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SEC Panel Meeting 40

Meeting SECP_40_1301, 13th January 2017

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
	Alex Travell
Small Suppliers	Eric Graham
	Mike Gibson
Electricity Networks	David Lane
Gas Networks	Hilary Chapman
Other SEC Parties	Mike Woodhall
	Hugh Mullens
	Tom Thorp (Observer)
DCC	Paul Hawkins

Representing	Other Participants
BEIS (Secretary of State)	Duncan Stone
	Patrick De Nijs
	Julian Hughes (part) (via teleconference)
Ofgem (the Authority)	Michael Walls
	Gwen Cruise
DCC	Graeme Liggett (part)
SSC Chair	Gordon Hextall (part) (via teleconference)
Meeting Secretary	Mertcan Agir
SECAS	Sarah Gratte

	Alys Garrett
	Adam Lattimore
	David Barber
	George MacGregor (part)
	Phillip Twiddy (part)
	Sasha Townsend (part)

Apologies:

Category	SEC Panel Members
Large Suppliers	David Ross Scott
Ofgem (the Authority)	Raymond Elliot

1. Minutes and Actions Outstanding

The minutes from the December 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
SECP39/02	The Panel were informed that the Security Sub-Committee (SSC) will not formally respond to the IEPFR consultation. However, following discussions at the meeting on 10th February 2017 in accordance with SEC Section N2.12 they will provide confidential advice to the DCC on the security annex.
SECP39/03	The Panel were informed that work is currently in progress to identify and produce the relevant guidance material for the Small Suppliers in relation to the User CIO security assessment process. The Small Supplier Panel Members offered to provide a first review of guidance that is produced prior to publication.
SECP39/04	An action was taken by BEIS to seek legal advice on the timing of the Security Assessments after the initial assessment. The Panel were informed, via legal advice from BEIS, that the year 2 Security Assessments must take place in the following calendar year. For example, a User who concludes an initial Full User Security Assessment in January 2017 must undertake a year 2 assessment by 31st December 2018.

SECP39/07	The Panel were informed that the Draft Budget will go out for consultation in week commencing 16th January 2017 following discussions at the Panel meeting.

2. Event of Default

The Panel were provided with an overview of an Event of Default in relation to SEC Section M8.1. The next steps were confidentially discussed by the Panel and the determinations are documented in the confidential minutes.

3. Security Requirement Analysis BS7858

SECAS and the Security Sub-Committee (SSC) Chair provided the Panel with further information on analysis undertaken by the SSC against the SEC Requirement for Users to screen certain User Personnel in a manner that is compliant with British Standard (BS) 7858:2012 or equivalent, following discussions at previous Panel meetings in relation to Security Assessments.

The Panel were informed that legal advice was provided by BEIS and discussed by the SSC as part of their determinations. It was noted that the SSC had discussed three Use Cases in order to determine whether, if the scenario materialised, Network Operators would be able to directly or indirectly affect the supply of energy. The Panel were provided with the Use Cases in a RED appendix due to their sensitive nature. Due to the SSC determination that in one of the scenarios energy supply could be affected, it was noted that the obligation for screening in a manner compliant with BS7858:2012 should remain for Network Operators. The Panel agreed with the determination of the SSC, noting that the further information on the Use Cases was helpful.

A Panel Member highlighted that it would be helpful to provide guidance on the expectations and the timeline of the Security Assessments. The SSC Chair informed the Panel that the relevant updates to the Security Controls Framework (SCF) have been drafted and will be published following the Panel determination. It was also noted that further guidance could be provided to the Network Operators in regards to the timing of compliance with the obligation. It was noted that the SSC had discussed that due to the potential for Parties to have to introduce new policies within their organisation, Network Operators would not have to implement this standard in their first Full User Security Assessment.

SECAS noted it would contact Energy Networks Association (ENA) to inform them of the outcome of the conversations in relation to the applicability of the requirement on SEC Parties to screen certain personnel in a manner compliant with BS7858.

The Panel:

- **NOTED** the contents of this paper; and
- **APPROVED** the SSC's determination that G4.2 should remain as an obligation on each User.

ACTION SECP40/01: SECAS to contact Energy Networks Association (ENA) to inform them of the outcome of the conversations in relation to the applicability of the requirement on SEC Parties to screen certain personnel in a manner compliant with BS7858.

4. Technical Specification Maintenance

SECAS provided the Panel with the proposed plan for the handover of the software and processes developed by BEIS, to SECAS in relation to the ongoing maintenance of the Technical Specifications and the GB Companion Specification. This handover is expected to be completed by June 2017. Julian Hughes as the BEIS Chief Technical Officer (CTO) joined the discussion via teleconference. SECAS highlighted the software and processes have been developed to maintain the most detailed level information within the Great Britain Companion Specification (GBCS) and the Smart Metering Equipment Technical Specifications (SMETS) in a consistent and accurate manner.

SECAS informed the Panel that the project seeks to ensure that the current software and processes are handed from BEIS to SECAS in an efficient and managed manner. SECAS further highlighted that it had set out the assessment of resource impacts for the handover activities and has validated these with BEIS. SECAS informed the Panel that the software toolset has been developed by the BEIS SMIP team and is currently maintained by an individual. In the short term, it was noted that the handover would focus on the existing toolset and documentation, with a longer term look at how the toolset and documentation could be improved or enhanced. The Panel requested that the handover, should inform the development of a set of requirements to help inform whether a new or enhanced toolset is needed. It was noted that this activity would be undertaken with no predetermination that a change to the toolset would be required.

SECAS informed the Panel that there are risks associated with the transition of this activity from BEIS to the SEC Panel and SECAS which will be added to the SEC Panel Risk and Issue Register, including mitigation measures. It was noted that an estimated 100 days from SECAS Resources will be required to conduct the handover of the software and processes for maintaining the Technical Specifications and GBCS.

SECAS informed the Panel of the handover activities and ongoing operational activities which included an indication of ongoing resource requirements as set out in Section 6 of the paper. Following a query raised by a Panel Member, it was confirmed by SECAS that there is sufficient resource for the operational activities within the SECAS team for the 2017/2018 budget. SECAS requested that for the handover project activities that the Release 2 activities project provision is used until the end of the 2016/2017 financial year. In addition, SECAS recommended that for the 2017/2018 budget an additional SECAS Project provision of £60k be included within the Draft Budget to cover the remaining handover activities from April to June 2018. The Panel questioned whether £60k would be sufficient for the handover project and whether an increased provision should be included. Following discussions, it was agreed that any further spend required to complete the handover activities and set requirements for any enhancements to the toolset, could be taken from the contingency provision. This was preferred, rather than increase the overall costs set out in the budget.

The BEIS CTO informed the Panel that the software has been developed using Visual Basic in Excel and noted that this method was chosen due to the software and Visual Basic expertise being readily available. Following discussion between Panel Members, it was noted that the documents and toolset will require management by individuals with extensive knowledge of GBCS and other technical specifications. SECAS noted that it has individuals in the Community of Experts that will help to maintain and generate the changes to the Technical Specifications and GBCS, and as part of the handover activity this knowledge should be absorbed into the SECAS Core Team. It was also noted that education sessions will also take place between BEIS and SECAS as part of the handover to aid knowledge transfer.

The Panel questioned whether any obligations and requirements should be placed on SECAS to ensure that they maintain a toolset to manage the Technical Specifications. SECAS agreed to look at any amendments that may be required to the contract to support this activity. It was also noted that the toolset should also be captured as a SECCo asset.

The Panel agreed to implement the transitional approach and the short term software and process proposals set out in Sections 3 and 4 of this paper.

The Panel:

- **NOTED** the contents of this paper;
- **AGREED** that SECAS implements the proposals set out in this paper to take over responsibility for Technical Specifications from BEIS; and
- **AGREED** for the relevant updates to the Draft Budget be made prior to circulation of the Draft Budget Consultation in January 2017.

ACTION SECP40/02: SECAS to include the Technical Specification Maintenance in the SEC Panel Risk and Issue Register.

ACTION SECP40/03: SECAS to update the Draft Budget to include the handover project for the Technical Specification Maintenance prior to circulation of the consultation.

ACTION SECP40/04: SECAS to determine any contractual amendments required to capture the maintenance of the Technical Specifications.

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

SECAS presented the Panel with a draft response for approval to Ofgem's consultation on the Competition and Market Authorities (CMA's) recommendations for code governance arrangements. This was provided as a supporting appendix in the paper.

The Panel Chair and a number of the Panel Members had attended the Industry Workshop on 12th January 2017 covering the aspects included within the Industry Code Governance Consultation, including the introduction of a licensing regime across the industry Codes. It was noted that there were discussions on the need for licensing and whether the outcome would be better achieved via other means e.g. a review of the industry code objectives. The Panel Chair proposed some further wording to be included within the Panel's response to the consultation and SECAS agreed to send the amended response for Panel approval prior to submission.

The Panel:

- **NOTED** the contents of this paper;
- **CONSIDERED** the wording of the draft response provided as Appendix A of this paper; and
- **AGREED** that the response is submitted to Ofgem before the response deadline of 1st February 2017.

ACTION SECP40/05: SECAS to send the amended draft response to the Panel for approval prior to submission to Ofgem before the deadline of 1st February 2017.

6. Impacts on SEC Panel and Operations

The Panel were provided with an overview of the consultation conclusions issued in December 2016 that, may have an impact on the Panel and their responsibilities in relation to the SEC. Specifically, this month the paper provided the Panel with an update on the BEIS decision in relation to the Smart Metering Implementation Programme (SMIP) contingency request for Release 1.3 (R1.3) and the BEIS response to the September 2016 Consultation and associated SEC amendments.

R1.3 Conclusions

It was noted that the R1.3 conclusions included the revised governance approach which includes the Panel approving the exit of Systems Integration Testing (SIT) and retrospectively validating the date in which the DCC met the entry criteria for End-to-End (E2E) Testing. The four-week End-to-End Testing period would then commence from the confirmed date. It was noted that in the non-contingent plan the governance activities would take place between 6th March 2017 and 17th March 2017.

The Panel were informed that the plan now includes an additional four-week period of E2E testing following SIT exit prior to the release of R1.3 into the production environment. The Chair highlighted that he had contacted BEIS requesting clarification on whether the Panel would have a role in the R1.3 Live decision, similar to that for the R1.2 decision making process.

Following discussions, it was agreed that the Panel would consider the input and recommendations from the Testing Advisory Group (TAG) when making the necessary determinations on the testing phases. A Panel Member pointed out that further clarification on the timescales for activities, including when documentation would be provided would be useful. SECAS noted that it will co-ordinate with the DCC and BEIS on determining a timeline for the governance arrangements.

It was further noted that there are a number of control points within the plan with decisions and determinations to be communicated through the Smart Metering Delivery Group (SMDG) and the Implementation Managers Forum (IMF).

September 2016 Consultation Outcomes

SECAS noted a number of items for information that the Panel should note following conclusion on the September 2016 Consultation on SEC and Licence Amendments. This included the new activity for SECAS to publish the Parse and Correlate Applicability Matrix when provided by the DCC. It was also noted that a number of new dispute and appeal routes would be included within the SEC and therefore, SECAS will update the matrix available on the SEC Website for guidance to Parties once the legal text comes into force.

The Panel:

- **NOTED** the contents of this paper;
- **APPROVED** the agreed amendments of the R1.3 plan; and
- **AGREED** the Governance Approach for R1.3 with support from TAG.

7. ID Allocation Procedure

SECAS presented the Panel with the four responses received to the consultation on the amendments to the ID Allocation Procedure following the implementation of SECMP0020. It was noted that a number of minor changes had been made to the procedure that had been provided to the Panel for approval.

SECAS highlighted that one response requested that the procedure should place an obligation on SECAS to ensure that SEC Parties keep their MPID information up to date. However, it was noted that SECAS have an obligation, SEC Section M6.5, to take reasonable steps to identify any errors or omissions in each Party's Details, and notify the Party as such. Therefore, there is no need to replicate the obligation within the procedure.

The Panel:

- **NOTED** the contents of this paper;
- **DISCUSSED** the responses provided as Appendix B of this paper; and
- **APPROVED** the amended ID Allocation Procedure v1.2 for publication on the SEC Website.

ACTION SECP40/06: SECAS to publish the amended ID Allocation Procedure on the SEC Website.

8. SEC Panel Risk and Issue Register Update

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 no new proposed risks for the Panel Risk Register this month.

SECAS highlighted that a number of risks had been updated, following the consultation outcomes from the 'Consultation on a revised approach to the delivery of DCC Release 1.3'. SECAS also noted that the Risk Register will be updated with the risks highlighted in regards to the handover of the Technical Specification Maintenance discussed under agenda item 4.

The Panel:

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

9. DCC Reporting

The Panel was provided with the reports issued to the Panel from the DCC as required by the SEC. SECAS highlighted this month's paper included a new Service Request Variance Report and information on the Deployed Products List.

SECAS noted that an exception had been reported in the CSR Variance Report November 2016 requiring a Panel determination on whether to redact the information on the exception prior to publishing.

Whilst the DCC Live and R1.3 beds in with services not being fully utilised, it was agreed that a 12 month period of redaction as default would be applied to both the CSR Variance Report and the Service Request Variance Report.

Going forwards, the Panel requested that they have visibility of each exception, however the individual exceptions would be redacted for publishing. Included within the published document would be a summary of the exceptions e.g. by Party Category. The DCC agreed to provide this going forward.

The Panel:

- **NOTED** the contents of this paper; and
- **AGREED** to redact the relevant sections of the CSR Variance Report – November 2016 prior to publication.

10. Release Management Update

The Panel were provided with an update on the progress made with the planning of the enduring release following DCC Live. The Panel were informed that the focus of the update was on User Testing of Modification Proposals.

SECAS highlighted additional changes and testing will be added into the SEC as part of the changes arising from the September 2016 BEIS consultation. These changes will, subject to completion of the parliamentary process, be designated in February 2017. Among these changes will be more explicit requirements around testing needs and requirements for modifications, whereby Modification Proposers and Working Groups will need to consider what testing is needed. While the DCC as part of any analysis it provides will cover testing of its systems, User testing requirements will need to be considered as well. To aid Proposers and Working Groups it was proposed that high level User testing principles should be developed to provide a starting point for the consideration of the appropriate level of User testing. The User testing may then be expanded or adapted based on the specifics of the modification. Once the User testing is identified this would then enable the costs associated with the User testing to be captured within analysis provided by the DCC.

It was recommended that these testing principles are developed with the input and aid of the Testing Advisory Group (TAG) and TABASC. Once the testing principles have been developed an update would be provided at a subsequent Panel meeting, with an indication of the most appropriate way to document the principles, whether it be in guidance, changes to the Panel Release Management Policy and/or specific SEC sections.

SECAS noted that for Modification Proposals, SECMP0004, SECMP0008 and SECMP0011, the discussions on User testing that are taking place in relation to these modifications will be factored into the wider work on User testing.

Finally, it was noted that the wider work on release frequency is still ongoing. It was noted that at the SMDG meeting, the DCC attendee made reference to a DCC Release Strategy consultation which would look at the costs of supporting two to three scheduled releases a year including the necessary testing environments. It was noted that at the December meeting the expectation was that this work by the DCC would feed into a joint Panel and DCC consultation as the matter would affect what the Panel consults on in relation to Release Management, and how frequently releases contain DCC System and/or User System changes can occur. The DCC Panel Member agreed to confirm who at the DCC was working on the release and testing environments piece to help ensure that the work feeds into and supports the Panel's considerations of the matter.

The Panel:

- **NOTED** the contents of this paper; and
- **AGREED** that SECAS commence work to develop the User testing principles.

ACTION SECP40/07: SECAS to commence with the work to develop the User testing principles.

11. Modification Progression Timetable Review

The Panel were provided with an update on the progression timetables of a number of Modification Proposals. This also included an overview of all the Preliminary Assessments (PAs) and Impact Assessments (IAs) that the DCC have and are currently undertaking on the three modifications.

SECAS noted that in addition to reviewing the timescales for the three Modifications Proposals that were sent back into the Refinement Process, at the December 2016 meeting, for further work on the User testing, DCC cost granularity and the case for the modification, that the timescales for other modifications have been reviewed in light of delays in the delivery of DCC Preliminary Assessments (PAs) and other activities that have taken longer to complete than expected. This review, in turn, has meant that the approved progression timetables for a number of modifications required updates and extensions.

A Panel Member queried whether the SEC set out timescales for the delivery of DCC analysis. SECAS clarified that set timescales are not contained within the SEC currently. It was suggested by the Panel Member that consideration could be given to adding in timescales to the SEC, noting that even without a prescribed timescale that the turnaround times for DCC analysis should improve post Release 1.3.

The Panel noted that the delays were a result of the capacity of the Service Providers to handle significant concurrent change. The Panel discussed the options available to DCC, including the need for the DCC's Annual Service Report to highlight Service Provider performance in relation to supporting the modifications process.

The Panel agreed the proposed revisions to the progression timetables for the modifications contained within the paper.

The Panel:

- **NOTED** the contents of this paper; and
- **AGREED** the proposed revisions to each Modification Proposal progression timetable.

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. SECAS highlighted the tracker table provided in the supporting appendix of the paper provides key updates on the progress made on the various thought piece action areas. The main body of the paper focused on implementation dates.

Action Area 7 – Implementation Dates

The Panel discussed who decides on the implementation date, and how many there are. It was noted by BEIS that the SEC requires one implementation date, which is then confirmed as part of the Authority decision on the change.

The Panel noted that SECAS will update the Modification Proposal form to provide clarity and guidance to aid Proposers when they consider implementation approaches by providing indicative timescales for the different Modification Proposals (i.e. for those impacting DCC and/or User Systems). SECAS noted that the implementation dates will be considered further and revised if required as the Modification Proposal goes through the process per the provisions within SEC Section D.

A Panel Member queried what was happening with the CACoP quarterly metrics and how these are reported. SECAs noted they were provided to Ofgem who then publish all the different Code Administrator submissions. A Panel Member queried whether some analysis should be done to highlight if and where SECAS performance may not be at the same or greater level than other Code Administrators.

SECAS agreed to review the full year metrics and provide a commentary to the Panel at the next meeting, noting that the most appropriate place for this may be the Operations Report.

The Panel:

- **NOTED** the contents of the paper; and
- **DISCUSSED** the updates provided in the paper.

ACTION SECP40/08: SECAS to provide commentary on the Full Year Metrics following the next quarter's metrics.

13. SEC Modifications – 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. This is a standing monthly update that provided the Panel with the expected delivery dates of DCC Assessments and any applicable rationale for any changes, as requested by Working Groups in accordance with SEC D6.9.

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

14. Modification Status Report – January 2017

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

In December 2016 and January 2017, SECAS highlighted that there are 24 active Modification Proposals, including 18 modifications undergoing the Refinement Process and five Modification Proposals being brought to the Panel as Initial Modification Reports (IMR).

The Panel were informed that the Change Board recommended to the Authority that SECMP0016 ''Consideration of 'Maximum Credit'' should be approved on 21st December 2016. The Modification Proposal is currently with the Authority (BEIS) for determination and if approved would be implemented on 1st April 2017. SECAS highlighted the Working Group Consultation for SECMP0021 "Increase Other SEC Party representation for TABASC and SSC" closed on January 2017 and the responses will considered and returned to the Panel at its March 2017 meeting.

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

15. Modification Proposals – Initial Modification Reports

SECAS presented the Panel with five Initial Modification Reports (IMRs) to discuss and determine how they should be progressed through the Modification Process. The modifications raised are set out below.

SECMP0026 - Changes to the Security Sub-Committee Nomination Process

SECAS provided an overview of the proposed solution for SECMP0026. It was highlighted the modification seeks to alter the current Security Sub-Committee's (SSC) member nomination process, to grant the SSC with authority to reject nominees who do not have sufficient security expertise and would require the nominee to undergo security vetting. Following discussions, it was agreed for the modification to proceed to Modification Report consultation and that it is progressed as a Path 3 'Self-Governance' modification.

SECMP0027 - Amending Service Request Forecasting

The Panel were provided with a summary of Modification Proposal SECMP0027, this seeks to amend the Service Request forecasting provisions. The Panel noted an implementation date of November 2018 and that the actual implementation date will be dependent on the DCC Preliminary Assessments (PA) and Impact Assessments (IA). The Panel agreed that it should proceed as a Path 2 'Authority Determination' modification and agreed that it proceeds into the Refinement Process.

SECMP0028 - Prioritising Service Requests

It was highlighted SECMP0028 seeks to introduce Service Request prioritisation, for those that have a direct impact on the Consumer experience (i.e Prepayment Top up) and place a higher priority over non-critical Service Requests. The SEC Panel agreed that it should proceed as a Path 2 'Authority Determination' modification due to the change relating to the security of the Supply Energy and Smart Metering Systems. The Panel also agreed that it should proceed into the Refinement Process.

SECMP0029 - Business Continuity and Disaster Recovery Testing Amendments

SECAS provided an overview of the Modification Proposal for SECMP0029; this seeks to amend the DCC obligations on the Business Continuity and Disaster Recovery (BCDR) and ensure that the Service Requests (SRs) are processed by the DCC as soon as possible to reduce the impact on the customers. It was questioned whether the Modification Proposal could be progressed as Path 3 'Self-Governance', due to the potential financial costs associated with the change. Following discussion between the Panel Members, it was agreed that it should progress as a Path 2 'Authority Determination' modification and proceed in to the Refinement Process.

SECMP0030 - Demand Management of DCC Systems

The Proposer of SECMP0030 joined the meeting to provide an overview of the modification and to provide further detail on the rationale. It was highlighted this Modification Proposal was raised based on the provisions within SEC Sections H3.27 'prioritisation by the DCC of Service Request and Service Responses' and L8.11 'prioritisation by the DCC of Certificate Signing Request'. Although it was noted that the requirements were being removed. The Proposer highlighted that the modification recommends an enduring solution to protect the DCC system in the event aggregate demand cannot be met. Following discussion, it was agreed that it should proceed as a Path 2 'Authority Determination' modification and proceed in to the Refinement Process.

The Panel also provided a view that SECMP0028 and SECMP0030 could be rationalised into a single modification, noting that this would be subject to Proposer agreement. Finally, the Panel noted that

SECMP0027, SECMP0028, SECMP0029 and SECMP0030 would be considered alongside each other by the same Working Group members due to them being related to the same subject matter.

The Panel:

- **NOTED** the contents of the paper; and
- **APPROVED** the determinations for the Modification Proposals, as set out in the IMRs for SECMP0026, SECMP0027, SECMP0028, SECMP0029 and SECMP0030.

16. DCC Update

The DCC presented the Panel with an operational update on the activities undertaken by the DCC since the last Panel meeting. It was highlighted the conclusions on R1.3 consultation were approved by BEIS and published on 20th December 2016 and for the November 2017 Release, the DCC stated discussion through the TDEG was required with the Industry for the User Integration activities.

It was also highlighted an update for the DCC Competent Independent Organisation (CIO) will be provided in the upcoming meeting and an Initial Enrolment Project Feasibility Report (IEPFR) industry workshop was hosted on 6th December 2016.

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

17. BEIS Update

BEIS presented the Panel with an update on the recent publications, this included the consultation response on the Early Rollout Obligation (ERO) which concluded on 12th December 2016 and the Smart Meter Statistics to the end of September 2016 published on 22nd December 2016. BEIS highlighted the key upcoming publications, this included the Local Consumer Access Device (CAD) Paring expected in January 2017.

Following a query raised by a Panel Member, BEIS confirmed it would provide more information on when the BEIS Annual Statistics report would be published. A Panel Member also queried whether there was any further information on when the new and replacement obligation will apply, currently expected for mid-2018. The BEIS representative noted that this remained the expectation.

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

18. Operations Report – December 2016

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

SECAS informed the Panel that the total number of resource days in December 2016 was 440.73. SECAS highlighted high level of activity for supporting parties who are in the Security Assessment process as part of User Entry Process with engagement of the User Competent Independent Organisation (CIO). The Panel also noted that there was high activity on the development of Business Architecture Document (BAD) in December 2016 in preparation for the second release of content. It was noted that a workshop will take place in January 2017 to review the model development to date.

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

19. User CIO Assessment Report

SECAS provided the Panel with a high level overview of the User Security Assessment process, when evidence is required to be brought back following an initial assessment. The Panel were provided with an update on the SEC Parties that have submitted evidence to the Security Sub-Committee (SSC).

The Panel's decision was documented in the confidential minutes. It was noted that the Panel's decision will be communicated to the SEC Parties.

The Panel:

- **NOTED** the contents of this paper; and
- **NOTED** the contents of the Confidential Evidence Update of SEC Parties supplementary paper that have already undergone a User Security Assessment and provided an Evidence Update to the SSC.

20. 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 Release 1.2 governance processes and the revised Release 1.3 approach which had been concluded on, however, will be updated in the following month, once the legal text has been confirmed.

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

21. 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 December 2016. The latest SEC versions released in December 2016 were SEC 5.1 and SEC 5.2. These took effect on 14th December 2016 and 21th December 2016, respectively.

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

22. Change Board Update

SECAS provided the Panel with an update on the Change Board meeting held on 21st December 2016. The Panel were informed that SECMP0016 'Consideration of "Maximum Credit" value in credit cover calculation' was approved following the vote by the Change Board and is currently with the Authority for determination

SECAS informed the Panel, following the election, one Small Supplier seat remained vacant and four members were nominated for Other SEC Parties with the three seats that have been filled. The Panel were also informed that the Large Suppliers are yet to submit a nomination for the vacant seats.

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

23. SMKI PMA Update

SECAS presented the Panel with a paper on the Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) meeting held on 13th December 2016. The SMKI PMA's main focus was an update on the operational activities and processes associated with the SMKI service.

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

24. TABASC Update

SECAS provided the Panel with a paper on the Technical Architecture and Business Architecture Sub-Committee (TABASC) meeting held on 15th December 2016. The TABASC's main focus was a status update on the Business Architecture Document (BAD) project development and a review on the effectiveness of the End-to-End Technical Architecture.

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

25. Security Sub-Committee Update

SECAS presented the Panel with a paper on the Security Sub-Committee (SSC) meetings held on 13th December 2016 and 14th December 2016. The SSC provided an update on the Initial Enrolment Project Feasibility Report (IEPFR), Smart Metering Incident Response Team (SMIRT) Scenarios and the Security Controls Framework (SCF).

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

26. 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.

27. 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.

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

28. 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 SECAS, on the Smart Metering Delivery Group (SMDG) meeting held on 12th January 2017, which will be included in the February Transitional Governance Update Paper.

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

29. 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.

30. 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:

- Crown Gas and Power Limited (Small Supplier)
- Tulip Energy Supply Limited (Small Supplier)
- Gentrack UK Ltd (Other SEC Parties)
- Senapt Limited (Other SEC Parties)
- Satus Energy Limited (Small Supplier)
- Saphir Energy Limited (Small Supplier)
- Spalt Energy Limited (Small Supplier)
- Smart Meter Assets 1 Ltd (Other SEC Parties)
- George Wilson Industries Ltd (Other SEC Parties)
- Statoil (U.K.) Limited (Small Supplier)
- Affect Energy Ltd (Small Supplier)
- Brilliant Energy Supply Limited (Small Supplier)
- NCC Group Security Services ltd (Small Supplier)
- Foresight Metering Limited (Other SEC Parties)

SECAS also informed the Panel that Foresight Metering Limited had acquired the entire share capital of Utility Funding Limited.

31. Any Other Business (AOB)

Sarah Gratte, the Senior Delivery Manager (SDM) – Smart, informed the Panel that Adam Lattimore will take over the position of SDM in due course.

The DCC noted to the Panel that Carmen Strickland will act as the SEC Panel Alternate for Paul Hawkins, the DCC Regulation Director.

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