Meeting SECP_18_1303, 13th March 2015

Gemserv, 8 Fenchurch Place, London, EC3M 4AJ

Final Minutes

Attendees:

Category	SEC Panel Members
SEC Panel Chair	Peter Davies
Large Suppliers	David Ross Scott
	Simon Trivella
Small Suppliers	Mike Gibson
Electricity Networks	David Lane
Gas Networks	Richard Pomroy (alternate) (via teleconference)
Other SEC Parties	Eric Graham
DCC	Paul French
Consumer Member	-

Representing	Other Participants
DECC (Secretary of State)	Duncan Stone
Ofgem (the Authority)	Nigel Nash
	Roberta Fernie (via teleconference)
Meeting Secretary	Alys Garrett
SECAS	Jill Ashby
	Sarah Gratte

Apologies:

Category	SEC Panel Members
Other SEC Parties	Hugh Mullens
Small Suppliers	Chris Welby (Alternate)

1. Minutes and Actions Outstanding

The SEC Panel noted that the draft minutes from the February SEC Panel meeting were agreed ex-committee on 27th February 2015 to allow SEC Parties to receive the final minutes prior to the next Panel meeting.

SECAS provided the SEC Panel with an update on the Actions Outstanding from previous meetings, noting that majority of the actions had been closed. The two that remain ongoing, including undertaking a Firmware Feasibility Study and producing a glossary of terms and acronyms were on track for completion.

2. Reliable Next Day Switching – Decision and Consultation

SECAS presented a paper to Panel which outlines the detail of the decision document published by Ofgem on Reliable Next Day Switching. The paper also provided an overview of the consultation on the Target Operating Model published alongside the decision document, with a draft letter in response to the consultation for Panel approval.

SECAS highlighted that Ofgem will be developing processes and arrangements prior to the formal working group arrangements being put in place later in the year. It was also noted that Andrew Wallace would be attending the Panel meeting in April to provide further insight into the arrangements outlined in the Ofgem consultation.

The Panel discussed that it would be appropriate for a work package to be produced for approval by the Board to release the funds for SECAS to support Ofgem in its process development where appropriate. It was highlighted that clear deliverables and outputs would be developed over time.

There was further discussion on the scope of the programme and it was highlighted that this excludes industry code consolidation as this will be considered separately. Although excluded from the scope of the project, a Panel Member noted that the assumption that code consolidation would occur by incorporating other Codes into the SEC should be questioned and additional thought would be required.

The Panel:

- **NOTED** the contents of the paper;
- **AGREED** the response to the Ofgem consultation set out in Appendix A; and
- **AGREED** liaison with Ofgem in the short-to-medium term to further define the support offered in the Panel response letter subject to approval of the SECAS work package by the SECCo Board.

ACTION SECP18/01: SECAS to send on behalf of the SEC Panel the letter in response to the Target Operating Model consultation.

ACTION SECP18/02: SECAS to produce a work package for approval by the Board to undertake liaison with Ofgem to further define the support to be offered by the Panel throughout the programme.

3. End-to-End Industry Operating Model Options

SECAS produced a presentation for the Panel following an action to present options for the development of an end-to-end industry operating model at the request of industry. The presentation had the aim of seeking the Panel's views on a preferred approach for taking it forward.

SECAS presented an example of a contextual model approach with the option to overlay more detail for different industry roles and links between other code processes.

A Panel Member questioned the need for the models as the detail of the processes can be found in the legal drafting of the Code. It was noted that the tool would be of an educational nature rather than a reference document which would involve a high level of maintenance.

SECAS highlighted that the models would not set out the step-by-step processes however just provide the events that are required for specific scenarios. The Panel noted that this would help to provide context for smaller Parties.

The Panel agreed that SECAS should produce models for a number of scenarios and request feedback before taking the project any further. The model scenarios should be placed on the website for Parties to access.

The Panel:

- **NOTED** the contents of the presentation;
- **AGREED** that SECAS should produce a number of trial models and circulate to Parties for feedback.

ACTION SECP18/03: SECAS to produce a number of trial scenarios e.g. Change of Supplier and circulate to Parties for feedback

4. SEC Panel Risk Register Update

SECAS presented the Panel with the updated Risk Register and highlighted the amendments following a recent review. It was also noted that two new risks had been added due to the DCC Replan.

The Panel requested that the Risk Register should be kept under review on a monthly basis and will be added as a standing agenda item.

The Panel discussed some of the specific risks noting that:

- the likelihood for risks 1, 2 and 5 should be reduced to 2; and
- the risk register should be reviewed following the publication of the outcome of the DCC replan.

The Panel discussed the risk regarding inability for the Panel to fulfil specialist SEC activities such as appeals, and requested that SECAS provide further detail on the appeal routes outlined in the SEC.

The Panel:

- **NOTED** the contents of the presentation;
- **AGREED** that the SEC Panel Risk Register should be reviewed on a monthly basis; and
- **AGREED** that SECAS should provide further detail on the appeal routes outlined in the SEC.

ACTON SECP18/04: SECAS to review the SEC Panel Risk Register on a monthly basis

ACTION SECP18/05: SECAS to provide a paper on the appeal routes detailed in the SEC

5. Code Administration Code of Practice – Update and New Principle 13

SECAS presented the CACoP update paper noting that the annual review process had concluded with the Authority publishing the revised version on 26th February 2015.

The paper also outlined the proposal for a new principle 13 to cover cross Code coordination with regard to modifications that may impact other Codes. The Panel agreed with the inclusion of the new principle however questioned how it would work in practice e.g. would one of the Code Administrators assume a 'lead role' in order to coordinate with other Code Administrators if a Modification was raised that would impact other Codes.

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

6. Transition Governance Update & DCC Replan Update

The Transition Governance Update is a standing agenda item which is intended to inform the SEC Panel and SEC Parties of the activities occurring in the SMIP. Paper [SECP_18_1303_06] consolidates headline updates from all of the Transition Work Groups attended by SECAS and the SEC Panel Chair in the last month including an overview of any relevant publications and consultations.

SECAS highlighted that since the publication of this paper, TPMAG[1], SMDG[2] and TSIR[3] meetings had been held for which verbal updates were provided by SECAS and the Panel Chair and will be included in the next month's Transition Governance Update.

SECAS also presented the Panel with an update on the outcomes of the DCC Replan published on 5th March 2015. The Panel discussed the governance arrangements for approving contingency, noting that the Secretary of State would have ultimate approval. The potential for constraining launch was also discussed. The Panel noted that the planning assumption was that the launch would not be constrained however there is an inevitability with a large programme such as this that there may be a need to constrain launch to allow initial issues to be overcome.

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

7. SMKI PMA Update

SECAS noted that the paper provided to the Panel included the verbal update presented at the last Panel meeting for completeness. A verbal update on the meeting held on 10th March 2015 was provided noting that the main item of business was a review of the draft DCC Key Infrastructure Certification Practice Statement.

The Panel noted that the SMKI and Repository Testing Approach Document would be published for consultation and that both the SMKI PMA and the Testing Advisory Group for consistency would review and provide feedback on the document.

The Panel discussed whether the TAG should also review the End-to-End Testing Approach Document (ETAD) when it is published for consultation and it was agreed that the TAG should review so that they can provide a consistent view across all documents.

The Panel **NOTED** the contents of the paper and the verbal update provided.

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[1] Transitional Policy Management Authority Group
[2] Smart Metering Delivery Group
[3] Technical Specifications Issue Resolution Sub-Group

ACTION SECP18/06: SECAS to add the ETAD review to the TAG's order of business

8. Operations Report – February 2015

The Operations Report is a standing agenda item to inform the SEC Panel and SEC Parties of operational activities that have taken place in the last month in support of the SEC and the total amount of resource effort.

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

9. DCC Update

The DCC provided an update on its progress and other activities undertaken since the last Panel meeting including:

- The outcomes of the DCC replanning activities were published on 5th March 2015, with service provider negotiations ongoing. The DCC is required to provide details of the timescales, costs and incentives agreed to DECC and Ofgem by the end of April however they are aiming to complete discussions by the end of March
- Informal Adoption and Enrolment meetings had been taking place and the DCC are expecting a direction from the Secretary of State to undertake the feasibility study
- A progress update was provided on the DCC Service Providers noting that they were all on track with Pre Integration Testing ongoing.
- The DCC User Interface Specification and its associated Message Mapping Catalogue will be issued for consultation at the end of March.

The Panel discussed the availability of meters for testing and it was noted that the aim was to use actual devices rather than test stubs however, it has been discussed that the Device Selection Criteria may be too restrictive.

The Panel discussed the setup of the Smart Metering Device Assurance and its scope and it was noted that the SMDA will not test the functionality of the meter, only its operability with the DCC and will not be used for meters for testing.

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

10. Accessions Update

SECAS noted that the following organisations would be admitted to the SEC as Parties following the execution of an Accession Agreement by the SECCo Board:

- G4S Utility and Outsourcing Services (Other SEC Party)
- Gazprom Energy (Small Suppliers)

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

11. AOB

The Ofgem representative highlighted the following to the Panel:

- In their December forward work plan consultation Ofgem set out that that they were considering if further work was needed to establish if governance issues are impacting delivery of change and result in barriers to entry. They also submitted a working paper to the Competition and Markets Authority (CMA) on code governance in December. The CMA has recently published its energy market investigation updated issues statement and included a new theory of harm: 'The broader regulatory framework, including the current system of code governance, acts as a barrier to pro-competitive innovation and change' and published a working paper. Ofgem are actively engaging in the CMA process and also expect to consult with industry on governance issues, including related to the points they have been raising with CMA, in Q1 2015.
- On 25th February Ofgem published a discussion paper on Non-traditional business models. The closing date for responses is 20th May 2015.

SECAS presented the Panel with feedback received from the Spotlight on the SEC seminar session held on Thursday 5th March 2015 noting that there had been a very positive response.

SECAS also noted that the Design Phase Report from the DCC CIO had been discussed by TSEG and would be presented to the Panel in the next couple of months. The Panel requested that a pipeline of meeting agenda items that require a Panel decision is produced for the short term.

ACTION SECP18/07: SECAS to produce a pipeline of Panel agenda items.

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