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## SEC Panel Meeting 53

### SECP\_53\_0902, 9<sup>th</sup> February 2018

10:00 – 13:30, 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 (Teleconference)
Other SEC Parties	Kate Frazer (Observer)
	Gary Cottrell
DCC	Helen Fleming

Representing	Other Participants
Ofgem (the Authority)	Michael Walls
	Raymond Elliot
BEIS (Secretary of State)	Duncan Stone
	Robert Thornes
DCC	Amanda Rooney (Part)
	Ashley Hanna (Part)
	Dave Broady (Part)
Meeting Secretary	Hollie McGovern

SECAS	Adam Lattimore
	David Barber (Part)
	Kwadwo Anim-Appiah (Part)
	Talia Addy (Part)
	David Kemp (Part)
	Courtney O-Connor (Part)
	Jill Ashby (Part)

## 1. Minutes and Actions Outstanding

The minutes from the January 2018 SEC Panel meeting were approved ex-committee and circulated.

The Panel noted that the majority of Actions Outstanding from previous meetings had been closed, with the outstanding actions on target for completion and/or updates to be provided under respective agenda items.

A Panel Member queried the outcome of action SECP51/06 in regard to DCC WAN (CSP) Coverage, and questioned who was responsible, if not the Panel. The Panel Chair noted that the responsibility lay with the Authority.

## 2. Release 2.0 Baseline Margin Project Performance Adjustment Scheme Consultation Response

Following the January 2018 Panel meeting, where it was agreed that SECAS should draft a Panel response to the draft proposed Baseline Margin Project Performance Adjustment Scheme for Release 2.0 consultation, SECAS circulated a draft response to the Panel for review via ex-committee in advance of the February meeting.

The DCC welcomed the observations in the draft response for close working with the Panel and SECAS, to ensure the requirements on any associated criteria needed for any decisions are clear. There was discussion around the observations on the Margin Retention Approach and the DCC queried the observation on the proposed the 30%-10% taper for retained margin for delivery of Release 2.0 more than six weeks after the target delivery date which would diminish the incentive on DCC to deliver, if implemented.

The Panel:

- **AGREED** to submit the consultation response provided by SECAS.

**ACTION SECP53/01:** SECAS to submit the agreed SEC Panel response to the proposed Baseline Margin Project Performance Adjustment Scheme for Release 2.0 on or before the response deadline of 16<sup>th</sup> February 2018.

### 3. Release Management Policy for Approval

The Panel was provided with an updated version of the SEC Panel and DCC Release Management policies, following updates to the documents as a result of the responses received to the Release Management Policy consultation.

The DCC provided clarification on several of the amendments to the DCC Release Management Policy, noting that it had taken into account the comments received from the consultation. The DCC confirmed it did not intend to change the provisions under SEC Sections H8.3 and H8.4 in relation to the Release Management Policy. The DCC noted that it had changed several terms in the policy to align with SEC defined terms. It was noted that the DCC is looking forward to future development of the Release Implementation Document and the associated processes and governance.

A Panel Member queried how conflicts across different codes would be managed. It was noted that this was a wider issue that would need to be reviewed by the Code Administrators. The Panel Chair noted that the policy is a framework that would be subject to change as lessons are learnt from each release.

One Panel Member queried whether there was a concept of mandatory and non-mandatory releases, and whether there was any flexibility associated with this. It was noted that all changes to the SEC are mandatory in the sense that Parties are required to be fully compliant with the current live version of the SEC. It was noted that if there was a change such as a new service request that a Party was not intending to make use of, then it could, at its own risk, choose not to make that change within its systems, however the DCC are only required to service the current live version and previous version, and therefore two versions preceding the current version would not be supported by the DCC.

The Panel:

- **APPROVED** the Release Management Document;
- **APPROVED** the Panel Release Management Policy; and
- **NOTED** the DCC Release Management Policy.

<b>ACTION SECP53/02:</b> SECAS to publish the final versions of the Release Management Documentation on the SEC Website and notify the industry of this.
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### 4. SEC Draft Budget 2018-21 Consultation Responses

SECAS presented the Panel with the responses received from the Draft Budget 2018-2021 consultation that closed on 31<sup>st</sup> January 2018. The two responses from Parties were included within the paper provided to the Panel, alongside initial SECAS comments on each of the areas raised in addition to draft responses to the comments on behalf of the Panel.

A Panel Member noted that a Supplier had observed that the proposed budget does not provide Parties with sight of cost saving potentials. SECAS noted that the Draft Budget sets out a prudent estimate of costs that the Panel anticipates to spend throughout the financial year, and noted that the Panel and Board are provided with monthly updates on activities and drawdown to date through the Operations Report and Management Report. It was noted that Board Members could provide clarification to Parties about costs if necessary.

There was discussion around the number of responses received to the consultation, and the Panel noted that this could be addressed in the Customer Satisfaction Survey to make sure Parties were happy with the consultation process.

The Panel:

- **AGREED** a response to each point raised by respondents; and
- **NOTED** the Draft Budget will be published to become the Approved Budget from 1<sup>st</sup> April 2018.

**ACTION SECP53/03:** SECAS to publish the Draft Budget as the Approved Budget to take effect on 1<sup>st</sup> April 2018.

## 5. Redaction and Delegation of DCC Reporting

The Panel were provided with a paper that set out the type of reports that it received from the DCC, and discussed which reports should be delegated to the Operations Group (OPSG) for review. The Panel agreed to delegate the following DCC reports to the OPSG, who will then highlight/escalate any matters that require Panel discussion:

- DCC Performance Measurement Report (PMR);
- Major Incident Summary Report;
- Major Incident Report;
- Network Enhancements Plan Report;
- Responsible Communications Hubs Returns Report;
- Registration Data Provider (RDP) Monthly Incident Report; and
- Quarterly Problem Report.

The Panel agreed the Deployed Products (DPL) List to continue to be published to the SEC Website, and for an update to be included in the Operations Report. A Panel Member requested the DCC improve the delivery of the DPL, as it is not currently sufficiently user-friendly or meaningful to Users. The DCC noted this concern and agreed to improve the DPL delivery to make it easier to navigate.

The Panel discussed the Service Request (SR) Variance Report, the Certificate Signing Requests (CSR) Variance Report, and the Post Commissioning Information Report, noting that these reports contained commercially sensitive data. It was agreed that there was no value in the OPSG reviewing these reports and that these reports should continue to be provided only to the Panel. The Panel noted that this decision would be referred to the OPSG.

The Panel also discussed the process for redacting information from the DCC reports and agreed to extend the existing blanket redaction of the SR and CSR Forecast reports, and agreed, in addition to apply such redaction to the Post Commissioning Information Report, until August 2018, when it will be reviewed again by the Panel.

The Panel:

- **NOTED** the DCC reports produced for the Panel and their frequency;
- **AGREED** to extend “blanket” redactions for the SR and CSR variance reports and Post Commissioning Information Report for six months;
- **AGREED** the Panel will continue to see the full unredacted SR and CSR variance reports;
- **AGREED** to delegate the Major Incident Report to the OPSG;
- **AGREED** SECAS continue to publish the DPL when it is updated and note as part of the Operations Report; and

- **AGREED** to delegate the following reports to the OSPG for review and publication post meeting in line with the Panel Information Policy:
  - DCC PMR
  - Network Enhancements Plan Report
  - Responsible Communications Hubs Returns Report
  - RDP Monthly Incident Report
  - Quarterly Problem Report
- **NOTED** the delegations register will be updated accordingly.

**ACTION SECP53/04:** SECAS to update the Delegations Register on the SEC Website to include the delegation of reviewing the agreed DCC Reports to the Operations Group.

## 6. Maintenance Request for the Uplift of Additional Recovery Functionality

The DCC informed the Panel that the Maintenance release comprising of additional Recovery functionality, and GBCSv2 schema and database changes, was due to be implemented on 29<sup>th</sup> April 2018, and requested approval from the Panel to uplift this release into the User Testing environment and the production environment on a Saturday, rather than a Tuesday as required by the temporary Maintenance arrangements currently in effect.

In addition, the DCC requested an additional six hours of Maintenance time in relation to the uplift into the test environment. The DCC noted that it will be the first time the DCC employs several new techniques in the uplift of a significant amount of functionality within the six hour window required by the SEC, and noted that scheduling the uplift on a Saturday would allow the DCC to take remedial action against any issues encountered on a Sunday, which SEC Parties have indicated will have less impact than if it were to occur on a weekday. The DCC noted that it had made the Operations Group aware of potential future issues for User Integration Testing upgrades.

The Panel Chair noted that while the request related to SMKI functionality, the DCC had not consulted with the SMKI PMA prior to seeking agreement from the Panel. The Chair noted that as a matter of courtesy and good practice, the SMKI PMA should be consulted. The DCC noted that it will submit a formal report for approval by the SMKI PMA prior to uplifting the additional Recovery functionality into the production environment.

There was discussion around the impact on the production environment. A Panel Member noted that in the DCC report it had stated that 'the DUIS will be closed and no new service requests will be accepted' and questioned why there would be no queueing at all of service requests. The DCC noted that it would provide clear and consistent messaging about the architectural constraints on Service Request queueing to the Operations Group.

The Panel **APPROVED** the request.

**ACTION SECP53/05:** The DCC to submit a formal report to the SMKI PMA for approval prior to uplifting the additional Recovery functionality into the production environment.

**ACTION SECP53/06:** The DCC to raise an action with the Operations Group to review plans for outages including how messages are treated during outages.

## 7. SSC Referral: Potential Event of Default

The Panel were informed of a potential Event of Default that was referred by the Security Sub-Committee, and it was determined that the Party was not in Default. Further detail is provided in the Confidential Minutes for this meeting.

## 8. Event of Default

The Panel were informed of an Event of Default and presented with the next steps.

The Panel **APPROVED** the recommendation to expel the Party from the Smart Energy Code (SEC), due to the Party ceasing to trade. All Parties will be informed of the details of the expulsion through SECAS communication. Further detail is provided in the Confidential Minutes for this meeting.

**ACTION SECP53/07:** SECAS to report back to the Panel regarding the Event of Default process following discussion with the DCC and a review of the ID Allocation Procedures.

## 9. Modification and Release Status Report

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

SECAS requested a three-month extension to the progression timetable for [SECMP0005](#)<sup>1</sup>, with the Draft Modification Report (DMR) to be presented to the Panel by July 2018. The Panel noted that this would mean the modification would not make the cut-off for inclusion in the June 2019 Release, and asked DCC if it could return the Impact Assessment response sooner than currently scheduled.

SECAS requested a one-month extension to the timetable for [SECMP0029](#)<sup>2</sup>, with the DMR to be presented at the March 2018 Panel meeting.

SECAS requested a twelve-month extension for [SECMP0031](#)<sup>3</sup>, noting that a potentially viable solution has been identified and is now being developed. The Panel approved the extension, but noted its frustrations with the time, cost and effort being spent assessing modifications that did not have a viable solution. The Panel noted the Section D Review and asked if this could be looked at as part of this piece of work.

SECAS noted that it had not been able to form a quorate Working Group for [SECMP0043](#)<sup>4</sup>, and proposed to perform its own assessment of the modification and its legal implications, and then issue a consultation on this. A Working Group could then be convened after the consultation closed to consider the responses and the solution. The Panel agreed this approach and noted that it would assess the modification itself if required, should there still not be a quorate Working Group after the

<sup>1</sup> SECMP0005: Include Tariff and Register labels in SMETS Devices

<sup>2</sup> SECMP0029: Business Continuity and Disaster Recovery Testing Amendments

<sup>3</sup> SECMP0031: Adding UTRN Functionality to SMETS

<sup>4</sup> SECMP0043: Modification to Services Force Majeure Provisions

consultation. The Panel agreed a two-month extension, with the DMR due by May 2018, but encouraged SECAS to bring the DMR back in April if possible. The DCC welcomed this suggestion.

SECAS noted that there had been issues with achieving a minimum number of attendees for Working Group meetings for several modifications, despite SECAS' endeavours to arrange this. It proposed that, in order to avoid delaying modifications further than is necessary, where a Working Group meeting cannot be convened due to lack of availability, SECAS will seek the required information from members via correspondence, which will then be included in the Draft Modification Proposal. Ofgem noted that it had concerns with this approach, noting that members would not have the opportunity to discuss their opinions via correspondence. SECAS stressed that this approach would only be followed in situations where there is nothing the Working Group needs to discuss other than agreeing or reaffirming its final views, e.g. following a final consultation where the views of respondents were broadly in line with the Working Group and no new arguments had been raised. This would prevent a modification from being unnecessarily delayed. If something arose that members would need to discuss then a meeting would be convened before the modification progressed further. The Panel **AGREED** that SECAS may request the views and information needed from Working Group members by correspondence if it is unable to achieve sufficient availability to convene Working Groups.

The Panel **AGREED** the following extensions:

- three-month extension to the progression timetable for SECMP0005;
- one-month extension to the progression timetable for SECMP0029;
- twelve-month extension to the progression timetable for SECMP0031; and
- two-month extension to the progression timetable for SECMP0043.

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 – Initial Modification Report for SECMP0045

SECAS presented the Panel with the Initial Modification Report (IMR) for [SECMP0045 'Incorporation of the requirements of the General Data Protection Regulations'](#), noting that it was raised by the DCC on 23<sup>rd</sup> January 2018.

SECAS provided the Panel with two versions of draft legal text. It was highlighted that during the development of SECMP0045, two approaches for incorporating the requirements of GDPR Article 28(3) were identified.

The DCC, as Proposer, believes that the proposed wording for SEC Section I1.6 is sufficient, as it believes the points referenced in Article 28(3) are sufficiently detailed throughout the rest of the Code. SECAS's legal advisors believe that this information needs to be referenced in a new SEC Section I1.6A, to ensure that the SEC complies with Article 28(3).

The Panel asked DCC whether the difference in the two sets of legal text was a real concern for the DCC as they both gave effect to the same requirements via different routes. Users, as data controllers, are obliged by law to include a description of the subject matter, nature etc. of the data processing. Users therefore need to consider which of the proposed versions of the legal text better gives effect to that obligation, or (alternatively) determine that neither option is sufficient and further work is required to set out these matters in more detail.



The Panel agreed that both variants of the legal text should be progressed to Modification Report Consultation as a Proposed and Alternative solution. As part of this consultation, SECAS will seek the views of Users on which variant should be implemented.

SECAS noted that, in line with the Modification Report Consultation, it would continue to work with the DCC to try and reach an agreement on the draft legal text. Should an agreement be made, the rationale will be provided to the Change Board and the Authority for its consideration.

The Panel:

- **AGREED** that SECMP0045, including both variants of legal text, be submitted to Modification Report Consultation;
- **AGREED** the progression timetable; and
- **AGREED** that SECMP0045 should be progressed as a Path 2: Authority Determined Modification Proposal.

## 11. Modification Proposal – Draft Modification Report for SECMP0034

SECAS presented the Panel with the Draft Modification Report (IMR) for [SECMP0034 'Changes to the SEC Section D for DCC analysis provisions'](#).

The DCC expressed its support for the modification but advised that there may be consequential impacts and costs associated with delivering DCC Assessments within the timescales set out in the modification. The DCC noted that if SECAS sent a large number of Preliminary Assessments and/or Impact Assessments, resource would need to be increased in order to meet both the required timescales and the higher demand. The DCC indicated that a prioritisation process would allow the DCC to create a plan to better manage expectations.

The Panel Chair noted that there is a prioritisation process in place and that the Panel effectively owns the modification progression timetables. The Panel Chair further stated that if the DCC felt it was not able to meet expectations due to large numbers of modifications being raised, it could raise this to the Panel. The Panel voiced its disappointment with the progression of modifications and felt that SECMP0034 (if approved) is necessary and will go towards providing certainty to the industry of modifications being progressed and implemented efficiently.

The Panel discussed the proposed pathway of the modification and agreed that, although it makes changes to SEC Section D, the materiality of the changes were not significant enough to require an Authority decision. The Panel therefore agreed that the modification should remain a Self-Governance Modification, to which BEIS did not disagree.

The Panel:

- **AGREED** that SECMP0034 is a Path 3: Self Governance Modification;
- **AGREED** that the draft legal text delivers the intention of the modification;
- **AGREED** the recommended implementation date of 1<sup>st</sup> November 2018, with a fall-back date of 28<sup>th</sup> February 2019; and
- **AGREED** this modification be submitted to Modification Report Consultation.



## 12. BEIS Update

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

A Panel Member queried what BEIS would be publishing on the SMETS1 end date derogations, and to what extent details would be redacted. *[post-meeting note: BEIS confirmed that it expected to publish the derogation direction letters once it has been agreed with suppliers what will be redacted].*

The Panel **NOTED** the update.

## 13. DCC Update

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

### General Update

The DCC informed the Panel that the Business Continuity and Disaster Recovery (BCDR) retest was a success with cutover/failback in less than four hours. The DCC noted that it felt confident that the right processes are now in place for BCDR going forward.

With respect to the ICHIS interference issue, the DCC noted that BEIS, DCC and BEAMA had met to discuss the way forward and that DCC and BEAMA would work together to provide the required test equipment and facilities to enable the materiality of the issue to be determined.

The DCC informed the Panel that Ofgem approved the form of the new Charging Statement RY18/19, which will take effect from 1<sup>st</sup> April 2018, noting that a revised draft reflecting Ofgem's final price control decision would be issued in March 2018. The DCC noted that reduced charges for the final three months of the financial year would be seen on User's February 2018 invoices.

### Production Proving

The DCC noted that it intended to implement a Production Proving Function whereby the DCC have the ability to interact with Real Devices in the production environment. It was noted that BEIS will issue a consultation on the introduction of new SEC Section P: Production Proving and welcomed comments from the Panel.

### SMETS 1 Update

The DCC noted that the SMETS1 programme was making good progress. The Panel were informed of the key milestones achieved, and noted the areas of concern to the DCC and mitigations of these concerns.

A Panel Member queried how the Smart Metering System Operator (SMSO) cohorts are managed. The DCC noted that it was currently investigating how to best deal with the different relationships between SMSO cohorts and the customers associated with each cohort. The DCC noted that it was currently unclear how this would impact the security of meters, communications hubs, and firmware. The DCC noted that it would be holding a workshop in March 2018 to develop a solution to this matter, and that it would address this in its development plan.

The Panel **NOTED** the update.

#### **14. SEC Panel Sub-Committee Report**

SECAS provided the Panel with an update on recent activities from all the SEC Panel Sub-Committees. In addition, a confidential update was provided on the assurance statuses that the SSC have set for Parties during January 2018.

The Panel **NOTED** the update.

#### **15. Supplier User Entry Process Update**

SECAS presented the Panel with an update on the results of the Request for Information (RFI) that was issued by SECAS to all SEC Party Suppliers in January 2018.

SECAS noted that the results provided useful information in regard to the upcoming Non-Domestic User Mandate. The Panel noted that SECAS no longer intended to hold an engagement day for Non-Domestic Suppliers in April 2018, as the majority of Parties were either on track to completing their User Entry Process, or had expressed interest in receiving information in alternative ways. It was noted that SECAS would cover any outstanding matters regarding the Non-Domestic Mandate at the next Spotlight on the SEC (SPOTS) session.

The Panel **NOTED** the update.

#### **16. DCC Reporting**

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

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

#### **17. Operations Report**

The Panel were presented with an enhanced version of the Operations Report for January 2018. The report provided an outline of the activities undertaken by the SECAS team in support of the SEC, in addition to a breakdown of days by driver, product and grade.

The report informed the Panel of the Parties that 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 organisations would be admitted as Parties to the SEC following countersignature of their Accession Agreements by the SECCo Board:

- Association of Meter Operators (Other SEC Party);
- Engie Regeneration Limited (Other SEC Party); and
- United Gas and Power Ltd (Small Supplier).

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

## **18. Smarter Markets Project Update**

SECAS provided an overview of the developments and work undertaken in January 2018 in support of the Smarter Markets project.

The Panel noted that there was a material escalation in effort to support the Regulatory Design Team to prepare content for an early Retail Energy Code (REC) for stakeholder discussion. The Panel noted that due to an interlock of content between the REC and the SEC, there would likely be consequential changes to the SEC.

The Panel **NOTED** the update.

## **19. 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.

## **20. SEC Panel Risk and Issue Register Update**

SECAS provided the Panel with an update on the SEC Panel Risk Register and SEC Panel Issues Log. The Panel **NOTED** that there were no new proposed risks, or amendments to any existing risks.

## **21. 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 **NOTED** the contents of the paper.

## **22. Any Other Business**

The Panel Chair advised the Panel that, at the February Smart Metering Delivery Group (SMDG) meeting, a Supplier highlighted details of a challenge they were experiencing in the production environment. The Supplier was experiencing issues with a meter that they could not then replicate in the test environments, thus preventing further analysis of the problem to enabling a solution to be developed. The Panel noted that further work would be undertaken by SECAS to better understand the details of the situation, through discussions with the Supplier to then enable any potential solutions to be considered. It was noted that any such solutions, would need the input from the SSC and potentially the TABASC before being taken forward.

A member of the Smarter Markets project team briefed the Panel on Ofgem's proposed approach to innovation in the energy sector, following a cross-code meeting that took place on 18<sup>th</sup> January 2018. The Panel noted that Ofgem intended to introduce an Innovation Link, comprising of a 'Regulatory Sandbox', and were keen for the Panel to input into the project.

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.