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SEC Panel Meeting 59

SECP_59_1008, 10th August 2018

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 (Teleconference)
	Ashley Pocock
Small Suppliers	Karen Lee
	Mike Gibson
Electricity Networks	David Lane
Gas Networks	Leigh Page
Other SEC Parties	Gary Cottrell
	Hugh Mullens
DCC	Tom Rothery

Representing	Other Participants
Citizens Advice	Colin Griffiths
Ofgem	Raymond Elliot
	Michael Walls
BEIS (Secretary of State)	Joe Howard
DCC	Jim Henton (Part)
	Adam Phillips (Part)
	Fiona Tranter (Part)
	Ro Crawford (Part)
Operations Group Chair	Dave Warner (Part)

Meeting Secretary	Hollie McGovern
SECAS	Adam Latimore
	Abigail Hermon
	Ali Beard (Part)
	Cordelia Grey (Part)
	David Kemp (Part)

Apologies:

Category	SEC Panel Members
BEIS	Duncan Stone
	Rob Thornes

1. Minutes and Actions Outstanding

The minutes from the July 2018 SEC Panel meeting were approved ex-committee and circulated. The Panel noted that the majority of actions had been closed, with the outstanding actions on target for completion.

The Panel **NOTED** the update.

2. Privacy Controls Framework update

SECAS presented the Panel with an updated version of the Privacy Controls Framework (PCF), following a consultation period with SEC Parties in July 2018, for approval.

SECAS noted that it had received three responses to the consultation, and the PCF had been updated based on the comments received.

A Member questioned whether the issue of shared property/third party access had been considered when updating the PCF. SECAS noted that the PCF aimed to mitigate the issue as much as possible, however some risk remained.

The Panel noted that the PCF was fit for purpose to date, and would need to be reviewed after six months or if an incident occurred. SECAS noted it would assemble a privacy forum to discuss such matters and to advise the Panel on any determinations it may need to make, however it was noted that the privacy forum would not be a Panel sub-committee. It was noted that any potential privacy issues could be reported to the Panel via Citizens Advice or the User IPA.

The Panel **APPROVED** the Privacy Controls Framework V2.0.

SECP59/01: SECAS to publish the Privacy Controls Framework V2.0 on the SEC Website.

3. Release 2.0 DCC Appeal Letter

The Panel were informed that the DCC are appealing the SEC Panel decision, taken on the 13th July 2018, which determined that Milestone 1B from the Baseline Margin Project Performance Adjust Scheme (BMPPAS) for the Release 2.0 Project was completed on 19th June 2018 and not 21st May 2018 (the Milestone Date as set out in the BMPPAS).

It was noted that the appeal focused on three main areas; 1. that the Panel's decision sets a precedent, 2. that the Testing Advisory Group (TAG) recommendation was flawed and 3. that the Panel as decision makers face a conflict of interest. The Panel noted BEIS were due to meet with the Panel Chair and that SECAS were compiling both a list of inaccuracies in the appeal letter and evidence to support the decision should BEIS request it.

Panel Members highlighted their disappointment that such an appeal had been lodged and raised concerns over the tone of the appeal. A number of Members noted their view that there were inaccuracies in the letter, especially to the notion that as decision-makers, Panel and TAG faced a conflicted interest and were acting in a less than independent manner. They expressed amazement that such claims could be made and that it implied a personal lack of integrity of Panel Members. It was also believed that such tone of the letter did not reflect the working relationship that TAG had with DCC Members who attended the meetings.

The Panel noted that discussions with BEIS in the following week would determine how the appeal would be taken forward and that a brief setting out matters arising from the appeal would be shared with the Panel in the next week.

4. Release 2.0 System Integration Testing update

The Panel were provided with an update on the TAG's progression on the Release 2.0 System Integration Testing (SIT) update, following on from their meeting on the 1st August 2018. It was noted that after reviewing the exit criteria, the TAG had determined that Release 2.0 SIT had not yet been achieved. SECAS informed the Panel the decision on SIT completion will now take place in early September 2018 with a final panel determination on 20th September 2018.

The Panel **NOTED** the update.

5. Release 2.0 Live Services Criteria Feedback

The Panel were provided with an updated version of the Release 2.0 Live Service Criteria (LSC) in addition to TAG and Operations Group feedback on the LSC.

A Panel Member raised concern around LSC2 and LSC5, which relate to the DCC Service Desk and staff training. The Member felt that support provided by the help desk, particularly around change of Supplier, was unsatisfactory and that the Service Desk cannot support live operations. The DCC confirmed that it will be able to demonstrate its staff readiness for R2.0 Live.

There was discussion around LSC1, which relates to rollback arrangements. The DCC confirmed that rollback arrangements were in place, rather than a fix forward approach.

SECAS noted that additional TAG and Operations Group meetings have been scheduled for 12th September 2018, where the views and recommendations of both Sub-Committees will be obtained to

inform the Panel's subsequent recommendation to the Secretary of State following the 20th September 2018 meeting.

The Panel **APPROVED** the expanded Release 2.0 LSC and supporting evidence list for use in the forthcoming Release 2.0 Go-Live governance activities.

6. Release 2.0 Live Service Criteria Submission (early draft)

The DCC provided the Panel with an early view of the DCC's Release 2.0 Live Services Criteria submission and noted that a final iteration would be presented to the Panel at its September 2018 meeting.

The Panel **NOTED** the early draft of the R2.0 Live Service Criteria Submission.

7. SEC Panel Risk and Issue Register update

SECAS provided the Panel with an update on the SEC Panel Risk Register and Issues Log.

SECAS noted that updates had been made to Risk 15, which relates to the DCC not having a sufficiently detailed or stable SMETS1 Enrolment and Adoption (E&A) design. It was noted that the SSC has been reviewing the Risk and may as a result propose further amendments. The Panel **AGREED** the amendments.

The SSC requested the Panel review a risk which relates to customer resistance/apathy for early live readiness leading to reduced installation rates. The SSC believe it to be a transitional governance risk. It was **AGREED** that this was not a Panel risk or an SSC risk, and it was noted that the Panel would refer the risk back to BEIS.

The Panel revisited an issue that relates to Users finding workarounds to circumvent the DCC systems because change to those systems is too complicated and/or costly and **AGREED** to discuss the issue at the September 2018 Panel meeting.

SECP59/02: SECAS to refer the risk relating to customer resistance/apathy for early live readiness leading to reduced installation rates back to BEIS.

8. Event of Default (**RED**)

The Panel were provided an update on three current Events of Default, and considered the decision-making processes associated with Events of Default. This agenda item was marked and therefore recorded in the Confidential Minutes.

A Panel Member noted that not enough progress had been made on discussing how Supplier of Last Resort would work in practice. SECAS noted it would lead discussions regarding Supplier of Last Resort, and document how the end to end process would work under the SEC.

The Panel **AGREED** to expel Iresa Ltd from the Smart Energy Code and monitor the remaining two Parties.

SECP59/03: SECAS to lead discussions regarding Supplier of Last Resort, and document how the end to end process would work under the SEC.

9. Change Status Report – August 2018

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

SECAS noted that members of the Working Group for [SECMP0043 'Modification to Services Force Majeure Provisions'](#) had requested more time to fully understand the solution, and to explore an alternative approach that could deliver what the Proposer seeks without changing any definitions of Force Majeure. SECAS requested a two-month extension to allow for these activities.

The Panel **AGREED** a two-month extension for SECMP0043, with the Draft Modification Report to be presented to the Panel in November 2018.

The Panel were also provided with an update from the DCC on the current progression of SEC Modification Proposals as they undergo Preliminary Assessments and Impact Assessments.

10. Modification Proposal – Draft Modification Report for SECMP0009

SECAS presented the Panel with the Draft Modification Report for [SECMP0009 'Centralised Firmware Library'](#).

The Panel were informed that the Security Sub-Committee had been consulted, and had identified several security concerns relating to the Modification Proposal.

- the repository spreadsheet could be altered or tampered with;
- the release notes that would be included in the repository may disclose commercial information or information regarding security vulnerabilities; and
- the repository being made available to the wider public.

SECAS noted that, in regard to the release notes containing commercially sensitive information, Manufacturers had raised the same concerns against the original solution to the Modification. It was noted that it was therefore not likely that Manufacturers would supply commercially sensitive information for the repository.

It was noted that the Working Group had noted that SSC's concerns of having the repository available to the wider public, but noted that should any security issues arise from the repository, SECAS would take immediate action to restrict the repository or remove sensitive information.

SECAS noted that the Modification Report would be updated to reflect the SSC's views before being issued for Modification Report Consultation and subsequently provided to the Change Board at its September 2018 meeting.

The Panel:

- **AGREED** that SECMP0009 is a Path 2 Modification Proposal;
- **AGREED** that the draft legal text delivers the intention of the modification;
- **AGREED** with the recommended implementation approach; and
- **AGREED** that this modification be submitted to Modification Report Consultation.

11. Modification Proposal – Draft Modification Report for SECMP0041

SECAS presented the Panel with the Initial Modification Report for [SECMP0041 'Amending the Change Board decision making rules for Modification Proposals'](#).

SECAS noted that the Modification proposed to allow Parties to vote on Modification Proposal decisions. A Panel Member noted each Voting Group should be entitled to a vote rather than each SEC Party.

A Panel Member queried the proposed decision-making process, and SECAS clarified that the process would be similar to the Change Board vote, noting that the decision would be reached by a majority vote. There was discussion on the outcome of a split vote, and a Member believed that as the Change Board would have already been a part of the process, it should then come to the Panel for decision instead. It was noted that there had been discussion from the Working Group around whether the Change Board should have the deciding vote, and that the next stage would be for the Modification Report to go to consultation to seek the views of Users.

A Panel Member informed the Panel of a conflict in the SEC regarding the Change Board. The Member noted that in accordance with SEC Section C6.8(a), each person serving on a Sub-Committee shall, when acting in that capacity act independently, not as a delegate, and without undue regard to the interests, of any Related Person. However, the Member noted that SEC Section D8.8 states that each Change Board Member will act in the interests of the Voting Group, Party Category or Party Categories by which the Change Board Member was appointed. SECAS noted it would seek legal advice to clarify the conflict.

The Panel:

- **AGREED** that SECMP0041 is a Path 2 Modification Proposal;
- **AGREED** that the draft legal text delivers the intention of the modification;
- **AGREED** with the recommended implementation date of 1st November 2018; and
- **AGREED** that this modification be submitted to Modification Report Consultation.

SECP59/04: SECAS to seek legal clarification regarding the conflict between SEC Section C6.8(a) and D8.8 relating to the duty of Change Board Members.

12. Modification Proposal – Initial Modification Report for SECMP0057

SECAS presented the Panel with the Initial Modification Report for [SECMP0057 'Users to notify SSC of a second or subsequent User System'](#).

A Member noted that where it is stated that the modification seeks to clarify the User Security Assessment process where a User may be in the process of beginning to **employ** a second or subsequent User System after having already satisfactorily completed the initial Full User Security Assessment, the term 'employ' should be clarified.

The Panel:

- **AGREED** that this modification should be submitted into the Refinement Process to be assessed by a Working Group;
- **AGREED** the Working Group Terms of Reference;
- **AGREED** the progression timetable set out in the Initial Modification Report; and
- **AGREED** that SECMP0057 should be progressed as a Path 3 Modification Proposal.

13. Modification Proposal – Initial Modification Report for SECMP0058

SECAS presented the Panel with the Initial Modification Report for [SECMP0058 'Changes to the governance of the Self-Service Interface'](#).

It was noted that the Modification aims to enable the DCC to make changes to the new SSI Baseline Specification Document following consultation with Parties, and with the agreement of the SEC Panel (or any Sub-Committee to which the Panel formally delegates the required decision-making power).

The Operations Group (OPSG) Chair noted that DCC had engaged well with its Users on the process and had provided oversight to the OPSG regarding cost implications.

It was noted that this Modification would need to be clear about the governance process around authorising changes, and the costs associated with them.

The Panel:

- **AGREED** that this modification should be submitted into the Refinement Process to be assessed by a Working Group;
- **AGREED** the Working Group's Terms of Reference;
- **AGREED** the progression timetable set out in the Initial Modification Report; and
- **AGREED** that SECMP0058 should be progressed as a Path 3: Self-Governance Modification Proposal.

14. Modifications with outstanding implementation costs

The Panel were informed that some DCC System-impacting Modification Proposals have progressed with DCC Impact Assessment responses that only include the implementation costs of the design, build and Pre-Integration Testing (PIT) stages. It was noted that the costs of the System Integration Testing (SIT), User Integration Testing (UIT) and Implementation to Live stages have not been included.

The OPSG Chair provided the Panel with a proposed approach that looked to develop a full picture of costs from the outset, progressively refining as necessary. It was proposed that the Impact Assessment for each Modification would include: full lifecycle, effect of inclusion in a Release and possible standing costs.

SECAS informed the Panel that the following open Modification Proposal had received Impact Assessment responses with costs provided up to the end of PIT:

- [SECMP0005 'Include Tariff and Register Labels in SMETS Devices'](#)

- [SECMP0015 'GPF timestamp for reading instantaneous Gas values'](#)
- [SECMP0018 'Standard Electricity Distributor Configuration Settings'](#)
- [SECMP0025 'Electricity Network Party Access to Load Switching Information'](#)

SECAS advised that these modifications should not proceed further through the process until the DCC is able to provide costs for SIT, UIT and Implementation to Live stages. The DCC noted that delay to the progression of these Modifications would mean that it would be unlikely that any of these modifications would receive a decision in time for inclusion the June 2019 or November 2019 SEC Releases. The Panel Chair noted that an Authority decision would not be possible without the full lifecycle costs of the Modifications, and, given the materiality, believed it was appropriate to delay the progression of change until this information is received. The Panel agreed extensions to the progression timetables to SECMP0005 and SECMP0015 to allow for the full lifecycle costs to be provided, and agreed to recommend that the Change Board vote to return SECMP0018 and SECMP0025 to the Panel.

The Panel were in agreement that the DCC would need to provide the full costs associated with each individual Modification, from design through to implementation, for the Working Groups to assess the cost-benefit analysis of each Modification. Where necessary, DCC should provide Working Groups with the different options that could be pursued, for the Working Groups to consider and determine the best approach to take. It was noted that the DCC should provide operational costs on a per annum basis. The Panel noted that the costs on a standalone basis could make developing the benefits case difficult, but noted that costs should come down when changes are combined into a release.

The Panel went on to discuss Panel and DCC decision-making responsibilities. It was noted that the Panel, on behalf of SEC Parties, oversee business requirements, service and change delivery, while DCC, as licensee, is responsible and accountable for service provision.

The Panel were presented with the following decision points for discussion:

- Release Formulation;
- Architecture Change/Impact;
- Testing Strategy;
- Testing Outcomes;
- Readiness (DCC); and
- Go-Live Decision.

The Panel requested SECAS to provide further information on the decision points, with examples, to be discussed at the September 2018 Panel meeting.

The Panel:

- **AGREED** a two-month extension for SECMP0005, with the Modification Report due to be presented in October 2018;
- **AGREED** a one-month extension for SECMP0015, with the Modification Report due to be presented in October 2018; and

- **AGREED** to recommend that the Change Board should vote to return the SECMP0018 and SECMP0025 Modification Reports to the Panel.

SECP59/05: SECAS to provide further information on the decision points relating to Panel and DCC decision-making responsibilities, with examples, to be discussed at the September 2018 Panel meeting.

15. June 2019 SEC Release

The DCC presented the Panel with its testing approach for the June 2019 SEC Release for consideration. The Panel was invited to determine the next steps for the June 2019 SEC Release.

The DCC provided an update on action SECP58/04, which relates to the DCC investigating which Issue Resolution Proposals (IRP) could be included in a maintenance release. The DCC informed the Panel that following a review with the Service Providers, the following IRPs could be candidates for a maintenance release:

- IRP514 'Modification to restrict Future Dated commands being operated by parties other than the Supplier'; and
- IRP521 'Addition of certain message headers for remote part commands that route through the Communications Hub'.

The DCC noted that the full assessment for these changes would need to be reviewed once the full Impact Assessments have been completed in September 2018. It was noted that all other IRP changes being proposed for the June 2019 Release impact either the Data Service Provider (DSP) and/or the Communication Service Providers (CSPs), or would be ruled out for maintenance due to the scope of regression testing required. The Panel noted that it would need to understand the costs of the remaining IRPs, and noted that it felt that BEIS should endorse those costs. One member noted that IRPs were subject to BEIS led transitional governance, with industry input being fed in via the Technical Business Design Group (TBDG). Another Member noted that the Panel plays no role in IRPs as these are BEIS-led, although each one is initiated by a User, albeit only a sub-set of Users are involved in their development. The DCC noted it would engage with BEIS to discuss how the IRPs could be managed through enduring governance, and how they could be introduced into operational service through a maintenance release. BEIS noted they saw the IRPs being handled by the Panel through the enduring releases governance but would review the discussions of the Panel as part of their decision.

The DCC provided a confidential update on the full DCC cost estimate for the June 2019 release. It was noted that the overall costs for the November 2019 Release would be a similar magnitude to the June 2019 costs.

The Panel Chair noted that the June 2019 Release was not a cost-effective release, and suggested the Panel agree to defer the June 2019 Release to allow for the approach to delivery of change to be reviewed, in addition to more cost-effective testing being introduced. The Panel agreed, subject to the controls of the two IRPs that could potentially be transferred to a maintenance release, to defer the 2019 June Release. SECAS agreed to formally notify BEIS of the Panel's decision to defer the implementation date of the June 2019 Release due to cost. As part of this, the Panel agreed to request the approved implementation date for SECMP0023 'Correct Units of Measure for Uncontrolled Gas Flow Rate' be deferred to a later date. Due to uncertainty over the scope of subsequent SEC Releases, the Panel agreed not to put forward a specific revised date at this time.

but would review and agree this once greater certainty has been achieved on the most cost-effective approach to take.

The Panel:

- **NOTED** the DCC's recommended approach for testing for the June 2019 SEC Release;
- **AGREED** that the DCC System changes within scope of the June 2019 SEC Release should be deferred to a later release;
- **AGREED** to request a revised implementation date for SECMP0023 from the Authority;
- **AGREED** that the June 2019 SEC Release should be converted to a SEC Documentation Release; and
- **AGREED** to liaise with BEIS over the way forward for the Resolution Proposals.

SECP59/06: The DCC to provide further information on how it will implement the IRPs that can fit into maintenance releases, including the approach it will take and the associated costs.

SECP59/07: SECAS to formally notify BEIS of the Panel's request to defer the implementation date of SECMP0023 due to cost.

16. Legal Text for Enduring SEC Release Management Process

Following the July 2018 Panel meeting, where the Panel considered what the enduring SEC Release Management Process should encompass, and agreed that relevant principles and powers should be introduced into the SEC, SECAS presented the Panel with draft legal text to deliver these intentions.

There was discussion around whether the Panel could raise the Modification following a review of the Code requested by the Authority in accordance with SEC Section C2.3(i). The Panel queried whether this was something Ofgem could initiate. Ofgem noted that this may not be the best approach as the powers to request a review of the Code relates to large scale issues, and not a limited scope where the answer has already been defined. Ofgem further noted that it had never used this power under any of the Codes. The Panel agreed that the most realistic approach would be for a SEC Party to raise a modification to progress the changes on behalf of the Panel.

The Panel:

- **NOTED** the draft legal text; and
- **AGREED** that a SEC Party should raise a Modification Proposal to progress these changes on behalf of the Panel.

SECP59/08: The Panel Chair to propose a SEC Party to sponsor a Modification Proposal to progress the changes relating to the SEC Release Management.

17. BEIS Update

BEIS also provided the Panel with an update on the forthcoming consultations and key milestones.

A Panel Member requested clarification on what month the SMETS1 regulatory consultation would be issued, and BEIS confirmed that it would be issued at the end of August/early September 2018.

The Panel **NOTED** the update.

18. DCC Update

The DCC presented the Panel with an update on the activities undertaken since the last Panel meeting.

The DCC provided the Panel with an update on the delivery of the SMETS1 programme, noting that User Testing Services had been delayed. The DCC noted that it had received feedback from BEIS and had concluded that a LC13 Re-plan is required. The DCC noted that it had commenced the process of reviewing the impacts on the LC13 plan, and intends to consult with Users at the end of August/early September 2018.

The Panel were provided a list of activities relating to the delivery of R2.0, and the DCC noted that all the activities were on track to completion.

The DCC informed that Panel that BEIS had noted in its consultation conclusions on SMETS1 SEC changes that it would activate provisions relating to Elective Communications Services on 1st October 2018. The DCC noted that this would be a time of critical delivery of DCC Core Functions. The DCC noted that it has started preparing for the activation of SEC Section H7 and noted that it would update the Panel in more detail in September 2018 on its plans.

The Panel **NOTED** the update.

19. SEC Panel Sub-Committee Report

SECAS provided the Panel with an update on recent activities from all the SEC Panel Sub-Committees.

The Panel discussed the DCC's Temporary Planned Maintenance Schedule for the period July to October 2018, that had been previously agreed by the Panel in July 2018. The Panel were informed that on 2nd August 2018, the DCC had submitted a revised plan to the OPSG, which covers July to November 2018, which was outside the parameters that had originally been agreed. It was noted that the OPSG had agreed the submitted plan, on the basis that the DCC should bring any change in the allocation of activities to slots to the OPSG.

It was noted that the OPSG had requested that the DCC improve communication to SEC Parties, and seek to achieve a plan that meets the SEC requirement, that is fixed at a reasonable level of detail 20 working days before the start of the month.

The Panel requested that the DCC provide a proposal to extend the outage programme, and requested compliance from the DCC with SEC Section H8.4.

The Panel **NOTED** the update.

20. DCC Reporting

The Panel were provided with the Certificate Signing Requests (CSR) Forecast Variance Report, the Post Commissioning Information Report and the Service Request (SR) Variance Report from the DCC as required by the SEC.

SECAS noted that the redaction blanket for the SR, CSR and Post-Commissioning reports was due to expire in August 2018 and requested the Panel to consider whether the blanket redaction period requires extending.

A Member raised concern that there was a number of data quality issues in the industry, with new issues arising from the smart meter rollout. The Member noted there was particular concern regarding

data around Communications Hubs and Change of Supplier, and noted that a number of meters that have been flagged as 'S2' when they are not. The Member noted the need for a cross-code review of what data items are available in the industry, who populates them and how. It was noted that similar concerns had been raised regarding the process of handling Registration Data Provider (RDP) data.

SECAS noted it would issue a notification to Users to raise awareness of data quality issues within the industry.

The Panel:

- **NOTED** the reports; and
- **AGREED** to extend the redaction blanket for a further six months to be reconsidered in February 2019.

SECP59/09: SECAS to issue notification to Users to raise awareness of data quality issues within the industry.

21. Operations Report

The Panel were presented with the Operations Report for July 2018. The report provided an outline of the activities undertaken by the SECAS team in support of the SEC. The Panel **NOTED** the contents of the paper.

SECAS informed the Panel that Boltland Energy Limited wished to withdraw from the SEC and requested the Panel to resolve that it cease to be a SEC Party.

The Panel **AGREED** that Boltland Energy Limited shall cease to be a SEC Party, effective as of 27th July 2018.

22. Smarter Markets Project Update

The Panel were provided with an update on the activities currently being undertaken to support the project.

The Panel **NOTED** the update.

23. Transitional Governance Update

SECAS presented the Panel with an update from the transitional governance entities and other smart metering related meetings and workshops attended by the SECAS in the last month.

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

24. Any Other Business

SECAS provided the Panel with an update on the SEC Panel Member Elections that are currently underway.

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