Meeting SECP_06_1403, 14th March 2014 at 10am

Gemserv, 10 Fenchurch Street, London, EC3M 3BE

Final Minutes

Attendees:

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

Representing	Other Participants
DECC (Secretary of State)	Peter Dell'Osa
	Joseph Howard (part)
Ofgem (the Authority)	Dora Ianora
	Roberta Fernie (via teleconference)
Panel Secretary	Alys Garrett
SECAS	Jill Ashby
	Ken McRae
	Sarah Gratte
	Jane Butterfield
	Phillip Twiddy (part)
	Natalia Sandomierska (part)
Observers	Peter Davies[1] (incoming Panel Chair)
	Simon Yeo (alternate ENO)
	Frances Williamson (alternate DCC)

Apologies:

Category	Panel Members
Other SEC Parties	Richard St Clair

[1] Peter Davies attended the meeting as an Observer and will take over the Panel Chair role from April's meeting

1. Minutes of SEC Panel Meeting 05_1402

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

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

2. Actions Update

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

Action	Update
SECP04CONF/01	Work is on-going on DECC's review of Code credit cover arrangements. A draft report has been received by DECC and a final version is expected in a few weeks. An update will be provided when received.
SECP05/01	DECC have not managed to hold discussions with Consumer Futures. Panel will be provided with an update when discussions have been held.
SECP05/02	The letter to the CDB regarding the Panel's concerns on the absence of consumer representation on the Panel was sent on 12th March 2014. The action was closed.
SECP05/04	The SEC Budget for the next 3 Year Regulatory Years was approved via ex-committee on the 11th March 2014 and has been published on the Website. This commences a window when any appeal may be raised; failing which it shall become the Approved Budget.
SECP05/11	A letter was sent to Ofgem regarding the licensees that have not yet acceded to the SEC on 12th March 2014. Ofgem noted that the letter had been received and discussions are being held internally. The Panel can expect a reply to the lAetter.
SECP05/12	Interim Panel Chair noted that he had been in contact with ICOSS and will update the Panel when discussions had been held.

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

Post Meeting Note: Discussions held with ICOSS on 17th March 2014 indicated that the licence obligation is clear in that the majority of Suppliers will have to accede to the SEC, however the issue appears to be that some non-domestic Suppliers have concerns with requirements within the SEC that could then apply to them by default. The opt-out arrangements are still not finalised within the SEC and this means that some Suppliers are not prepared to accede yet.

The items on the Confidential Actions log remain ongoing until April's Panel meeting.

3. Security and Privacy Assurance of DCC Users

SECAS introduced the item noting that the accompanying paper provided a high level overview of the briefing paper circulated by DECC to the TSEG regarding the arrangements for the security and privacy assurance of DCC Users. It was highlighted that the briefing note had been circulated in advance of the SEC4 consultation in order to gain feedback on the industry's initial thoughts on the proposal for the SEC Panel to procure a central organisation to provide privacy and security assurance for all DCC Users.

Regarding clarity of when this central assurance function would be required, DECC highlighted that the timescale for procuring this organisation would be dependent on when Users go through the User Entry Process detailed in section H1.11 of the SEC as drafted for SEC3. Therefore, it is unlikely to be aligned with UIT and the likely date to work towards would be Q2/Q3 2015 ready for the commencement of Initial Live Operations.

The Panel discussed the costs involved in providing the central organisation and how this should be recovered from Users. As laid out in the briefing paper, DECC have proposed that Users will meet the cost of the assessment performed at their organisation and costs incurred from privacy 'spot-checks' will be socialised via the DCC in SECCo Pass Through costs . A Panel Member suggested that in order for the Panel to stay in control of the costs involved, the Panel should incur all of the cost which would then subsequently be recovered through the SEC charges recovered from DCC Users. A Panel Member highlighted that this could raise other concerns as it would mean a DCC User would incur a socialised charge that is disproportionate to the cost of the assurance service it received for its own organisation. However, it was also highlighted by the Panel that this cost might be a barrier to entry for Small Suppliers. It was discussed that Small Suppliers may only require a lighter touch assessment as they would be subject to lower security risks and therefore the cost implications would be proportional to the type of assessment required, which was what the DECC briefing paper suggested.

In terms of charging SEC Parties for the cost of the assurance assessment, SECAS noted that there is a precedent in the SEC for SECCo to directly bill SEC Parties on an individual basis for the Application Fee. DECC noted that ways of recovering the costs will be consulted on in the SEC4 consultation and that feedback on the charging arrangements in the briefing paper would be welcomed. DECC also noted that there would be changes to the charging arrangements in the SEC to facilitate the proposal.

A Panel Member noted that the Supplier community could see benefits in the central organisation including efficiency costs in the assessment regime and reassurance that User Roles are assessed to a consistent standard. The Chair noted that the Panel's role in considering this proposal at this stage was whether the Panel and SECAS can accommodate the service and that they are comfortable with the framework. Further input into the proposal can be discussed following more detail arising from TSEG discussions and in the SEC4 consultation.

The Panel:

- **NOTED** the contents of the paper;
- **AGREED** that SECAS continues to liaise with DECC to ensure there is clarity of the requirements in the consultation document; and
- **CONFIRMED** that no formal feedback should be provided to DECC as a DECC representative was present for the discussions.

4. Establishing the Security Sub-Committee

SECAS provided the Panel with an overview of the paper highlighting that it had been prepared following further discussions held with DECC after the last Panel meeting. The paper set out the recommended support required to the Security Sub-Committee (SSC) based on what is currently required for the Transition Security Expert Group (TSEG). The paper also recommended a handover period of 6 months to ensure sufficient knowledge transfer.

The Panel discussed that further information is required from DECC on what is required for the handover from DECC. As set out in the paper six months support handover had been suggested however, this may change following refinement of the requirements. If the SSC composition is similar

to the composition of TSEG then there may be a reduced need for extensive handover as the industry members are likely to transfer across.

The requisitioning of any specialist advisers was discussed and the Panel noted that, consistent with the recent SEC budget considerations, costs should be limited where possible. It was suggested that if a Chair was chosen with security experience this might mitigate the extent of support from other security experts. Conversely, if security advisers were procured this could reduce the need for a Chair with expert knowledge.

The Panel agreed that a meeting should be held with Gordon Hextall from DECC, SECAS and a subgroup of the Panel in order to further understand the function of the SSC and the expertise required, particularly into 2015. This will facilitate an informed decision on the timing of establishment of the SSC and any procurement needs for the Chair and expert advisers. SECAS noted that the paper included an option for security experts available within Gemserv's Community of Experts who could be deployed in the short or medium term to support a handover exercise.

ACTION_06_1403_01: SECAS to convene a meeting with DECC, SECAS and a sub-group of the Panel to discuss the handover exercise and expertise required for the SSC.

The Panel:

- **NOTED** the content of this paper;
- **AGREED** to defer the decision on the preferred option for additional security expertise; and
- **AGREED** to convene a meeting with DECC, SECAS and a sub-group of the Panel in order to further discuss the process of handover from TSEG to the SSC.

5. Establishing the Technical Sub-Committee

SECAS introduced the paper noting that it had been provided in response to the item taken to the February Panel meeting. The paper outlined the drivers for establishing the Technical Sub-Committee (TSC) and the timing by which it would need to be in place in order to undertake the duties ascribed to the TSC.

The paper suggested that the Panel should adopt the 8-12 weeks lead-time for establishment that has been used for consideration of each Sub-Committee. Each driver was discussed in outline:

- Supporting the approval of the Systems Integration Test (SIT) Approach: the TSC could act in an advisory role to the Panel when reviewing the Test Approach document;
- Handover of capability from DECC's technical team: DECC have indicated that they may be ramping down their technical capability from summer 2014 and consequently the TSC could serve as a handover vehicle. It was discussed that this would take relatively little effort by the TSC however further clarity on the handover by DECC is required as to when the technical documentation to be overseen by the TSC would be designated in the SEC and whether governance control would lie with the SEC or remain in Transition;
- Development of Design Notes: At the Technical and Business Design Group (TBDG) meeting in February the concept of Design Notes was introduced by DECC, however they do not anticipate leading on this work. Broadly, these Design Notes are intended to cover matters that would not warrant regulation and there may be merit in bringing these under the SEC;
- It was noted that discussions at the Testing Design and Execution Group (TDEG) regarding the coverage of the Common Test Scenarios (CTS) and future of the Business Processes was discussed. The Cross-Sector Product Inventory (CSPI) details that the CTS will come under the SEC, while the Business Processes are a transitory document however, the

industry may feel that there is value in maintaining them. Design Notes and Business Processes were on the agenda to be discussed at the next TBDG meeting and an update will be provided to the Panel;

- Develop and maintain the SEC-defined Technical Architecture Document: the TSC could take ownership of this document and it could be used as an assurance tool for the effectiveness of the architecture in the SEC arrangements and assessment of Modifications against it.

The requirement on the SEC Panel to approve the SIT Test Approach was discussed in more detail. The DCC Member noted that the Approach document will be developed through the Test Design and Execution Group (TDEG) with industry's input. If a function of the TSC was to provide the Panel with an independent view on the Approach document, then it might be that the TSC Members would be similar to the TDEG attendees, which might not be an enduring facet of the TSC Membership. It was noted that there are varying views within TDEG on the requirements for the SIT and UIT Approach documents for the SEC, and an advisory Sub-Committee supporting the Panel in its considerations for approval of the testing approaches may be more apposite than establishing the TSC for this purpose. Panel considered that such a Sub-Committee could act as the review body for the Test Approach documents and provide recommendations for the Panel in undertaking its approval duties at the relevant 'gates'. The Panel agreed that the constitution of a Sub-Committee should be based on the Change Board membership composition and nominations process; and that Terms of Reference should be drafted in advance of the next Panel meeting.

ACTION_06_1403_02: SECAS to draft the Terms of Reference for the Testing Sub-Committee to submit to the Panel for comment before the next Panel

The Panel agreed that further clarification is required on the scope of the TSC and the documentation that would be handed over before they can agree a timeline for establishing that Sub-Committee. However, they agreed that they could provide feedback on the 'strawman' Terms of Reference and the composition for the TSC by the next Panel.

ACTION_06_1403_03: Panel Members to provide feedback to SECAS on the 'strawman' Terms of Reference and composition of the Technical Sub-Committee.

The Panel:

- **AGREED** to provide comments on the Terms of Reference for the TSC before the next Panel meeting;
- **AGREED** that SECAS continue to liaise with DECC regarding the establishment and scope of the TSC; and
- **AGREED** to establish a Testing Sub-Committee to support the Panel's role in approving the Test Approach Documents that the DCC will submit for SIT and UIT.

6. Risk Register

SECAS introduced the Risk Register noting that it had been developed following the SECCo Board's approval of the approach as proposed at the January Board meeting. It was highlighted that the initial approach was to prepare separate risk registers for the Panel and the SECCo Board, although they could be combined if felt this would be easier to maintain.

SECAS highlighted a number of candidate risks to ensure that the Panel were comfortable with the approach and requested that the Panel provide any feedback they have on the initial population of the risk register following the meeting.

ACTION_06_1403_04: Panel Members to provide any feedback on the initial risk registers.

The Panel:

- **CONFIRMED** they were comfortable with the initial matrix; and
- **AGREED** to provide feedback on the risk register following the meeting.

7. Ofgem Consultation on DCC Regulatory Instructions and Guidance

SECAS provided an overview of the Ofgem consultation on the DCC Regulatory Instructions and Guidance (RIGs) published on 12th February 2014. The DCC is required under its licence to submit price control information to the Authority for every regulatory year of the licence and to provide a comparison between actual and projected revenue and costs.

The content of the consultation sets out the procedure and templates by which the DCC's price control information should be submitted. SECAS highlighted that the DCC is required to submit the SECCo costs as a line item under the Pass-Through Costs however they will not form part of Ofgem's assessment. It was clarified that the SECCo costs will only be checked for accuracy, i.e. do the costs submitted match the invoices received.

The DCC Member noted that the workshop on the DCC's Commercial Framework was due to take place on 20th March 2014 and any questions on the draft RIGs could be brought to that session.

SECAS highlighted that the consultation period ends on 23rd April and the decision will be published in May 2014.

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

8. General Meeting – Outline Preparations

The SEC Panel are required under section C2.3 (k) of the SEC to hold a general meeting during the month of July each year. SECAS provided the Panel with two options for an approach for the general meeting.

The Panel preferred option 2 as long as there is appetite from SEC Parties. This option would avail all SEC Parties with the opportunity to attend a 'SEC Party' Day at which presentations and speaking slots would be held as well as the requirement for a SEC Party Question and Answer session with all Panel Members in attendance.

The Panel agreed that this would be a good opportunity for the Panel to be introduced to the SEC Parties and for introduction slots by DCC, CDB etc. SECAS noted that as the approach had been agreed further work can be done to consider the venue and order of the day.

The Panel agreed that a date earlier in July would be preferred to avoid the holidays and SECAS agreed to finalise a date with the Panel.

ACTION_06_1403_05: SECAS to set out a firmer outline of the day including content and venue for the April Panel meeting.

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** the broader benefits of option 2 as their preferred approach for the structure of the general meeting to discharge the requirement under section C2.3 (k) of the SEC.

9. SEC Party Update

The paper confirmed that an Application had been received from C & C Group Holdings Ltd. SECAS noted that since the circulation of the paper, CGI IT UK Ltd had submitted an Application to be admitted as an Other SEC Party.

Consequently, following countersignature of the Accession Agreements by the SECCo Board, C & C Group Holdings Ltd and CGI IT UK Ltd would be admitted as Parties to the SEC.

The Panel:

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

10. Transition Governance Update

SECAS presented the Transition Governance Update paper which consolidates headline updates from each of the Transition Work Groups attended throughout the month by SECAS to inform the Panel and SEC Parties of activities occurring in the SMIP. The paper also included updates from non-DECC led groups and a high level overview of any smart metering related publications issued throughout the month.

SECAS highlighted that the Panel Chair had been invited to the next Smart Meter Steering Group (SMSG) to be held in March and an update will be provided at the next meeting.

- A Panel Member had attended the Smart Metering Delivery Group (SMDG) on 6th March 2014 and provided a verbal update to the group which will be provided in next month's paper for completeness. BEAMA presented to the SMDG a smart metering equipment availability update outlining the view from manufacturers on the state of readiness of smart metering equipment for the Programme. It was highlighted that SMETS2 equipment will be delivered in line with the plans but is dependent on clear specifications and clarity on the GBCS is delivered. An issue regarding installation difficulties with Communications Hub dimensions had been highlighted. Since the meeting a letter had been circulated to SMDG members noting that further information needs to be gathered by the industry in order to provide a concrete view of the issue.

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

11. DCC Update

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

DCC Progress Update

The DCC have achieved their milestones for submitting the Interface Design Specs and the Test Strategy to the Secretary of State at the end of February.

The Service Management Design forums are now underway and support from the industry is welcomed and appreciated by the DCC.

The re-planning taking place due to the delay in the delivery of the GBCS remains ongoing and the DCC are continuing to work through the commercials with their contractors to ensure delay is kept to a minimum. It was noted that the GBCS was an external dependency and the DCC cannot finish the design documents until the GBCS is delivered. The DCC will be presenting options to the Implementation Managers Forum (IMF) on 20th March 2014 to assess the risk of delay versus

increasing the costs. DECC will be consulting with all Parties on the implications for any additional costs.

Finance Update

The Licence Application Business Plan will be published in advance of the Commercial Framework session on the 20th March 2014.

A Panel Member questioned when the DCC would publish the transactional Charges. The DCC confirmed an exact date cannot be given at this time, and that they will consult on the Explicit Charges.

Revised Charging Statements and Indicative Budgets will be published in April and following this a conference call will be held for all SEC Parties for any questions to be answered.

Development Plan

Work on the DCC Development Plan is now underway and the process includes information gathering from the industry. The Development Framework will be issued for consultation in May/June with a view to finalising the plan for the Smart DCC Board approval by the end of July.

Business Processes

As discussed under the agenda item regarding the Technical Sub-Committee, the industry have requested that work continues on the end-to-end Business Processes as the DCC Testing will not cover end-to-end. TBDG will be discussing this topic at their next meeting and an update will be provided at the next Panel meeting.

Development Plan

The DCC are in discussion with Ofgem to help develop the initial policy for centralised registration. It is recognised that introducing centralised registration may become burdensome on the industry if it takes place during mass rollout.

The Panel **NOTED** the DCC Update.

12. Operations Report

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.

The Panel welcomed the inclusion of the Panel activity plan as an appendix to the paper. SECAS highlighted that the reporting format to date represented that for the first six month period and that a new 'Half Year' would be applicable in future reports. Panel also requested that the forecast and actual data be presented in the same table/graph for ease of comparison.

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** the SECAS resource effort of 203 days for February 2014.

13. AOB

The DCC Member noted to the Panel that the Commercial Framework workshop is due to be held on 20th March 2014 and any feedback following the workshop would be appreciated.

The DCC are currently looking at a redesign of their website and the DCC Member requested feedback from the Panel and any thoughts on redevelopment that could be fed into the specification.

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

Post Meeting Note: the Board agreed a vote of thanks to Simon Trivella for undertaking the role of Interim Panel Chair pending the appointment of the independent Panel Chair