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SEC Panel Meeting 39

Meeting SECP_39_0912, 9th December 2016

10:00 – 13:00, Gemserv, 8 Fenchurch Place, London, EC3M 4AJ

Final Minutes

Attendees:

Category	SEC Panel Members
SEC Panel Chair	Peter Davies
Large Suppliers	Simon Trivella
	Adam Carden
Small Suppliers	Andrew Green (Alternate)
	Mike Gibson
Electricity Networks	David Lane
Gas Networks	Hilary Chapman
Other SEC Parties	Mike Woodhall
	Hugh Mullens
Consumer Member	Morgan Wild (Observer)
DCC	Paul Hawkins

Representing	Other Participants
BEIS (Secretary of State)	Duncan Stone
	Patrick De Nijs
Ofgem (the Authority)	Raymond Elliot
	Gwen Cruise
	Laura Nell (Part)
Meeting Secretary	Mertcan Agir
SECAS	Sarah Gratte
	Jill Ashby
	Alys Garrett

	David Barber
	George MacGregor (part)
	Sasha Townsend (part)
	Samuel Browne (part)

Apologies:

Category	SEC Panel Members
Large Suppliers	David Ross Scott
Small Suppliers Parties	Eric Graham

1. Minutes and Actions Outstanding

The minutes from the November 2016 Panel meeting were approved via ex-committee decision, noting that suggested changes were included in the final minutes.

SECAS provided the Panel with an update on the Actions Outstanding from previous meetings, noting that the majority of the actions had been closed, with the outstanding actions on target for completion and/or updates to be provided under respective agenda items. A brief update was provided on the following actions:

Action reference	Update
SECP23/08	The Panel were informed the Information Policy was sent for legal review and will be sent to the Information Commissioner's Office. Feedback will be provided to the January 2017 Panel meeting.
SECP32/07	The latest cross-code administrator meeting was held on 24 th November 2016. The initial draft of the Forward Work Plan that Code Administrators are developing was discussed. It was noted that further work is required and further updates will be provided at future Panel meetings.
SECP33/02	The Panel were informed that initial discussions were held between SECAS and the Department for Business, Energy, and Industrial Strategy (BEIS) over the anticipated handover for the management of the Technical Specifications in mid-2017. SECAS noted that they will determine the appropriate steps and develop a handover plan for the management of the Technical Specifications to be presented to the Panel in January/February 2017.
SECP38/07	SECAS informed the Panel that this action can now be closed following the submission of the R1.3 consultation response on 5 th December 2016.

2. Industry Code Governance: Initial Consultation on Implementing the CMA's Recommendations

Ofgem presented the Panel with an overview of the Initial Consultation on Implementing the Competition and Markets Authority's (CMA) recommendations, and highlighted key areas of consideration for the SEC. It was noted that the main principles set out include introducing a single body responsible for delivering code and system changes that benefit consumers with Ofgem playing more of a strategic role.

It was noted that setting a strategic direction was an immediate priority, as this would support regulatory certainty. It was noted that the consultative board would help deliver the strategic direction by developing a joint industry plan, with the cross-code forward work plan that code administrators are currently developing being a good start.

Ofgem highlighted that an Industry Workshop will take place on 12th January 2017, with the consultation to close on 1st February 2017. It was noted that Ofgem were conscious of over-burdening industry with further consultations, and therefore, would use existing forums, such as the code panels, to further engage and socialise proposals and approaches with industry. It was also noted that Ofgem are continuing to work with BEIS on the legislative options, including requirements and timescales.

The Panel discussed the four models set out by Ofgem to introduce licencing of the code managers and agreed Model 2 would be the most appropriate for the SEC. This would involve 'permissive' licenses, with Ofgem to grant licenses to all applicants that demonstrate basic requirements "creating a pool of licensees", then, other bodies would run tender for individual contracts. The Panel noted that the contract for the Code Administrator for the SEC was competitively procured and Model 2 was the closest arrangement to the SEC requirements. It was noted that there could be a blurring of responsibility if Ofgem were to appoint a Code Manager for the SEC that the Panel would hold a contractual relationship with.

Ofgem noted that the licencing regime would enable the aligning of code management with consumers' interests, whilst still servicing the industry as code administrators do today via a contractual model. The Panel noted that an ongoing relationship between the code manager and the code panel should enable the code administrator to be accountable to the Panel regarding the day to day activities of the running of the Code. A licencing arrangement with Ofgem would then allow accountability for cross-code change and alignment with the strategic direction and joint industry plan.

Regarding the consultative board, a Panel Member raised that adding another layer of governance in order to delivery industry change may not achieve the benefits intended and questioned whether consolidating governance arrangements would be more beneficial. Ofgem noted that the Consultative Board would enable the facilitation of cross-code change, and the Panel noted it would be important to avoid increasing the scope and keep running costs to a minimum.

The Panel Chair **AGREED** to draft a response to the Ofgem consultation on implementing the CMA's recommendations for discussion at the January 2017 Panel meeting.

ACTION SECP39/01: SEC Panel Chair to draft a response to the Ofgem consultation for review and discussion at the January 2017 Panel meeting.

3. Impacts on SEC Panel and Operations

The Panel were provided with an overview of the consultations issued in November 2016 and matters that have arisen that may have an impact on the SEC Panel, SEC Parties, and related obligations.

SECAS informed the Panel that on 11th November 2016, the DCC issued the Draft Initial Enrolment Project Feasibility Report (IEPFR) for consultation. The paper set out the key areas included in the consultation and highlighted areas that may impact the Panel. It was noted that the Security Sub-Committee (SSC) would review the security aspects of the consultation and would submit a response following the review if required. The Panel agreed that they should incorporate any feedback from the SSC in a Panel response. SECAS agreed to provide the feedback from the SSC and draft a response to submit to the Panel for review.

When further detail is provided on the necessary changes to the SEC arising from the Enrolment and Adoption project, the Panel may choose to input further, specifically in relation to the process by which the changes are made.

The Panel:

- **NOTED** the contents of this paper; and
- **AGREED** a response to the IEPFR consultation is required from the Panel, subject to the feedback received from the SSC.

ACTION SECP39/02: SECAS to provide the Panel with feedback from the SSC and draft a response to submit to the Panel for review on the IEPFR consultation.

4. User CIO Assessment Report

The Panel were provided with the report, response, and the recommendation of the SSC for the organisations following their Full User Security Assessment. This was in order for the SEC Panel to review and set the assurance status of the Parties in relation to its compliance with each of their obligations under SEC Sections G3 to G6 in the relevant User Role. The User Security Assessment Report and User Security Assessment Response are classified as SSC Red and were provided to the Panel via Egress. SECAS reiterated that the information provided is strictly confidential and should not be discussed outside of the Panel meetings. The Panel's decision on the two assurance statuses are documented in the confidential minutes. It was noted that the Panel's decision will be communicated to the assessed Parties.

The Panel noted the Confidential Evidence Update appendix of the Parties that have already undergone a User Security Assessment under the SSC.

The Panel:

- **NOTED** the contents of the paper; and
- **NOTED** the contents of the Confidential Evidence Update of SEC Parties that have already undergone a User Security Assessment and provided an Evidence Update to the SSC;
- **AGREED** upon an assurance status for the Party following the consideration of the confidential documentation (Confidential Appendix 2, User Security Assessment Report, User Security Assessment Response, and SECAS User Response Validation) provided via Egress; and

- **AGREED** upon an assurance status for the Party following the consideration of the confidential documentation (Confidential Appendix 3, User Security Assessment Report, User Security Assessment Response, and SECAS User Response Validation).

5. Security Assessment Thought Piece

SECAS presented the Panel with a number of considerations in relation to supporting Small Suppliers through their security and privacy assessments, as part of the User Entry Process, by the User Mandate. It was noted that currently, the processes in place are working, however some areas are time-consuming. From Small Supplier engagement days held in November 2016 it was noted that there is a varying level of understanding across the Small Supplier community on what is required. SECAS informed the Panel that further work will need to be undertaken and additional papers will be presented to the SEC Panel as the areas in this paper progress.

SECAS highlighted the time constraints for the SSC in dealing with the number of Parties set to go through the Security Assessment procedure. It was noted that 74 Small Suppliers acceded to the SEC, however, it remains unclear on how many Small Suppliers are active and how many Small Suppliers will therefore be going through the security assessment process over the next 12 months to meet their User Mandate. The Panel further noted that BEIS are yet to publish the consultation outcome of the non-domestic opt-out consultation which may increase the number of Parties which require security assessments. The Panel agreed to ask the DCC for Registration Data to help inform the number of Parties expected to go through the process.

SECAS highlighted that further engagement with Parties may help with the understanding of the requirements and general engagement with the process. This would include more engagement sessions as well as tailored communication and guidance. It was also noted that the Security Controls Framework (SCF), currently an appendix to an overarching document, could be separated into a separate document with Parties being asked to read and acknowledge they have read the SCF prior to undertaking an assessment.

It was also suggested that SECAS circulate a Request for Information to inform both scheduling arrangements and User CIO capacity requirements. The capacity requirements set out within the User CIO contract are based on volume estimates made in summer 2014. It was noted that the Panel may wish to refine these profiles based on current estimates to allow capacity planning and any supporting contractual amendments to be made.

The Panel agreed to circulate a Request For Information (RFI) to Small Suppliers and Other Users, requesting information on when they are expecting to be ready to undertake an assessment. The RFI would also request whether they intend on using a Shared Service Provider to inform estimates of timescales for each Party to undertake their assessment.

The Panel recommended that an educational piece would provide guidance to Small Suppliers and noted Small Suppliers must undertake the assessment with the evidence provided from the Shared Service providers. It was further noted that the User CIO Assessments could be held in London Offices rather than the client site. The Panel noted this would be optional for Parties. To potentially save costs for the Parties, SECAS highlighted they would hold further discussions with the User CIO regarding the available Assessment locations outside of London.

SECAS informed the Panel they will undertake the proposed activities agreed by the Panel and provide an update on progress at subsequent Panel meetings. Any updated documentation will be provided to Parties and made available to download from the SEC Website. SECAS will continue to

liaise with the User CIO, the Panel, the SSC and Parties to ensure that the security assessment process can be navigated in an efficient and understandable manner.

The Panel:

- **NOTED** the contents of this paper;
- **AGREED** to request registration data from the DCC for the purpose of determining a number of active Small Suppliers who may require assessments;
- **AGREED** that the SSC determine the appropriate timing for the year 2 assessment as discussed in section 3.3; and
- **CONSIDERED** the implications of transferring the location of all assessments to the User CIO offices in London as discussed in section 4.1.

ACTION SECP39/03: SECAS to provide Small Suppliers with guidance material on the User CIO process.

ACTION SECP39/04: The SSC to determine the appropriate timing for the year 2 assessment as discussed in section 3.3

ACTION SECP39/05: The DCC to provide information for the Registration Data.

6. Draft SEC Panel Budget 2017-2020

SECAS presented the Panel with the latest version of the Draft Budget for the next three Regulatory Years (April 2017 to March 2020). This version included the timetable from December 2016 up to April 2017 and included the amendments requested from the previous Panel reviews.

The Panel approved the figure that will be submitted to the DCC for inclusion in the Draft Charging Statement, the Indicative Charging Statement and the Indicative Budgets to be published in January 2017. The Panel also approved the Draft Budget for SEC Party consultation to be issued in January 2017.

The Panel:

- **NOTED** the contents of this paper;
- **APPROVED** that SECAS provides the total figure of the draft budget to the DCC for publication in the January 2017 Draft Charging Statement, the Indicative Charging Statement and Indicative Budgets; and
- **APPROVED** that the Draft Budget is issued to SEC Parties for consultation.

ACTION SECP39/06: SECAS to provide the total figure of the Draft Budget to the DCC for publication in the January 2017 Draft Charging Statement, the Indicative Charging Statement and Indicative Budgets.

ACTION SECP39/07: SECAS to issue the Draft Budget to SEC Parties for consultation in January 2017.

7. SEC Panel Risk and Issue Register

The Panel were provided with the updated Risk Register and Issue(s) log, following the monthly review by SECAS. The Panel were informed that there were two new proposed risks for the Panel Risk Register this month:

- **Risk #26** - The DCC is unable to deliver the changes required for a Release impacting SEC Release timescales; and
- **Risk #27** - The User CIO may not be able to support all Small Suppliers through the Security Assessment process in order for them to meet the DCC User Mandate of DCC Live + 12 months.

The Panel approved the following risks. SECAS highlighted that a number of risks had been updated, with a change to the wording of Risks 19, 23, 24 and 25 in the Risk Register, following the completion of the R1.2 DCC Live activities. SECAS informed the Panel that further amendments may be required following the outcomes of the revised approach to the delivery of DCC Release R1.3

The Panel:

- **NOTED** the contents of this paper; and
- **AGREED** the amendments to the SEC Panel Risk Register and SEC Panel Issues Log.

8. ID Allocation Procedure Update

The Panel were presented with an update to the ID Allocation Procedure following the approval of Modification Proposal (SECMP0020) by the Change Board, to remove confidential classification clauses placed in SEC Schedule 5 (Accession Information).

Following the Panel consideration of the proposed amendment to the ID Allocation Procedure, and the associated consultation and approval process, SECAS proposed to create two new columns within the ID Allocation Excel Spreadsheet. These two columns (Electricity MPID and Gas MPID) would deliver the associated changes that SECMP0020 enables. The Panel noted and approved the proposed changes for consultation with Parties in the timetable set out in the paper.

SECAS informed the Panel that unique identifiers including Electricity MPID and Gas identifier will be made available on the SEC Website via the ID Allocation Procedure Excel Spreadsheet. SECAS informed the Panel that MPIDs may not be immediately available to new entrants, therefore the field in the ID Allocation Spreadsheet would be updated once the MPIDs were known and provided by the SEC Party in the market during the procedure of ID Allocation.

The Panel:

- **NOTED** the contents of this paper,
- **APPROVED** the proposed amendment set out in Section 3 of the paper; and
- **AGREED** that SECAS issue the amended ID Allocation Procedure for consultation to the proposed timescales set out in Section 4 of the paper.

ACTION SECP39/08: SECAS to issue the amended ID Allocation Procedure for consultation to the proposed timescales set out in Section 4 of this paper.

9. Panel Information Policy Update

The Panel were provided with an update on the Panel Information Policy. Following the meeting in November, the SSC requested that a further amendment is made to the wording and rules associated with the RED level classification.

SECAS provided the Panel with a proposed amendment to the wording of the RED level classification, as defined in the Panel Information Policy, to allow alternates of committee members to be provided with access to RED documentation and for committee members to be able to discuss RED documentation outside the meeting but only with the other committee members. SECAS included the proposed changes in the supporting appendix of this Paper and proposed the following changes to the Panel:

- RED level information may only be discussed in a meeting, where all present participants have signed a declaration form to agree with terms.
- The Meeting Participants must not disseminate the information outside of the governance group and should not discuss the information with anyone who is not a member of the governance group.
- RED classification documents will be distributed via Egress.

The Panel noted the proposed amendments and approved the amendments to the Panel Information Policy.

The Panel:

- **NOTED** the contents of the paper; and
- **APPROVED** the amendments to the Panel Information Policy.

10. Terms of Reference Update

The Panel were provided with a summary of the changes made to Sub-Committee Terms of Reference (ToR), following approval of the Panel Information Policy in November 2016 and subsequent approval of the amendments as proposed under agenda item 9. The ToR have also been updated to amend all mentions of the Department of Energy and Climate Change (DECC) to the department for Business Energy & Industrial Strategy (BEIS). Following the discussions, the Panel approved the amendments to be made to all Terms of Reference.

The Panel:

- **NOTED** the contents of this paper; and
- **APPROVED** the amendments to all Terms of Reference.

ACTION SECP39/09: SECAS to make amendments to all Terms of Reference.

11. Release Management Update

The Panel were presented with an update in relation to Release Management, including a proposed way forward in relation to the scoping and content of the initial enduring SEC Releases. The paper also included an updated table, providing an overview of the earliest Releases that BEIS led changes,

DCC Internal Changes, and SEC Modification Proposals could be included in. This table had been updated in light of Panel's comments during discussions at the November 2016 Panel meeting.

Following discussions with BEIS, SECAS informed the Panel that it had been proposed that the Panel consult with Parties on amendments to two Transitional Variations that are currently set to June 2017. The DCC had highlighted that they were unlikely to resolve one of these variations (the EUI-64 Identifier issue) prior to the November 2017 release and therefore, the Panel agreed to consult on a change to the end date of the variation from June 2017 to the November 2017 Release, as agreed in principle at the October 2016 Panel meeting. The Panel discussed who would be best placed to consult on the amendment as this was a transitional variation rather than an enduring matter. The Panel agreed to consult on the amended date for the variation, with the responses collated and submitted to BEIS to inform the decision.

The Panel discussed that it is too soon to consult on an amended end date for the transitional variation in relation to the Self Service Interface (SSI) as there had not been confirmation from the DCC that they were unable to meet the current end date. It was agreed that the Panel should recognise this within the consultation document submitted to Parties.

A Panel Member raised a query on the coupling of the TSG2 and dual-band Communications Hub changes set for the February 2018 release that was agreed at the November 2016 Panel meeting. Following user feedback there was concern on whether they should remain coupled and whether the Panel should consult with Parties on the matter, due to the concern that delivery of one set of changes may slip. BEIS noted this matter could be taken through TBDG.

The Panel:

- **NOTED** the contents of this paper; and
- **AGREED** to consult SEC Parties on the changes to the dates for the removal of the transitional variations in relation to the SSI and EUI-64 (User ID) variations, prior to writing to BEIS / SoS to confirm the approach to be taken.

ACTION SECP39/10: SECAS to consult on the amendment to the end date of the transitional variation in relation to the use of EUI-64 Compliant identifiers.

12. Modification and Release Management Thought Piece Update

The Panel were updated with the progress on the agreed action areas arising from the Modification and Release Management Thought Piece ("Thought Piece"). This included a highlight on the areas that have seen progress and/or completed actions.

Action Area 2 – Pre-Modification / Issues Process Usage

Following the November 2016 meeting, for Action Area 2 – *establish a combined group to look at 'issues' and pre-modification matters*, SECAS highlighted the proposed approach to the Panel. This included establishing an Issues Resolution Sub-group (IRS) to cover both discussions on issues and pre-modification matters. SECAS had provided a draft Terms of Reference, with input from the TABASC Chair, for discussion and approval.

A Panel Member queried the management and involvement of the IRS in relation to the Modification Process, to ensure that the role of the Working Group is not diminished. It was clarified that information on the technical solutions of Modification Proposals could be shared with the IRS and its input could then be provided to TABASC for review and to help inform its views on Modification Proposals as part of the Modification Process. A Panel member queried whether the establishment of

the IRS had been budgeted for in the 2017/18 budget, SECAS confirmed that it had not been budgeted for as its inclusion would be subject to the agreement of the IRS being established. The Panel noted concerns around establishing the IRS too early and instead agreed that an issue form be made available to SEC Parties, with SECAS providing Critical Friend support initially on such matters and then raising them with the appropriate existing Panel Sub-Committee. The volume of issues would be monitored and the need for the IRS re-visited at a later date.

Action Area 5 – Setting Timetables and Progression Priority

SECAS updated the Panel on the approach for setting Modification Proposal progression timetables, highlighting that depending on the type and complexity of the change longer or shorter modification progression timetables could be set.

In instances where a Modification Proposal is raised that needs to have a shorter timescale due to a higher priority, SECAS will capture such an approach in the Initial Modification Report for the Panel to consider. A recent example would be SECMP0023 where a shorter progression timetable was put forward in light of the nature of the Modification Proposal and in recognition of the pre-work that had gone into developing it at the Technical Specification Issue Resolution Sub-group (TSIRS) prior to it being raised.

Following the provision of such information, it would then be part of the Panel's initial considerations to determine if such an approach was appropriate. In these situations, if the Panel agreed a timetable that the Proposer disagreed with, it is appealable to the Authority (as per SEC Section D4.2).

Action Area 9 and 10 – SEC Parties Obstructing the Process

SECAS noted that the Modification Working Group member pack was in the final stages of development and would aid Working Group members in their understanding of the process and their role. It was noted that the content would be shared with the Panel for information once complete.

Action Area 14 – DCC Timescales for Analysis

It had been noted that the delays in the delivery of DCC Preliminary Assessments (PAs) and Impact Assessment (IAs) has continued. It is still expected that from now and following the completion of the R1.x sequence of releases next year, that the DCC should return PAs and IAs within the timescales indicated in March 2016, whereby a PA should take 23 Working Days (WDs) and IAs should take 44 WDs to deliver. This is expected to progress modifications through the Modification Process more efficiently.

SECAS noted that in relation to DCC IAs, that the matter of DCC cost granularity and rationale requires greater detail. It was noted that this granularity was absent in the Draft Modification Reports for SECMP0004, SECMP0008 and SECMP0011. It would then be up to the Panel to decide whether to return the Draft Modification Reports for further work to ensure this detail is included.

Release Frequency

The Panel considered the release frequency and whether consideration should be given to only have up to two Releases per year containing DCC/User System and/or Device changes, leaving the third release for more procedural or governance matters.

The Panel discussed the options, noting that the DCC are undertaking work to consider the impacts, risks and costs to support different testing environments. The Panel decided that no decision should be made on release frequency until the testing environment information had been provided by the DCC.

New Action Areas - Enhancing the TABASC role to be a 'Design Authority'

The Panel considered a new action area that arose from discussion between SECAS and the TABASC Chair, around the TABASC role being enhanced to fulfil a Design Authority role.

Following discussions on the new Action Area, the Panel agreed that SECAS should discuss the matter further with the TABASC to establish the need and associated requirements for this Design Authority function, with a focus on the requirements, scope and detail on the potential role.

The Panel:

- **NOTED** the contents of this paper;
- **AGREED** the revisions to the Modification Working Group ToR (provided in Appendix C);
- **AGREED** the proposed options and supporting draft revision to the Panel RMP for release frequency (provided in Appendix D);
- **AGREED** to issue the draft changes to the Panel RMP for a 15 Working Day consultation following the provision of supporting information from the DCC; and
- **AGREED** for the TABASC and SECAS to develop the potential additional Design Authority roles and functions.

ACTION SECP39/11: SECAS to provide an issue form on the SEC Website and to monitor volumes to help inform if and when the IRS should be established in the future.

13. SEC Modification – DCC Assessments

The DCC provided the Panel with an update on the progress with the production of Preliminary Assessments (PAs) and Impact Assessments (IAs) (together 'DCC assessments') for SEC Modification Proposals currently in the Refinement Process.

The DCC advised that three Target Modification Proposal dates had been delayed for the following Modification Proposals:

- SECMP0007 (Firmware updates to mandates HAN (Home Area Network) and SECMP0010 (Introduction of triage arrangements for Communication Hubs) which now have a revised Target PA delivery date of 20th January 2017; and
- SECMP0015 (GPF (Gas Proxy Function) timestamp for reading instantaneous Gas values) with a revised Target PA delivery date of 23rd January 2017.

SECAS informed the Panel that the modification progression timetables for these Modification Proposals will be reviewed to assess any impact from the delayed assessment delivery dates.

The DCC highlighted they are working on the Preliminary Assessments (PAs) and Impact Assessment (IAs) and noted that they are currently producing the assessments in the order that they are requested and it was highlighted that if there was a need to prioritise the sequencing of the assessments they would support that.

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

ACTION SECP39/12: SECAS to review the delayed DCC Assessment delivery dates and make any necessary amendments to the modification progression timetables for consideration at the January Panel.

14. Modification Status Report – December 2016

The Panel were provided with an update on the status and progress of Modification Proposals going through the Modification Process.

In November and December 2016, 17 modifications were undergoing the Refinement Process, one modification was brought to the Panel as Initial Modification Reports (IMR) and three as Draft Modification Reports.

The Panel were also informed that SECMP0003 was officially withdrawn on the 11th November 2016, with SECMP0020 and SECMP0022 to be implemented on 14th December 2016 following approval by the Change Board. The Panel also noted the changes made to Section 4 of the paper, following feedback from the Panel at previous meetings.

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

15. Modification Proposals – Initial Modification Reports

SECAS presented the Panel with an Initial Modification Report (IMR) to discuss and determine how the modification should be progressed through the Modification Process. The modification raised is listed below:

- SECMP0025 – Electricity Network Party Access to Load Switching Information

SECAS advised that it has recommended that the proposal is progressed as a Path 2 'Authority Determined' modification. SECAS provided an overview of the proposed solution for SECMP0025. It was highlighted the modification seeks to enable Electricity Network Parties to have access to information from the Smart Metering System relating to load switching carried out by Smart Meters or Smart Meter connected Devices. It also proposes that the Smart Metering System informs Electricity Network Parties when changes are made to existing load switching regimes.

The Panel discussed the business need for this modification and requested that the Working Group discuss and expand on the justification set out within the Modification Proposal prior to developing a technical solution.

Following consideration, the Panel confirmed that the Modification Proposal should be submitted into the Refinement Process.

The Panel:

- **NOTED** the contents of the paper; and
- **APPROVED** the determination for the Modification Proposal, as set out in the IMR for SECMP0025.

16. Modification Proposals – Draft Modification Reports

SECAS presented the Panel with three Draft Modification Reports (DMRs) to discuss and determine how the modifications should be progressed following completion of the Refinement process.

The following DMRs were returned for further clarification in relation to the Panel's observations on the DCC cost, further consideration of the business case narrative and user testing requirements:

- SECMP0004 – Inclusion of Device Serial Number data item in the Smart Metering Inventory;
- SECMP0008 – Provision of a DCC Alert (formerly Service Request Error Response) for Quarantined Service Requests; and
- SECMP0011 – Including the MAP ID in the Smart Metering Inventory.

The DCC noted that they are working with SECAS to ensure the appropriate level of information is provided in regards to the Impact Assessments (IAs)..

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

17. DCC Update

The DCC presented the Panel with an operational update on the activities undertaken by the DCC since the last Panel meeting, following DCC Live in the North Region. It was highlighted a Test Assurance Board (TAB) meeting will take place on 12th December 2016 to review progress against the work off plan from R1.2, including progress against any outstanding defects.

It was highlighted the consultation on proposals for R1.3 closed on 5th December 2016 and the DCC are preparing the conclusions and aiming to submit to BEIS in the week commencing 12th December 2016. The DCC highlighted to the Panel that testing is in underway for all Regions and progressing well. The DCC also notified the Panel that the second Independent Suppliers Day will be held on 12th December 2016.

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

18. DCC Reporting

The Panel were provided with a paper that included reports issued to the Panel from the DCC, as required by the SEC. The Certificate Signing Request (CSR) Variance Report for October 2016 was provided in Appendix A. The DCC Performance Measurement Report – October 2016 (marked DCC Controlled and which the DCC published on 25th November 2016) was provided in Appendix B of the paper, setting out the Service Levels achieved in respect of each Performance Measure.

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

19. BEIS Update

BEIS presented the Panel with an update on the forthcoming consultation and response documents, and upcoming key milestones. It was noted that the SEC consultation response relating to Section N Initial Enrolment Project Feasibility Report (IEPFR) was issued on 23rd November 2016.

It was also noted that BEIS are looking to publish the consultation response on the remaining areas of the SEC and Licence consultation in December 2016. The Local Consumer Access Device (CAD) Pairing consultation response is also expected to be published by January 2017. BEIS also mentioned the upcoming publication of the Smart Metering Energy Efficiency Advice Project (SMEEAP) is expected on Q1 2017, with further updates to be provided in the upcoming Panel meeting.

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

20. Operations Report – November 2016

SECAS presented the Panel with the Operations Report for November 2016. The report provides an outline of SECAS activities undertaken in support of the SEC and includes a breakdown of days by driver, product, and grade.

SECAS outlined the amendments that have been made throughout the Operations Report this month in order to aid readability. The Panel commented on the changes, noting that they were happy with the amendments and they improve the usefulness of the report.

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

21. Security Requirement Analysis BS7858

The Panel were provided with the requested analysis performed against the SEC requirement for Users to screen certain User Personnel compliant with the British Standard BS 7858:2012. SECAS highlighted that a number of Network Parties have sought clarity over the intent of the obligation, and whether it should apply to them, questioning whether they have the capability to affect the supply of gas or electricity. The Panel were informed that the Department for Business, Energy and Industrial Strategy (BEIS) sought legal advice on the correct interpretation of SEC Section G4.1 and G4.2, which was presented to the SSC:

- Where User Personnel with access to User Systems is **authorised** to carry out activities which mean they are **capable** of compromising DCC, User, Registration Data Provider Systems or any Device in a way that **could affect (directly or indirectly)** energy supply they should be cleared to BS7858.

Each of the items in bold interpreted the following:

- **Authorised:** the activity the person performs that is capable of leading to an effect on energy supply must be part of their authorised role.
- **Capable:** the activities must be capable of compromising that system in such a way that the event of compromise could affect energy supply.
- **Could affect (directly or indirectly):** it need only be possible that energy supply be impacted, the event of Compromise must be the cause of the effect on energy supply, there might be a number of steps between that event and the ultimate impact on supply.

The Panel were informed that the SSC produced Use Cases to determine whether certain User Roles could affect supply and noted these had not been shared due to their confidential nature. It was highlighted if the Panel decided to make a determination and share details with Parties, evidence of the conclusions should be brought forward. This would allow the Network Parties to review, challenge and/or accept the proposals made.

A Panel Member highlighted a number of Network Parties were concerned and required direction on the Risk Assessment carried out by the SSC. The Panel directed SECAS to provide further guidance on the Risk Assessment provided by the SSC.

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

ACTION SECP39/13: SECAS to provide further guidance on the Risk Assessment carried out by the Security Sub-Committee in relation to the BS7858 requirement.

22. User Entry Process Update

SECAS informed the Panel of the process that SEC Parties will follow to inform the Code Administrator that they have successfully completed the User Entry Process (UEP) for the particular User Role (or User Roles) that they wish to act in when using the DCC System. The paper provided the Panel with an update that no SEC Parties have completed and returned the UEP Evidence Form prior to the December 2016 Panel meeting. SECAS highlighted that a standing agenda item will be provided to each Panel meeting to inform the Panel of the SEC Parties that have completed the UEP.

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

23. SEC Panel Role in DCC Live

SECAS presented the Panel with an overview of the duties to be performed by the Panel through the testing phases leading up to DCC Live and beyond during the Release 1.x sequence. SECAS noted that this month the paper had been updated to show the completion of the R1.2 activities. The Panel were also informed that the approach for Release 1.3 is currently out for consultation and the paper will be updated following the publication of the conclusions.

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

24. Configuration Management Update

SECAS provided the Panel with a paper providing a configuration management update on the new SEC content designated by the Secretary of State in November 2016. The latest SEC version released in November 2016 was SEC 5.0. This took effect on 8th November 2016, for DCC to go live in the Central and South Regions for Import Suppliers and Gas Supplier. The full scope of DCC Live Release 1.2, including the activation of the North Region was concluded on 25th November 2016,

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

25. Change Board Update

SECAS provided the Panel with an update on the Change Board meeting held on 23rd November 2016. During the meeting the Change Board considered and voted on SECMP0020 'Removal of the confidential classification of the unique identifiers listed in SEC Schedule 5' and SECMP0022 'Expanding SMKI PMA membership and removing Alternate restrictions'.

SECAS informed the Panel of a concern raised by the Change Board in relation to SECMP0022 and the Modification Report not highlighting other possible mitigations to the risks of SMKI PMA Members not being able to deliver the responsibilities of the Sub-Committee. The Panel noted that, going forward, SECAS should ensure that all mitigations and solutions that have been considered by a Sub-Committee, or other body, are included in the Modification Report, particularly for Modification Proposals that proceed straight to Modification Report Consultation.

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

26. SMKI PMA Update

SECAS presented the Panel with a paper on the Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) meeting held on 8th November 2016. The SMKI PMA's main focus was an update on the operational activities and processes associated with the SMKI service. SECAS noted that relevant steps would be undertaken in order to appoint the nominee for the vacant Small Supplier seat on the SMKI PMA.

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

27. TABASC Update

SECAS provided the Panel with a paper on the Technical Architecture and Business Architecture Sub-Committee (TABASC) meeting held on 17th November 2016. The TABASC's main focus was a status update on the Business Architecture Document (BAD) content and on the proposed approach for the TABASC to review the effectiveness of the End-to-End Technical Architecture.

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

28. Security Sub-Committee Update

SECAS presented the Panel with a paper on the Security Sub-Committee (SSC) meetings held on 8th, 9th and 23rd November 2016. The SSC provided an update on the Initial Enrolment Project Feasibility Report (IEPFR), Security Controls Framework (SCF) and agreed Interpretations (AIs).

Due to time constraints, the SSC were unable to discuss agenda items including the Security Incident and Vulnerabilities, which will be discussed at the next SSC meeting to be held on 14th December 2016.

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

29. Testing Update

SECAS presented the Panel with a paper providing an update on the testing progress occurring within the last month. This included an update in relation to SMKI and Repository Entry Process Testing (SREPT) and completion of User Entry Process Testing (UEPT).

The Panel:

- **NOTED** the contents of this paper;
- **NOTED** the contents of confidential Appendix A for SREPT; and
- **NOTED** the contents of confidential Appendix B for UEPT.

30. Smarter Markets Project Update

SECAS provided the Panel with the monthly overview on the activities undertaken in support of the Smarter Markets project, including developments of the design period, as well as an update on the three design teams set up to support the Blueprint Phase. These are the Business Process Design, Delivery Strategy, and Switching Regulatory Design.

It was noted that SECAS are continuing to work to support the detailed specification work of the programme.

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

31. Transitional Governance Update

The Panel were provided with an update of the transition governance entities and other smart metering related meeting and workshops attended by SECAS and the Panel Chair in the last month.

This included a verbal update, provided by the Panel Chair, on the Smart Metering Delivery Group (SMDG) meeting held on 8th December 2016, which will be included in the January Transitional Governance Update Paper.

The Panel Chair noted that a concern had been raised by an SMDG member to be raised to the Panel regarding ordering and delivery of Communication Hubs. It was noted that an issue had arisen where Parties were having Communications Hubs delivered with old versions of firmware that would require updating prior to installation. It was highlighted the Suppliers are required by the SEC to keep their orders within a certain threshold of their forecast, however rather than receive Communications Hubs that require upgrading, they would rather amend the orders. The Panel noted that due to the issues with the ordering and delivering of Communications Hubs, the view would be relaxed in regards to any breach of the SEC. A Panel Member highlighted wider concerns in regards to the Communications Hub ordering process, creating challenges to manage the transition period.

The DCC noted that steps have been taken forward to address this. It was noted that a further review will be provided in the upcoming Panel meeting in January 2017. The Panel Chair also acknowledged the DCC for providing a number of Parties with assurance following Release 1.2.

32. SEC Panel Activity Planner

The Panel were provided with the SEC Panel Activity Planner as the standing agenda item providing a high level overview of the forthcoming SEC Panel activities and a forward look at Panel agenda items for the next three months, based on the latest information available.

The Panel **NOTED** the contents of the two appendices to this paper.

33. SEC Party Update

The Panel **NOTED** that the following organisations would be admitted as Parties to the SEC following countersignature of their Accession Agreement by the SECCo Board:

- DNASTREAM Limited (Other SEC Parties)
- Dual Energy Direct Limited (Small Supplier)
- Simble Solutions UK Ltd (Other SEC Parties)
- Total Energy Gas Supplies Limited (Small Supplier)
- CNG Electricity Limited (Small Supplier)
- Daligas Limited (Small Supplier)

The Panel also **NOTED** that Co-operative Energy Limited have declared themselves as a Large Supplier Party.

34. Any Other Business (AOB)

The Ofgem representative, Gwen Cruise, notified the Panel that she will be transitioning out of her current role and would attend the upcoming Panel meetings with her replacement to aid the transition.

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