end of the month. If this approach does not work then this will allow sufficient time for an alternative arrangement to be put in place by the SEC Panel.

Following approval from the SEC Panel in June for work to commence on the procurement of the Competent Independent Organisation (CIO), SECAS has been developing the Invitation to Tender (ITT) documentation. The procurement sub-group of the Panel will be asked to review the document once it has been drafted in September.

SECAS provided the Panel with a number of principles that would need to be incorporated within the tender documentation. For example, the assessment framework will take into account the need for differing charging structures depending on the whether the User is ISO 27001 compliant as this evidence can be used in the security assessment.

The cost recovery framework set out in the SEC 4 consultation states that costs for the SEC security and privacy arrangements will be treated as Recoverable Costs by the SEC Panel, meaning that they potentially need to be included within the SEC Panel budget. However, the consultation also proposes that the DCC will charge Users an Explicit Charge for their individual assessments, and it is unclear at this time on how that will be managed in practice. Ofgem highlighted it will need to be clear whether the costs should be subject to the Ofgem controls on DCC charges or treated as Pass-Through Costs. SECAS confirmed that the consultation set out that DCC should treat the charges as Pass-Through, however discussions were underway with DECC and the DCC finance team to ensure the process was managed efficiently. It was further highlighted that the costs for the CIO procurement and development of the Security and Privacy Controls Framework will be incurred this financial year but were not budgeted for in this period as the requirement was unknown at the time of setting the budget.

The Panel discussed the variation in the annual profile of assessments and that it would be useful to understand the triggers for privacy audits. SECAS agreed to provide further information on this to the Panel, noting that it would also be important to disseminate information to Parties on how the audits would work, the charging mechanism and the review cycle. The ITT will also require the assurance organisation to propose how their solution would deal with the annual profiling of assessments over the three year cycle and the cost difference between individual assessments.

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

ACTION SECP11/01: SECAS to provide the Panel with further information on the events that would trigger a privacy audit

3. SEC 4 Consultation and Panel Response

SECAS presented the information paper that had been produced to provide the SEC Panel and Parties with a guide to the contents of the SEC 4 consultation; highlighting key areas of drafting which relate to Panel or Sub-Committee activities. This paper builds on the presentation that was provided to the Panel at the last meeting.

The Panel questioned the wider role of the Security Sub-Committee (SSC) and the means that they would become aware that Parties are using a shared service provider. SECAS confirmed that the information will need to be filtered into the wider monitoring role of the SSC in order to be taken into account for risk assessment purposes.

The paper included a draft response to the consultation on behalf of the SEC Panel.

The Panel:

- **NOTED** the contents of the paper; and
- **APPROVED** the draft response as set out in Appendix A.

ACTION SECP11/02: SECAS to send the SEC Panel response to the SEC 4 Consultation by the deadline 25th August 2014.

4. Code Administration Code of Practice (CACoP) Consultation Responses

SECAS presented the Panel with an overview of the responses that had been submitted to the CACoP annual review consultation. Four responses were received which will be submitted to the Annual Review Group meeting in October 2014. The responses to the consultation were broadly similar to the responses received on the SECAS Customer Satisfaction Survey and the paper sets out comments to the responses consistent with those provided to the CSS responses.

The Panel discussed anything further that should be submitted to the annual review group meeting and whether there would be any merit in further aligning the Modifications Process. The Panel Chair highlighted the response regarding the Critical Friend, and a Panel Member confirmed in their experience that this is more prevalent in the Modifications process. The Panel noted that they believed that currently the SEC Modifications process was well aligned and divergences are to be expected due to the differing nature of the Codes.

The DECC representative also highlighted that the SEC is different from other codes in that it has much wider representation through the Other SEC Party Category. Organisations acceding to the SEC in the Other SEC Party Category may require more support than organisations familiar with industry codes.

The Panel:

- **NOTED** the contents of the paper; and
- **PROVIDED** no further feedback to be submitted at the Annual Review Group meeting

ACTION SECP11/03: SECAS to submit CACoP feedback to the Annual Review meeting in October and update the Panel on the outcome of the meeting.

5. SEC Party Engagement Day Feedback

SECAS provided the Panel with the feedback that had been provided from the attendees at the SEC Party Engagement Day held on 11th July 2014. It was highlighted that a number of the topics that attendees would like to be considered could be addressed at future SEC Party events, such as Party Category Engagement Days and the Introduction to SEC education days.

The Panel discussed that further engagement may be required nearer to Initial Live Operations as there will likely be more organisations interested in the smart metering arrangements that have not to date been involved in the Programme. The Panel noted the efforts made to date to encourage participation from these organisations and to inform them of the smart metering arrangements, however it was acknowledged that it would be challenging to identify all the organisations that might have an interest of the incoming arrangements in the absence of any initial contact from those organisations. The Panel discussed that industry forums and trade associations may be a good starting point.

A Panel Member noted that at future engagement events, further encouragement should be given to attendees to provide feedback and that the feedback should be broken down by party category.

The Panel **NOTED** the positive feedback for this year's SEC Party Engagement Day and the topics to take into consideration for future engagement events.

6. Configuration Management

SECAS presented the Panel with an information paper on the due diligence for configuration management as the SEC continues to develop and the actions that SECAS is taking to disseminate information to Parties. The Panel noted that it was useful to highlight to Parties the three different statuses of SEC content – designated, baselined and draft.

SECAS asked the SEC Panel to provide any feedback on the SEC and Subsidiary Documents section of the website and the Panel highlighted that having the SEC available in its separate sections was useful.

SECAS highlighted to the Panel that they would continue to work with DECC to ensure the efficient management of the SEC. It was highlighted that it is the intention that the Government response to the SEC 4 consultation will be published in two parts and SECAS will update the Panel as they are made aware of any further information. The Panel requested that any further detail that can be provided on the changes to be included in each designated version is uploaded on the website e.g. content to be included in SEC 4a and SEC 4b.

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

7. Small Supplier Engagement

SECAS presented the Panel with an overview of the activities being undertaken to support Small Supplier Parties. SECAS noted that through initial conversations with Small Suppliers, it has become apparent that support will need to be tailored to the need of each supplier, rather than a 'one size fits

all' approach. Consequently SECAS planned to produce a range of guidance, from Overviews through to topic-related guides.

The DCC Member noted that through their engagement with Small Suppliers they have been given two key pieces of feedback that it may be useful for SECAS to consider:

- Small Suppliers are overwhelmed with the amount of documentation; and
- It is key for Small Suppliers to understand the obligations laid out in the SEC and their licences and at what point the obligations are active.

SECAS also noted that they would provide Small Suppliers with information on their obligations and develop an indicative timeline for them however it would then be down to the individual organisations to define their plan and business solutions.

A Panel Member noted that the joint Ofgem/DECC publication for independent energy suppliers outlines an action plan for next year and is a useful document.

SECAS highlighted that this paper represented progress to date, and the intention was to make similar materials and communication available to small network operators and Other SEC Parties.

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

8. SEC Panel Risk Register

SECAS presented the proposed updates to the SEC Panel Risk Register. The Panel requested that the proposed updates should be circulated to the Panel for review to approve at the next Panel meeting in September.

ACTION SECP11/04: SECAS to circulate the proposed updates to the SEC Panel Risk Register for review by the SEC Panel and approval at the September Panel meeting.

9. Testing Advisory Group Update

SECAS provided the Panel with an update on the activities undertaken by the Testing Advisory Group (TAG) since the last update.

The Panel has an obligation to approve the SIT Approach document and the TAG have been undergoing a review process in order to provide the Panel with a recommendation. The SIT Approach document was provided to the TAG on 22nd July and a meeting has been set up with DECC and the DCC to address the key points that have come out of the TAG's review. The next draft of the document will be provided on 17th September and will subsequently be issued to the Panel with a TAG recommendation in November.

The TAG have looked at the Interface Testing Approach document's table of contents and have discussed three areas of content with the DCC. The timescales for the production of this document are tight and the TAG will provide regular updates to the Panel in order to keep them informed in the event that an ex-committee session is needed to discuss TAG's recommendation for the IT Approach is required.

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

10. SMKI PMA Update

SECAS provided the Panel with an update on the activities undertaken by the SMKI PMA since the last Panel update. The paper included an updated Terms of Reference for Panel approval, including the consequential changes arising from the designated legal text of SEC version 3.0 and minor contextual changes requested by the SMKI PMA Chair.

SECAS noted that development of the SMKI work plan was underway and includes requirements to approve subsidiary documentation that is being produced by the DCC. Four documents have been released for consultation with a further two in development. The SMKI PMA have also requested clarification on the documentation that they will have to approve but will not be designated Subsidiary Documents.

The SMKI PMA are currently discussing the approval of the SMKI assurance scheme recommended by the DCC. The SMKI PMA have requested clarification that the assurance requirements laid out in the SEC are met through the chosen assurance scheme and service provider.

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** the revised SMKI PMA Terms of Reference version 1.1 (SEC 3) in Appendix A.

11. Transition Governance Update

SECAS presented the Transition Governance Update paper which consolidates headline updates from all of the Transition Work Groups attended throughout the month by SECAS and Panel Members to inform the Panel and SEC Parties of activities occurring in the SMIP. There were no further verbal updates provided.

The Panel discussed the process of European Commission (EC) notification of the Technical Specifications and the process of re-notification if there are future changes to the documents. It was highlighted that EC notification is required if there is a European Directive that covers the activity. It was discussed that re-notification due to changes to the documents will be dependent on the nature of the change and any criteria or guidance for a 'materiality test' will be beneficial, noting that DECC have previously made changes to the SMETS which were not subject to re-notification. SECAS clarified that DECC had confirmed notification will be Ofgem's responsibility, however, it might be expected that the Modifications process or the Change Board should have some input to this. Panel also highlighted impacts on implementation timescales for modifications, and whether this should be considered by Ofgem or the Change Board. The Panel agreed that this should be added to the Risk Register and an action should be taken to liaise with Ofgem on the process of EC notification. SECAS also noted that DECC had held a session with Ofgem and SECAS on the topic of the notification, and SECAS would produce a paper based on the overview given at that time.

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

ACTION SECP11/05: SECAS to add the process of EC Notification to the Risk Register

ACTION SECP11/06: SECAS to prepare a Panel paper on information received to date re the EC Notification process

12. Operations Report

The Operations Report is a standing agenda item to inform SEC Parties and the Panel of the SEC operations activity that has taken place in the past month. SECAS provided the Panel with an

overview of the paper noting that the Time Devoted to Activities (section 5), formerly the SECAS Output section, now provides aggregate hours devoted to specific activities identified by the Panel.

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

13. DCC Update

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

Progress Update

- Both the CSPs and the DSP are progressing to plan, although the volume of change remains challenging;
- The SMKI Service Provider is slightly behind plan, with four key deliverables published for consultation but a further two still in development although the delay is not believed to impact the critical path; and
- A service provider has been appointed for the GBCS Interface testing following a procurement exercise.

DCC Progress – DUGIS Delay

The DCC representative noted that GBCS version 0.8 is more developed than the previous versions and the significant level of change exceeded the expectations of the Service Providers resulting in impacts on the consequential updates to DCC User Gateway Interface Specification. The Panel asked whether there could be some assurance that this level of change will not happen again. The DCC representative noted that the proving exercise of the GBCS was a paper based exercise that identified around 100 low-level issues. The next proving exercise will be the GBCS interface testing (electronic testing) that should identify any key issues that had previously been missed. The level of confidence in the GBCS is being built as the proving process is undertaken, although it is likely that there will always be a need for change.

The Panel highlighted that it was important that any future changes to the GBCS baseline take into account the impact that the change would have on other areas and that this should be considered in the change assessment process.

The DCC representative noted that the DCC are working with the Service Providers on their impact assessments and a change request will be submitted to IMF on 28th August 2014. It was discussed that in order for Users to continue development it may be useful for multiple drops of the DUGIS to be published although with a limited number of resources this may not be the most efficient use of time. It was noted that the delay may have implications for the Joint Industry Plan and if testing stage-dates or Initial Live Operations are affected, any re-planning will need to be fully assessed by all impacted parties.

Consultations and Change Management

- Common Test Scenarios due to be published shortly
- SMKI documents, SIT Approach and DCC Business Handover Plan all open for consultation
- Service Management requirements being firmed up
- Further discussions being held regarding a change freeze to allow delivery against a stable baseline.

A Panel Member noted that the SMDG had discussed the testing of product interoperability and it was noted that the GBCS Interface Testing may be a good starting point for this testing and that discussions need to be held to ensure any synergies are used to avoid duplication of testing.

The Panel **NOTED** the update from the DCC.

14. SEC Party Update

This paper confirmed that applications had been received from the following organisations to accede to the SEC:

- Dankse Commodities (Small Supplier)
- Siemens PLC (Other SEC Party)
- OPower (Other SEC Party)

In the week following publication of the paper, further complete applications for accession to the SEC were received from:

- Enterprise Gas (Small Supplier)
- Chameleon Technology (Other SEC Party)
- Lowri Beck (Other SEC Party)

Consequently, following countersignature of the Accession Agreements by the SECCo Board, the organisations above would be admitted as Parties to the SEC.

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

15. Any Other Business

SECAS reminded the Panel that the next meeting will be held on 12th September 2014 at the new Gemserv offices and communication will be sent out with details of the new offices.

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