Meeting SECP_09_1306, 13th June 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 (via teleconference)
	David Ross Scott
Small Suppliers	Leyton Jones
Electricity Networks	David Lane
Gas Networks	Erika Melen
Other SEC Parties	Eric Graham
DCC	Paul French
Consumer Member	-

Representing	Other Participants
DECC (Secretary of State)	Peter Dell'Osa
	Tim Guy
Ofgem (the Authority)	Roberta Fernie
Panel Secretary	Alys Garrett
SECAS	Jill Ashby
	Ken McRae
	Sarah Gratte
	Jane Butterfield
	Rebecca Mottram (Part)
	George MacGregor (Part)

Apologies:

Category	Participants
Small Suppliers	Mike Gibson (as Alternate to Andrew Beasley)
Other SEC Parties	Howard Porter (as Alternate to Richard St Clair)
Ofgem (the Authority)	Dora Ianora

1. Minutes of SEC Panel Meeting 08_0905

The DCC suggested an amendment to the DCC Update section and the Panel approved the minutes subject to the amendment being included.

2. Actions Update

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.

3. Procurement of Competent Independent Organisation for the Security and Privacy Assurance for DCC Users

SECAS highlighted that this paper builds on a previous Panel paper that provided a high level overview of a DECC briefing paper on the security and privacy assurance of DCC Users. It is understood that through discussions with DECC, the Panel will have a requirement to procure a Competent Independent Organisation (CIO) to undertake the security and privacy audits of SEC Parties as part of User Entry Process requirements. The obligation is to be consulted upon in the SEC 4 Consultation due to be published by the end of June.

Having regard to the assessments being required in advance of Initial Live Operations (ILO), and noting that the CIO also needs to produce a Security Controls Framework to be used for the assessments, the paper proposed a procurement timetable starting from July 2014 with the CIO to be in place by December 2014. A number of assumptions underpinned the timetable as set out in section 3 of the paper, in particular that there is no requirement for the audit prior to commencing testing with the DCC, however it will be a requirement for completing User Entry Process Testing /Interface Testing and entering ILO.

The Panel discussed that commencing the procurement exercise in July was at risk, because the legal drafting in SEC 4 would not be concluded until October 2014. However, it was noted that once the SEC4 consultation and associated draft legal text had been published this risk would reduce. SECAS confirmed they would contact the security team at DECC in order to obtain early-sight of the SEC drafting, in order to provide a working framework to develop an understanding of the likely requirements.

The SEC Panel will also have an obligation to develop a Security Controls Framework (SCF), which could be initially developed by the CIO. This SCF would be made available to SEC Parties in order to be able to prepare for the audit. Noting that this document would need to be available sufficiently in advance of the audit exercise, the Panel agreed that it would be beneficial to start the procurement exercise sooner rather than later, although were mindful that not too many assumptions be made at this stage.

The Panel also noted that it is likely that the majority of Users will want to go through the audit at a similar time and therefore the CIO will require sufficient bandwidth to allow this to happen.

The Panel agreed that a sub-group of the Panel should be convened in order to assist with this procurement exercise. It was agreed that David Ross Scott, Simon Trivella, Eric Graham and Leyton Jones would form the sub-group.

The Panel Chair questioned whether the procurement of the CIO had been factored into the budget and SECAS confirmed that this is a new SEC requirement that had emerged months after the 3 year budget had been issued and therefore no provisions had been factored in for this activity or engagement. The Panel agreed for any cost to be allocated to the Security Sub-Committee provisions. SECAS also highlighted that as part of the reporting, the CIO could be a separate item within the SSC to provide clarity on where costs arose relating to that procurement and ongoing function.

A Panel Member questioned whether the CIO would be self-funded by Users or if it would be an ongoing SECAS cost. It was noted that the SEC4 consultation would provide further clarity around the cost of the CIO.

The Panel:

- **NOTED** the contents of the paper;
- **AGREED** that SECAS continues to discuss the anticipated SEC4 requirements with DECC;
- **AGREED** the proposed CIO procurement timetable and associated activities; and
- **AGREED** to establish a Panel sub-group for the procurement activities and that SECAS drafts a Terms of Reference for approval at the July meeting.

ACTION SECP09/01: SECAS to continue discussions with DECC regarding requirements for CIO in SEC4 consultation and request early-sight of SEC4 drafting

ACTION SECP09/02: SECAS to draft Terms of Reference for Procurement Panel sub-group for approval at the July Panel meeting

ACTION SECP09/03: SECAS to convene Panel sub-group in order to discuss CIO requirements and procurement exercise

4. Security Sub-Committee Establishment Update

SECAS provided the Panel with an update on the arrangements for the secondment of the existing DECC security resource working on the Programme. It was highlighted that the proposed period of secondment was 12 months + a further six and this had been agreed in principle by the Panel Chair. The proposal has been suggested to the resource for their consideration and Panel will be updated as that progresses.

The independent security experts currently providing resource to the Programme have also proposed a 12 month secondment. The Panel discussed the commercial aspects of this proposal under a confidential session.

The Panel:

- **NOTED** the contents of this paper; and
- **AGREED** for SECAS to engage further with DECC regarding the proposed secondment option.

5. SMKI Policy Management Authority Establishment Update

SECAS updated the Panel with progress on constituting the SMKI PMA, noting that the nomination process had completed and that all PMA Members will be confirmed in advance of the first meeting on 22nd July 2014. It was noted that representatives from TSEG and TBDG (as alternatives to SSC and TSC) were still to be finalised and would be discussed at their next meetings.

SECAS also highlighted that the contract for the engagement of the SMKI expert resource that DECC had used had been drafted and was being reviewed internally before requesting SECCo Board sign off. In outline, the contract is for one year with an option to extend a further six months and specifies commitment for 8 days a month for the first half of the year with the potential for reducing this for the remainder of the year depending on requirements.

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

6. Legal Advisor Procurement

SECAS highlighted that after the May Panel meeting, an RFI had been issued to eight legal firms in order to request proposals for providing general counsel to the SEC Panel plus the more specialist Public Key Infrastructure (PKI) support to the PMA if possible.

SECAS outlined that three responses had been received and that it may be beneficial to invite all three firms to present their proposals to a sub-group of the Panel rather than shortlist at this stage.

The Panel noted all the respondent companies had appropriate experience and could offer both general counsel and PKI advice. The Panel also noted that one of the proposals was of significantly higher cost and therefore it would be useful if SECAS could obtain further information on their proposal before inviting them to present.

The Panel agreed that the procurement sub-group set up for looking at the procurement of the CIO should be convened for supporting the procurement of the legal advisors.

ACTION SECP09/04: SECAS to convene a sub-group meeting for the legal advisors to present their proposals for providing legal support to the Panel.

7. Ofgem Consultation on Smarter Markets

As the consultation had not been published at the date of the meeting, this agenda item was not discussed.

8. SEC 3 Government Response

The Government response to the consultation on New Smart Energy Code Content (Stage 3) – Part B was published on 12th June 2014. SECAS provided the Panel with a presentation outlining the key conclusions from the response and the timeline for implementation of the content from the perspective of Panel obligations and activities.

As well as updated SEC provisions, a number of SEC Subsidiary Documents would be introduced six to three months prior to Systems Integration Testing (SIT) phase.

SECAS confirmed that a more detailed information paper would be brought to the July Panel meeting.

The Panel **NOTED** the presentation.

ACTION SECP09/05: SECAS to prepare a paper for the next Panel detailing the government conclusions to the SEC 3 consultation.

9. Code Administration Code of Practice (CACoP) Annual Review

SECAS provided the Panel with background to the review, in particular that CACoP Principle 4 requires each of the Code Administrators to undertake a review each year, taking into account the views of users of the Code.

SECAS outlined that this year's review process takes the form of a consultation and the two proposed questions were detailed in the paper. The Panel noted that the SEC and SECAS were bound to follow the CACoP, however, as the Code is in its first year of establishment, it may be unlikely that many responses would be received.

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** the two consultation questions set out in Section 3 of the paper be issued to SEC Parties on 16th June 2014.

ACTION SECP09/06: SECAS to circulate the CACoP consultation to all SEC Parties on 16th June 2014.

10. Change Board Update

SECAS provided an update from the third meeting of the Change Board held on 2nd June 2014.

Change Board are looking at processes to manage a complex suite of documents under the SEC, in order to ensure the Modifications process is as efficient and effective as possible. In addition, the process for interacting across the Sub-Committees needs to be designed in order that it does not unduly delay the progression of Modifications proposals, whilst providing for sufficient input from the Sub-Committee, and does not duplicate work during the refinement process. The Panel Chair highlighted that the Change Board's role is to manage the process of Change, whereas the Sub-Committees will act as the design authority for the suite of subsidiary documents.

The Panel questioned whether processes and procedures should be looked at under other Codes along with any lessons learnt regarding what works and what doesn't. SECAS confirmed that other industry codes processes had been considered.

The next Change Board will be held in September.

The Panel:

- **NOTED** the contents of the paper; and
- **NOTED** that the Change Board are continuing to develop a robust framework to support the efficient and effective operation of the SEC Modifications process in order to best achieve informed decision making in the Modification Process.

11. Testing Advisory Group (TAG) Update

SECAS updated the Panel on the TAG activities undertaken within the reporting period.

The first TAG meeting took place on 13th May 2014, at which the review process they would follow in order to report appropriately to the Panel was defined. TAG also introduced a RAID register which will be used as a technique to evaluate whether the content and coverage of the Approach Document meets the expectations of the TAG and whether any matters may need escalation.

The Panel noted that the forthcoming UEPT approach is not a formal document, however the DCC is producing the document to put context around the Common Test Scenarios (CTS). TAG had requested Panel to confirm that they informally review the User Entry Process Testing (UEPT) approach document as it would be expected to be broadly consistent with Interface Testing. The Panel agreed that an informal review of the UEPT document by the TAG and any feedback may inform development of related test Approach documents which will be brought to Panel for approval.

The Panel considered that the TAG should remain as originally envisaged with a finite duration pending the Technical Sub-Committee (TSC) being established. However, a Member noted that once the TSC was up and running and the technical documents and range of specifications were under SEC governance that a number of specialist work groups may exist under the TSC, which may include a test expert group. SECAS further highlighted that the forthcoming SEC3 legal draft would include updated requirements regarding testing, and this may better inform any continuance of the TAG.

The Panel:

- **NOTED** the contents of the paper;
- **NOTED** the process by which the TAG will provide the Panel with a recommendation about the SIT Approach document (as set out in the Appendix to the paper);
- **AGREED** the recommendation that the TAG should review, and informally feedback on, the UEPT Approach document to manage the relationship between this document and the IT Approach document; and
- **AGREED** that SECAS should look into the role of TAG in terms of the Government response to the SEC3 B consultation.

12. 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 and Panel Members to inform the Panel and SEC Parties of activities occurring in the SMIP. Two verbal updates were provided in relation to activities that had taken place since the paper was issued for the Smart Metering Delivery Group (SMDG) and the Test Design and Execution Group (TDEG).

SMDG

A teleconference was held on 12th June 2014 with the SMDG Members and a briefing was given on the IMF and the TBDG:

- IMF: the Joint Industry Plan version 1.2 has been baselined and work is proceeding to impact assess further change requests and review risk registers.
- TBDG: discussions continue around the size of the communications hub and that research showed that between 4 – 10% of premises would be effected if size is not reduced. Indications were that to reduce the size by 10mm there would be a consequential cost for reinforcing the CSP network of around £500 million.

DECC provided an update on the Great Britain Companion Specification (GBCS) which remains on track for publication on 8th July 2014 and has undergone a DCC proving exercise to be completed w/c 16th June 2014. 168 use cases had been addressed; of the issues still to address, only 7 are high priority. The Panel questioned whether outstanding issues could be addressed once the GBCS had been notified to the EU. DECC noted that issues could still be addressed and it is likely that further iterations of the GBCS will be published at some stage, although it is still being considered who would be the owner of the document. DECC clarified that the version notified to the EU will be of sufficient quality to allow device manufacturers to build systems for IT and that iterations beyond this version would be fairly insignificant.

The Panel Chair agreed to forward any reports received via the SMDG to Panel Members.

TDEG

SECAS provided an update on the discussions that took place at the TDEG. There continues to be a lot of concern over the overlap of Systems Integration Testing (SIT) and Interface Testing (IT) and work is ongoing to provide clarifications on this topic. Suppliers are concerned that if IT commences and issues subsequently arise in SIT, there may be implications for re-testing in IT.

A Panel Member also noted that there was concern over the lack of overlap between IT and End-to-End Testing as they may be faced with a wait following finishing IT before End-to-End can commence. DCC are talking to DECC regarding this however, the SEC already allows them to be run in parallel at the DCC's discretion. It was also noted that the earlier End-to-End testing can commence, the earlier meters could be ready for Initial Live Operations.

It was discussed that the CSPs test labs don't necessarily allow remote testing for Suppliers to test their own equipment. The SEC4 consultation will include drafting on allowing access to the WAN to remotely test as part of the End-to-End testing. It was confirmed that the Device Selection Methodology will be published in July and the CTS consultation will be published end of June.

It was also confirmed that the DSP is currently undertaking link and unit testing prior to formal Pre-Integration Testing starting in September.

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

13. 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 highlighted that further changes had been made to provide further clarity around areas of operational activity.

In addition, a new appendix had been added with a 'one page' view of the introduction of documents from the implementation of Cross Sector Product Inventory (CSPI) into the SEC. The Panel questioned whether there was a view of an enduring role for the CSPI and whether this would be administered under the Code. SECAS clarified that it was not intended that the CSPI continue under the SEC and the intention was for a configuration management document to be established which would hold information on all the SEC Subsidiary Documents and the related documents (e.g. Design Notes). This would include identifying who is responsible for overseeing the document's maintenance and where any disputes should be directed. The Panel Chair also highlighted that he had requested a matrix of all the obligations on SEC governance entities under the Code and how, or through what mechanism, they are being managed, and SECAS confirmed this is work in progress.

DECC confirmed they are undertaking a piece of work to look into the powers currently with the SMIP and how authority transitions into the enduring arrangements over a certain period of time.

DECC also confirmed that they were looking into further engaging Smaller Suppliers. The DCC are currently engaging with Smaller Suppliers and the Panel suggested that a document (leaflet/pamphlet) could be produced which outlines the obligations on the Suppliers under the SEC. It was suggested that DECC, the DCC and SECAS could coordinate to hold workshops for Small Suppliers on key areas of the programme.

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

ACTION SECP09/07: SECAS to arrange a workshop with DECC and the DCC regarding coordination for communicating with Small Suppliers.

14. DCC Update

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

DCC Progress Update

- A number of DCC consultations have closed including the Service Management Consultations and the Development Plan, Procurement Strategy, Revised Milestones and Common Test Scenarios consultations are all due this month.
- The Meter Selection Criteria has been drafted and the SIT Approach document is undergoing its second internal review. The TDEG also went through a UEPT page turn.
- The Statement of Coverage is due out this month along with a list of postcodes that will never receive WAN coverage.

On-boarding Proposal

The DCC are currently discussing providing additional support to SEC Parties during the initial phase of using DCC services. It was noted that this isn't a formal requirement although DECC are looking into the DCC potentially providing onsite support for a period of time along with increased level of reporting and information being distributed to Users. This will be subject to discussions at working groups and consultations.

Changes

DCC are currently in discussions regarding the following changes:

- Centralised registration
- Half hourly settlement
- Comms Hub Sizing
- Service Management

Regarding centralised registration, it was discussed that this had always been included in the DCC Development Plan although there are currently concerns over these changes occurring during peak roll out activities.

A Panel Member asked for an update on the suggestion not to introduce transactional charging. The DCC Member noted that the consultation had closed and responses had raised questions regarding billing systems and monitoring usage. There were varying views on the approach although they were

generally supportive, there were some against the proposal. There were also concerns that if the costs are smeared across Users fixed costs then Users may use more transactions than they forecast. It was confirmed that, if this approach is pursued, the intent was to review it annually and that would highlight whether this trend was developing and there would be the ability to change the charging arrangements. The DCC are currently working with DECC on how to take things forward.

The Panel **NOTED** the DCC Update.

15. SEC Party Update

The paper confirmed that applications had been received from the following organisations to accede in the category of Other SEC Party:

- IMServ Europe Ltd
- Utilisoft Alliance
- ElectraLink Limited
- Energy and Utilities Alliance
- Utility Funding Limited

In the week following publication of the paper, further complete applications for accession in the category Other SEC Party were received from;

- DNV GL
- Trilliant Networks Ltd
- Labrador Ltd
- Wheatley Associates Ltd
- Utility Partnership Ltd
- UK Meter Assets Ltd

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

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

16. SEC Party Engagement Day

SECAS updated the Panel on the arrangements for the Engagement Day to be held on Friday 11th July 2014. It was highlighted that the venue had been confirmed as the America Square Conference Centre and that the agenda for the day would be issued to Parties next week along with an invitation reminder.

The Panel **NOTED** the update.

17. Any Other Business

SECAS noted that the SEC Panel may wish to respond to the DCC letter inviting comment on the transactional charging proposal. Although the deadline had passed, it was noted that the SEC Panel

would be able to provide a response. The Panel agreed that a response should be sent which does not necessarily endorse the proposal however notes that the Panel in order to support whichever arrangement Parties indicate is their preference, Panel would look for assurance that not introducing transactional billing at this stage would not give rise to greater costs to introduce it at a subsequent date.

A Panel Member highlighted that some thought may be required regarding Small Supplier parties exceeding the threshold and falling into the Large Supplier category, for example clarity on any obligations that are 'turned on' by this. SECAS confirmed that within the coming year, it would certainly mean that Suppliers would be under the obligation to be ready for IT. It was confirmed it would be useful for Panel to have a view of what obligations would attach when this Small-to-Large Supplier event occurs and also how the Panel should be made aware a Small Supplier has (or is close to) exceeded the threshold.

A Panel Member enquired whether the Minutes could be issued to Parties earlier than following the next Panel meeting, as this means the information is out-dated by the time it is circulated. SECAS confirmed that the SEC is silent on the timing of the Minutes being issued and Panel had previously indicated the current approach, therefore they could revise the practice to their preferred timetable. Panel agreed the following process:

- Headline Report issued to Panel Members within 1 Working Day of the meeting (as current);
- Draft Minutes issued to Panel Members within 5 Working Days of the meeting (as current);
- Panel Member return comments/amendments within 5 Working Days;
- SECAS issues final Minutes to Parties within 10 Working Days of the meeting.

ACTION SECP09/08: SECAS to draft response from the SEC Panel to the DCC letter regarding the transactional charging proposal.

ACTION SECP09/09: SECAS to prepare a paper on the obligations which are turned on once suppliers exceed the threshold for becoming a Large Supplier and the process by which the SEC Panel are notified and bring to a future Panel meeting.

ACTION SECP09/10: Panel to provide response to draft Minutes within 5 WDs and SECAS to issue a final version to Parties 10 WDs following the meeting