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SEC Panel Meeting 52

SECP_52_1201, 12th January 2018

10:00 – 12:00, Gemserv, 8 Fenchurch Place, London, EC3M 4AJ

Final Minutes

Attendees:

| Category | SEC Panel Members |
|-------------------------|-------------------|
| SEC Panel Chair | Peter Davies |
| Large Suppliers | Simon Trivella |
| | Ashley Pocock |
| Small Suppliers | Mike Gibson |
| | Karen Lee |
| Electricity Networks | David Lane |
| Gas Networks | Leigh Page |
| Other SEC Parties | Hugh Mullens |
| | Gary Cottrell |
| DCC | Helen Fleming |
| Consumer Representative | Rajni Nair |

| Representing | Other Participants |
|---------------------------|----------------------|
| Ofgem (the Authority) | Michael Walls |
| | Raymond Elliot |
| BEIS (Secretary of State) | Duncan Stone |
| | Robert Thornes |
| DCC | Amanda Rooney (Part) |
| Meeting Secretary | Hollie McGovern |
| SECAS | Adam Lattimore |

| | |
|--|--------------------------|
| | David Barber (Part) |
| | Courtney O'Connor (Part) |
| | David Kemp (Part) |

1. Minutes and Actions Outstanding

The minutes from the December 2017 SEC Panel meeting were approved ex-committee and circulated to SEC Parties.

A Panel Member commented on the potential need to discuss the DCC's Readiness to Scale project that was referenced during discussions on the Release 2.0 Approach Documents at the December 2017 Panel meeting. The Panel Member questioned what the intended outcome/success of the project was and how there could be certainty that any new release has assurance it will not detrimentally impact the existing wider baseline. It was suggested that Readiness to Scale was not a single project, but a group of initiatives looking for opportunities for improvements. In order to provide assurance around this work the Panel and its sub-committee will play an important role. The Technical Architecture and Business Architecture Sub-Committee (TABASC) will ensure any new technical architecture is fit for purpose and the Operations Group will help to ensure Users are happy with the User testing and aid the Panel with any go live decisions. The Operations Group are currently looking at the Readiness to Scale work and have asked a number of questions of the DCC, which will be discussed at the January 2018 Operations Group meeting. A Panel Member noted that all Panel members should be familiar with the DCC's readiness to scales plan on a page.

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.

| Action Reference | Update |
|------------------|--|
| SECP51/06 | SECAS informed the Panel it had reviewed the SEC and found that there were no references to the Panel having any responsibilities in relation to DCC WAN (CSP) Coverage. |
| SECP51/07 | SECAS noted that they were looking to improve the Panel reporting process from its sub-committees, and that it intended to bring updated reports to the February 2018 Panel meeting. |

2. SEC Panel Risk and Issue Register Update

SECAS presented the Panel with the proposed updates to the Risk Register, which included one new risk. The new risk actioned a matter discussed at the December 2017 Panel meeting, in relation to the need for appropriate Communications Hub firmware regression testing to be undertaken as part of Release testing. The risk details and associated mitigations were agreed by the Panel.

SECAS also highlighted concerns raised by the Testing Advisory Group (TAG) following discussions at its December 2017 meeting, on the Smart Metering Equipment Technical Specifications (SMETS1) User Testing Services (UTS) Approach Document and how it fits into the wider SMETS1 Services changes, including the technical solution and supporting SEC changes and associated documentation. The Panel noted that there were still many unknowns surrounding the SMETS1

Services solution, which prompted the TAG to raise concerns on the ability to successfully provide views on the appropriateness of the approach document for SMETS1 UTS. SECAS noted for content that the UTS Approach Document referred to the Transition and Migration Approach Document (TMAD) that was still undergoing development. The Panel discussed whether or not this matter was covered by an existing risk to give reference to the concern. The Panel noted the TAG's concerns, and agreed to revisit the concerns and whether to include them within a response to the formal SMETS1 Services UTS Approach Document Consultation once issued. It was noted that BEIS are currently working on completing the development of the SMETS1 documentation, including the TMAD, which may mean that by the time the consultation is issued the TAG's concerns may be resolved.

A Panel Member queried the Radio Frequency (RF) coverage issue in relation to Communications Hubs and the governance around RF coverage. It was noted that this would be discussed at the Technical and Business Design Group (TBDG) on 17th January 2018 and is being addressed under the transitional governance arrangements.

The Panel:

- **NOTED** the TAG concerns on the SMETS1 Services release and agreed to re-visit the issue as part of the formal consultation on the SMETS1 Services User Testing Approach Document; and
- **AGREED** the amendments to the SEC Panel Risk Register.

3. Preparations for the Non-Domestic Supplier User Mandate

SECAS provided the Panel with an update on the activities being undertaken by SECAS to support Suppliers completing the User Entry Process in advance of the minded to Non-Domestic Supplier User mandate of 31st August 2018.

SECAS noted that approximately 35 companies were being monitored by BEIS for the non-domestic mandate, and that around half of those companies have confirmed or pending bookings for their initial Full User Security Assessment.

A Panel Member queried if SECAS had sight of the number of companies that may drop away once BEIS had issued its conclusions. SECAS noted that an update on numbers could be provided at the February 2018 Panel meeting, following the deadline for responses to the SECAS Request for Information (RFI) issued to all SEC Party Suppliers, which is 5pm on Wednesday, 24th January 2018.

The Panel were particularly supportive of SECAS and the DCC providing increased support to Parties after the completion of User Entry Process through the customer onboarding process into the DCC Production environment.

The Panel **NOTED** the update.

ACTION SECP52/01: SECAS to provide the Panel with an update following the deadline for receipt of responses to the Request for Information at the February 2018 Panel meeting.

4. Release Management Policy Consultation Update

The Panel were provided with an overview of the responses received from the joint SEC and DCC Consultation on the Release Management Document.

SECAS noted that the Release Management Documentation would be updated to address the comments raised by respondents, and an updated version would be presented at the February 2018 Panel meeting for approval.

The Panel **AGREED** the Release Management Documentation to be updated to address comments raised by respondents.

ACTION SECP52/02: SECAS to provide the Panel with an updated Release Management Documentation to include comments raised by respondents, at the February 2018 Panel meeting.

5. Update on Modification Process Improvements

Following ongoing discussions with Ofgem, SECAS updated the Panel on areas of the Modification process that could be improved. SECAS presented two main areas for improvement which focussed on greater clarity of cost benefit analysis and cost information in Modification reports, and a more efficient mechanism for progressing batches of changes.

SECAS noted it intended to hold industry workshops to seek feedback from Parties about how the Change Process could be improved and seek to report on any improvements to the Panel by April 2018.

The Panel **NOTED** the update.

6. Modification and Release Status Report – December 2017

SECAS provided an update on the status and progress of Modification Proposals going through the Modification Process.

SECAS noted that it believed the Path for SECMP0034¹ should be changed from a Path 3 'Self-Governance' Modification Proposal to a Path 2 'Authority Determined' Modification Proposal, and that the Working Group may recommend that the Path be changed as part of the Draft Modification Report, which is due to be presented at the February 2018 Panel meeting.

The Panel was also provided with an update on the current progression of SEC Modification Proposals as they undergo requested Preliminary Assessments and Impact Assessments, including when they are due to be delivered and any revisions to expected delivery timescales.

The Panel noted that the target Impact Assessment delivery date for SECMP0005² had changed from January to March 2018, due to additional time required by Communications Services Provider North (CSPN) to provide their assessment, and that this would mean an extension will be needed to the timetable. This extension request will be brought to the February 2018 Panel meeting.

SECAS highlighted that there were currently not enough members attending some of the Working Groups to meeting quorum, which is hindering those modifications from progressing in line with the timetables agreed by the Panel. This is likely to result in some extension requests to Modification Proposals being needed in the future.

The Panel **NOTED** the update.

¹ SECMP0034 – Changes to the SEC Section D for DCC analysis provisions

² SECMP0005 – Include Tariff and Register Labels in SMETS2 Devices

7. Modification Proposals – Initial Modification Report for SECMP0044

SECAS presented the Panel with the Initial Modification Report (IMR) for [SECMP0044 'User Security Assessment of a Shared Resource'](#), noting that it had been raised by the Security Sub-Committee (SSC) on 15th December 2017. SECAS noted that SSC members would be welcome to join the Working Group meetings as independent Working Group members.

A Panel Member queried what the implications of a Large Supplier using a Shared Resource would be on the solution. SECAS confirmed this would be added to the areas to be discussed by the Working Group.

The Panel:

- **AGREED** that SECMP0044 be submitted into the Refinement Process to be assessed by a Working Group;
- **AGREED** the Working Group Terms of Reference;
- **AGREED** the progression timetable; and
- **AGREED** that SECMP0044 should be progressed as a Path 3 Modification Proposal.

8. BEIS Update

The Panel were provided with an update on the forthcoming consultations and upcoming key milestones from BEIS.

SECAS noted that BEIS were currently consulting on a draft of the proposed Baseline Margin Project Performance Adjustment Scheme for Release 2.0, and highlighted it involves the Panel undertaking assessments and determination activities in support of the scheme. SECAS noted the response date to the consultation is 16th February 2018 and queried whether a Panel response should be prepared. The Panel agreed that a draft response should be prepared for consideration by the Panel.

The Panel **NOTED** the update.

ACTION SECP52/03: SECAS to prepare a draft response to the Baseline Margin Project Performance Adjustment Scheme for Release 2.0 consultation to be considered at the February 2018 Panel meeting.

9. DCC Update

The DCC presented the Panel with an update on the activities undertaken by the DCC since the last Panel meeting. The following updates were provided:

Financial Strategy

The DCC noted that it had provided Ofgem with the new Charging Statement for the Regulatory Year 2018/19, which would take effect in April 2018. It was noted that DCC had issued a consultation proposing to reduce charges for the final three months of the Regulatory Year 2017/18, and were currently awaiting responses, noting that if approved, reduced charges would come into effect from 15th January 2018. *[post-meeting note: DCC concluded that reduced charges would be applicable from the period 15th January 2018 to 31st March 2018].*

DCC Service

The Panel discussed the appropriateness of the DCC's Operational Performance update, and whether it needed to be presented to the Panel as it is also now reviewed by the Operations Group. The Panel noted that the update provided was useful and topical detail to the Panel. The DCC noted that the Red Performance Measure Red, Amber, Green (RAG) status was representative of the two Severity 1 incidents that occurred in November 2017 and were discussed at the December 2017 Panel meeting.

The Panel were briefed on the outcome of the Business and Continuity Disaster Recovery (BCDR) proving exercise that occurred in December 2017. The DCC noted that some recovery tasks over-ran Data Services Providers (DSP's) expectations and a re-test was scheduled for the 3rd/4th February 2018.

Programme Updates

The DCC provided updates on the upcoming Release 2.0, SMETS1 Enrolment and Adoption, and outstanding fixes for Release 1.4. The DCC noted that the SMETS1 and R1.4 programmes were on target for completion in line with current timescales, specifically noting that it was confident it would implement Change Request 183 (CR183) - changes to the SMKI Recovery procedure in line with the current April 2018 release date. There was discussion regarding potential SMETS1 workshops and the DCC took this suggestion on board.

Upcoming Engagements

The DCC briefed the Panel on upcoming DCC engagements, and the Panel queried if a report from the Common Issues Workshop would be available to those that didn't attend the meeting.

The Panel **NOTED** the update.

10. DCC Reporting

The Panel were provided with a paper that includes reports issued to the Panel from the DCC as required by the SEC.

It was noted that the Operations Group reviewed the DCC reports so the benefit of having the detail relayed at the Panel was questioned. The Panel noted that the updates provided by the Sub-Committees were being reviewed and agreed how the DDC reports were presented to the Panel should be addressed as part of this work. This would also include clarifying what reports were for Panel only and what information should be redacted by the Panel before publication, with specific mention of the Service Requests Variance Report. SECAS noted that it would look into which reports are discussed by the Operations Group and provide a summary report to the Panel.

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

ACTION SECP52/04: SECAS to provide updated DCC reporting at the February 2018 Panel meeting.

11. Operations Report – December 2017

The Panel were presented with the Operations Report for December 2017. The report provided an outline of the SECAS activities undertaken by the SECAS team in support of the SEC. SECAS highlighted that the new SEC Website is now live, and that the SEC Panel Draft Budget for the next three Regulatory Years has been issued for consultation.

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

12. Security Assurance Status Update

SECAS provided the Panel with the monthly confidential update on the Assurance Statuses set by the SSC following the December 2017 Panel meeting.

The Panel **NOTED** the decisions made by the SSC on the Parties' Assurance Statuses as set out in the Confidential Panel paper.

13. Smarter Markets Project Update

SECAS provided an overview of the developments and work undertaken in December 2017 in support of the Smarter Markets project.

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

14. 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.

15. SEC Panel Activity Planner

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

The Panel requested that more detail be added to the activity planner in regard to Releases.

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

ACTION SECP52/05: SECAS to add more detail in regard to Releases to the SEC Panel Activity Planner to be presented at the February 2018 meeting.

16. SEC Party Update

SECAS informed the Panel of the Parties who have officially completed the User Entry Process as described in SEC Section H1.10 and confirmation of Parties that have completed various testing activities as required by the SEC.

The Panel noted that the following organisation would be admitted as a Party to the SEC following countersignature of their Accession Agreement by the SECCo Board:

- Harlaxton Gas Networks Ltd (Gas Network)

17. Any Other Business

SECAS requested the Panel to formally approve one additional Operations Group member who had been nominated since the September 2017 Panel meeting, where the majority of the Operations Group members were approved. The Panel approved the additional member.

SECAS informed the Panel that the SECAS Customer Satisfaction Survey (CSS) was due to be issued in the coming months, but noted that Ofgem was also due to issue its cross-code survey on code administrators' performance at the same time. SECAS requested permission to postpone issuing the CSS until after Ofgem had concluded the results of the survey, to avoid consultation fatigue and to use any information from the Ofgem survey to help sharpen consultation questions. The Panel agreed to delay the CSS until summer, but noted it could be issued earlier if the Ofgem survey does not capture the information required by the Panel.