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SEC Panel Meeting 62

SECP_62_0911, 9 November 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
	Ashley Pocock
Small Suppliers	Carolyn Burns (<i>Alternate for Karen Lee</i>)
	Mike Gibson
Electricity Networks	David Lane
Gas Networks	Leigh Page
Other SEC Parties	Gary Cottrell
	Mike Woodhall
DCC	Ro Crawford

Representing	Other Participants
Ofgem	Raymond Elliot
	Michael Walls
BEIS (Secretary of State)	Robert Thornes
	Duncan Stone

DCC	Fabienne Dischamps (Part)
	Adam Phillips (Part)
	Angus Flett (Part)
Alt Han Company	Paul Coyle (Part) (Teleconference)
Meeting Secretary	Hollie McGovern
SECAS	Louise Evans
	Abigail Hermon
	David Barber (Part)
	Phillip Twiddy (Part)
	Sarah Gratte (Part)
	Nick Blake (Part)
	Nikki Olomo (Part)
	Fiona Chestnutt (Part)
	David Kemp (Part)
	Cordelia Grey (Part)

Apologies:

Category	SEC Panel Members
Small Suppliers	Karen Lee
Citizens Advice	Colin Griffiths

1. Minutes and Actions Outstanding

The Panel Chair welcomed Ro Crawford, noting that she has replaced Tom Rothery as the DCC Panel Member.

The minutes from the October 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.

Action Reference	Action
SECP57/01	SECAS to develop user-friendly guidance regarding the interactions between new versions of the Technical Specifications and GBCS, and how the associated versions are managed on the Certified Products List.
SECAS informed the Panel that the CPL guidance document had been finalised and uploaded to the SEC Website . SECAS agreed to circulate to Panel Members post-meeting. Action: CLOSED .	
SECP59/03	SECAS to lead discussions regarding Supplier of Last Resort, and document how the end to end process would work under the SEC.
The DCC provided the Panel with an overview of its SoLR process under agenda item 7 and agreed to present the Panel with a set of potential SoLR scenarios for consideration at the December 2018 Panel meeting. A new action was raised as a result (SECP62/03). Action: CLOSED .	
SECP59/05	SECAS to provide further information on the decision points relating to Panel and DCC decision-making responsibilities, with examples.
SECAS informed the Panel that ongoing work is being undertaken with regards to improvements to the modification and releases processes and informed the Panel that a high-level set of delivery milestones for all elements of improvements to the process will be presented to the Panel in December 2018. Action: Ongoing .	
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.
It was noted that an update will be provided at a future meeting. Action: Ongoing .	
SECP60/03	SECAS to investigate the existing controls in place for Other Users and consult with the SSC/SMKI PMA to determine whether there are any issues associated with any solution, such as security, impact on the SMKI arrangements, governance and incentives (on such parties to comply).
The Panel were informed that the SMKI PMA will be carrying out a device certificates risk assessment on 20/11/2018. An update will be provided at the next Panel meeting. Action: Ongoing .	

Action Reference	Action
SECP61/08	SECAS to include a monthly Operations Update item to the agenda for future Panel meetings.
It was noted that the Sub-Committee report includes the highlights of the Operations Group activities, and at the Panel's request the Operations Group will provide further information when necessary. Action: CLOSED .	

The Panel **NOTED** the update.

2. Ofgem Switching Programme Consultation

SECAS presented the Panel with the draft response to Ofgem's consultation, '[Switching Programme: Regulation and Governance – way forward and statutory consultation on licence modification](#)', which was issued on 15 October 2018.

SECAS noted that the development of the Retail Energy Code will likely result in consequential changes to the SEC; SECAS noted it has commenced analysis to determine the changes that will be required and will present initial findings at the December 2018 Panel meeting.

SECAS requested that the Panel provide any comments or feedback on the draft response by 12pm, 14 November 2018, prior to submission on 16 November 2018.

The Panel **AGREED** to submit the proposed response to Ofgem by 16 November 2018, subject to actioning any comments and feedback from Panel Members.

3. Privacy Controls Framework

SECAS presented the Panel with an updated version of the Privacy Controls Framework (PCF) v2.2 following discussions that took place at the October 2018 Panel meeting, regarding compliance of Other Users who do not wish to make use of all the functionality accorded to them in the Other User role.

A Panel Member noted that a clause should be added to the PCF, whereby if an Other User wishes to begin utilising Service Requests pertaining to SEC Sections I1.2 – I1.4, and obtain the associated data, the User must notify the Panel, and the Panel will consider whether a further Privacy Assessment is required.

The Panel **APPROVED** the Privacy Controls Framework v2.2, subject to the above amendment.

SECP62/01: SECAS to amend the PCF v2.2 to include a clause that states if an Other User wishes to begin utilising Service Requests pertaining to SEC Sections I1.2 – I1.4, they must notify the Panel and the Panel will consider whether a further Privacy Assessment is required.

4. SEC Panel Draft Budget 2019 – 2022 (AMBER)

At the September 2018 Panel meeting, SECAS presented the Panel with the Draft Budget for the next three Regulatory Years (April 2019 to March 2022) and the Panel provided feedback.

SECAS informed the Panel that since the September meeting, the Sub-Committee Independent Chairs have requested several further projects be included in the budget, which were presented to the Panel. The Panel requested SECAS to work with the Independent Chairs to condense the project wish list based on a need to have/like to have basis. The discussion was classified at **AMBER** and therefore recorded in the confidential minutes.

SECAS agreed to circulate a condensed project list to the Panel for further discussion at the December 2018 meeting.

SECP62/02: SECAS to circulate a condensed project list to be included in the Draft Budget to Panel Members (at AMBER) to be discussed at the December 2018 meeting.

5. Data Quality Request for Information

Following discussions at the August 2018 Panel meeting regarding data quality issues in the industry, SECAS issued a data quality Request for Information (RFI) to SEC Parties in September 2018. SECAS provided the Panel with a summary of the responses received from the RFI and highlighted the significant issues that had been identified.

SECAS proposed the establishment of a data quality forum to collate, analyse, prioritise and address the issues identified, in addition to any new issues that are identified in the future.

A Panel Member suggested that the Operations Group act as a steering group for data quality issues, noting that the issues are having operational impacts. It was noted that the Operations Group would develop a process for communication swiftly to make Users aware of what the issues are and where they lie, to encourage best industry practice. SECAS noted that several responses to the RFI had requested that SECAS repeat the RFI process periodically, and it was noted that a process should be created to make Users aware that they can raise these issues.

The DCC noted that it is working on a number of issues and will work with the Operations Group, to analyse and resolve the issues. A Panel Member noted that Suppliers should be made aware of whether they could be causing the issues, not to 'name and shame', but rather to provide insight into what is causing the issue and how to mitigate and resolve it.

There was discussion around the SR6.23 issue that had been raised at SMDG on 7 November 2018 and whether it was a data quality issue; it was noted that the issue would need to be dealt with before rollout volumes increase.

The Panel:

- **AGREED** that the Operations Group should act as the steering group to take forward the analysis, prioritisation and remediation work that has already commenced; and
- **AGREED** the recommendations proposed by SECAS regarding the analysis of other issues and commissioned the necessary SECAS work.

6. 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 the title for Risk 13 has been amended for clarity purposes.

SECAS informed the Panel that amendments have been made to the mitigations of Risk 14, which relates to insufficient Communications Hub firmware regression testing being undertaken in Release testing.

The Panel **AGREED** the amendments to the SEC Panel Risk Register

7. Supplier of Last Resort

The DCC informed the Panel that there has been a recent upsurge in the number of Supplier of Last Resort (SoLR) events and presented the Panel with an overview of its documented SoLR process.

The DCC noted that none of the recent SoLR events involved companies with operational Smart Meters on walls, Communication Hub stock outstanding, or Test Lab access. It was noted that the DCC were therefore able to follow its documented process, focusing on the credential and access removal steps.

The DCC provided a brief overview of its SoLR process flow noting that Ofgem begin the process, rather than the User, after which SECAS and the Panel enter the process expelling the failed Party from the Code. This in turn allows the DCC to sever access to the DCC Systems. The DCC also provided the Panel with an overview of the 'customer exit journey'; a Member requested the DCC to share its customer engagement plan with the Panel.

The DCC noted there are a number of different SoLR routes, which are dependent on various scenarios. The Panel discussed scenarios involving prepayment meters; the DCC noted that there is currently no SoLR process in place for prepayment meters. The DCC noted that it is working with SECAS and Ofgem to create detailed SoLR scenarios, focusing specifically on prepayment and credit

mode. They will present these scenarios for consideration at the December Panel meeting. It was noted that it would be a useful tool to highlight the impact on customers and understand how to mitigate the issues.

A Panel Member queried whether a prepayment customer can still vend once the DCC has shut down the Supplier, and whether vending would still work from a Shared Resource perspective, noting that SoLR events are more likely to occur in Small Suppliers that are using a Shared Resource Provider.

A Member queried the enduring Change of Supplier (CoS) process; BEIS noted that it is still alive, and that the DCC will be providing some options for BEIS to consult on in the coming months.

A Panel Member queried the provisions for recovery of debt, noting previous defaults had led to debt being recovered from Suppliers. The Member noted that there was no description included in the DCC invoice, and queried what steps are taken when a Party defaults on a charge, and whether the credit cover arrangements are working as they should. It was noted that the process is not very clear and SECAS agreed to provide the Panel with an overview of the debt recovery process following an Event of Default.

The Panel **NOTED** the update.

SECP62/03: SECAS and the DCC to present the Panel with a set of SoLR scenarios, including prepayment and credit mode, for consideration at the December 2018 Panel meeting.

SECP62/04: SECAS to provide the Panel with an overview of the debt recovery process following an Event of Default.

8. Event of Default Process

SECAS presented the Panel with an overview of the different types of Events of Default, as set out in SEC Section M8.1, and presented proposed options that the Panel could take in an Event of Default. SECAS noted that each Event of Default would need to be treated on a case by case basis, given their unique nature.

The Panel were presented with seven actions it could take in an Event of Default, two of which are compulsory:

- M8.4 (a) the Authority must be notified of the Defaulting Party which has entered into an Event of Default; and
- M8.4 (b) the Defaulting Party must be notified that the Event of Default has occurred.

SECAS noted that the Panel may wish to take any of the following actions in an Event of Default, but noted that the Defaults should be treated on a case by case nature:

- M8.4 (c) notify all SEC Parties that an Event of Default has occurred;

- M8.4 (d) the Defaulting Party is required to give effect to a reasonable remedial action plan to remedy and /or mitigate the effects of the Event of Default. This must be undertaken in a reasonable timescale;
- M8.4 (e) suspend one or more of the Defaulting Party's rights;
- M8.4 (f) the Panel may instruct the DCC to suspend one or more of the Defaulting Party's rights referred to in Section M8.6; or
- M8.4 (g) expel the Defaulting Party from the SEC.

The Panel Chair discussed whether or not Parties should be notified of the details of an Event of Default in future to encourage compliance.

A Panel Member requested that when informing the Panel of an Event of Default, SECAS provide a recommendation for the actions the Panel should take to make the discussions more efficient. It was requested that the Event of Default processes paper be tailored to Parties as more Defaults occur.

The Panel **NOTED** the proposed options it could take in an Event of Default.

9. Current Events of Default (**RED**)

The Panel were provided with a confidential update on two current Events of Default, and two new Events of Default. The discussion was classified as **RED** and therefore recorded in the Confidential Minutes.

The DCC informed the Panel that when the DCC executed SoLR on 22 October for Usio Energy Supply Limited, it was identified that the Party had never been charged. It was noted that there were outstanding costs of £20,000 which had not been billed to the Party when it acceded to the SEC. It was noted that this was an anomaly, and that Capita have absorbed the costs, and therefore will not be passed on to Suppliers. The DCC noted that the root cause was an administrative error of one of the DCC processes, which has since been resolved.

The Panel **AGREED** to expel Usio Energy Supply Limited from the SEC. The Panel also **AGREED** to impose a remedial plan on one of the Parties, and to monitor the two remaining Parties in Default.

10. Cross-Code Survey Next Steps

SECAS presented the Panel with a summary of the feedback received regarding the SEC via the 2018 Cross-Code Survey.

SECAS noted that overall Gemserv is performing well in relation to the SEC, and noted that in light of the feedback received, SECAS is pursuing a number of Service Enhancements centred around the following themes:

- communications;

- website;
- responsiveness;
- meeting management; and
- change modification process.

SECAS noted that it takes feedback seriously and will take action against all feedback received to improve its process. It was noted that SECAS will provide the Panel with regular updates on the progress of actioning the feedback. The Panel noted that the Service Enhancement Plan was very comprehensive.

The Panel **NOTED** the update.

11. Change Status Report – November 2018

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

SECAS noted that it is awaiting confirmation on final costings for an Impact Assessment from DCC for [SECMP0015 'GPF timestamp for reading instantaneous Gas values'](#), noting that the Working Group will need to review these costs and complete its consultation. SECAS requested a one-month extension to allow for these activities.

It was noted that the DCC has verbally notified SECAS that there will be no cost or impact on the DCC for implementing [SECMP0018 'Standard Electricity Distributor Configuration Settings'](#) as a standalone change. SECAS requested a one-month extension to enable the DCC to provide written confirmation on this.

SECAS noted that, at the request of the Panel, it is continuing to liaise with the DCC for the full implementation costs for [SECMP0025 'Electricity Network Party Access to Load Switching Information'](#). SECAS proposed a two-month extension to allow for the full costs to be provided by the DCC.

SECAS noted that the Preliminary Assessment (PA) for [SECMP0032 'Prioritising Prepayment Customers in No WAN Situations'](#) was provided by the DCC on the morning of the October Panel meeting, which did not leave sufficient time to review the existing timetable. It was noted that the Working Group has now reviewed the PA and is considering whether or not there is benefit in proceeding to a Working Group Consultation with the currently-proposed solution. SECAS requested a one-month extension to allow for the Proposer to determine what the next steps should be.

SECAS noted that, after liaising with the DCC, a deadline has been agreed for further Issue Resolution Proposals to be added to the scope of [SECMP0055 'Incorporation of multiple Issue Resolution Proposals into the SEC'](#). SECAS noted that significant effort and time will be required to

edit the text and embedded document sections involved, and therefore requested a three-month extension to allow for the legal text to be produced and consulted upon.

SECAS informed the Panel that it is currently reviewing the timetables for all open SEC modifications and will be providing a summary paper to the Panel in December to provide an up to date view of all of these.

SECAS also noted that 12 modifications had been implemented as part of the November 2018 Release.

The Panel were informed that the Working Group for [SECMP0038 'Sending Commands via PPMIDs'](#) will be undertaking a risk assessment at the request of the Security Sub-Committee (SSC). SECAS informed the Panel that a third-party will be required to undertake the risk-assessment and noted that it would issue a formal request to the Panel to approve the costs and timelines for this work following receipt of tenders. The Panel requested this be brought to it ex-committee if possible, so as not to cause any unnecessary delay.

The Panel:

- **AGREED** a one-month extension for SECMP0015, with the Draft Modification Report to be presented to the Panel in January 2019;
- **AGREED** a one-month extension for SECMP0018, with the Draft Modification Report to be presented to the Panel in December 2018;
- **AGREED** a two-month extension for SECMP0025, with the Draft Modification Report to be presented to the Panel in January 2019;
- **AGREED** a one-month extension for SECMP0032, with an update on progress and a revised timetable to be presented to the Panel in December 2018; and
- **AGREED** a three-month extension for SECMP0055, with the Draft Modification Report to be presented to the Panel in March 2019.

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.

12. Modification Proposal – Initial Modification Report for SECMP0057

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

SECAS noted that following the feedback from the Working Group Consultation, the Agreed Interpretations were updated to clarify what constitutes ‘any new or materially changed component or functionality of a User System’.

The Panel:

- **AGREED** that SECMP0057 is a Path 3 Modification Proposal;
- **AGREED** that the draft legal text delivers the intention of the modification;
- **AGREED** with the recommended implementation date of 28 February 2019; and
- **AGREED** that this modification be submitted for Modification Report Consultation.

13. Modification Proposal – Initial Modification Report for SECMP0064

SECAS presented the Panel with the Initial Modification Report for [SECMP0064 'Seeking access to consumer premises for Alt HAN Activities'](#).

The Panel discussed whether the SEC was the correct platform to be determining whether separate companies could work on behalf of Suppliers. A representative from Alt HAN Co confirmed that the SEC will act as a vehicle, and controls will be in place to give consistency to the activities that Alt HAN Co can carry out. It was noted that the process being developed here will not be governed by SEC obligations, but rather through Alt HAN Co's contract, and the controls will be in the contract to avoid compliance issues under the SEC. It was noted that a Supplier Contract Governance and Regulatory sub-group had been established to ensure that the correct governance is in place.

BEIS noted that the legal text should clarify that the Alt HAN Building Surveyor would only be able to gain access to the communal parts of any premise.

The Panel discussed whether the modification should progress as a Path 2: Authority Determination or Path 3: Self-Governance Modification; the view of the Panel was that the modification should be an Authority Determination modification as it could have material impacts on consumer rights.

The Panel:

- **AGREED** that this modification should be submitted for Modification Report Consultation;
- **AGREED** the progression timetable; and
- **AGREED** that SECMP0064 should be progressed as a Path 2 Modification Proposal.

14. Modification Proposal – Initial Modification Report for SECMP0066

SECAS presented the Panel with the Initial Modification Report for [SECMP0066 'Advanced Shipment Notifications \(ASN\) for Consignment of Communications Hubs'](#).

SECAS noted that the modification seeks to increase the minimum notice that the DCC must offer a Party regarding ASNs for the Consignment of Communications Hubs from two working days to 10 working days. It was noted that the Proposer does not believe the modification will be systems impacting, however the DCC noted that it could be.

The Panel were informed that the Proposer had requested that SECMP0066 be progressed as an Urgent Modification Proposal, however SECAS did not believe the modification meets the criteria for Urgency provided by Ofgem, and that a decision can be achieved in a timely manner using the standard process.

A Panel Member queried why the modification had not been raised previously; SECAS noted that prior to now, in accordance with SEC Section X2.3(c), any Modification Proposal that is raised by a Proposer on the basis that it is urgent, but which is subsequently determined by the Authority not to be an Urgent Proposal, shall be cancelled and not progressed. SECAS noted that from 31 October 2018 this clause is no longer in effect, and therefore the Proposer did not raise the modification before this time in case it was determined to not be an Urgent Modification.

SECAS presented the Panel with two progression timetables: one for if SECMP0066 is progressed as an Urgent Modification, and one with a three-month Refinement Process period if Urgency is not granted. The Panel considered the criteria for Urgency and agreed to recommend to the Authority that Urgency for SECMP0066 should **not** be granted, and agreed that, if Urgency is not granted, SECMP0066 be submitted for a three-month Refinement and assessment by a Working Group. The Panel's view was that SECMP0066 should progress as a Path 3: Self Governance Modification Proposal.

It was noted that the implications of increasing the notice period from two working days to 10 would need to be understood, and DCC agreed to undertake a rapid assessment ahead of the first Working Group meeting. A Panel Member noted that five working days could be a good compromise.

The Panel:

- **AGREED** that SECMP0066 should be progressed as a Path 2 Modification Proposal;
- **AGREED** the terms of reference for the Working Group;

- **RECOMMENDED** to the Authority that SECMP0066 is **not** treated as an Urgent Modification;
- **RECOMMENDED** to the Authority the corresponding progression timetable if the Authority does grant Urgency;
- **AGREED** that if Urgency is not granted that this modification should be submitted into the Refinement Process to be assessed by a Working Group; and
- **AGREED** the corresponding progression timetable if the Authority does not grant Urgency.

15. Change Sub-Committee Terms of Reference

SECAS reminded the Panel that, if approved, [SECMP0049 'Section D Review: Amendments to the Modification Process'](#) will introduce a Change Sub-Committee to oversee the development of new modifications during a 'pre-modification process', and presented an updated copy of the draft Terms of Reference for a separate Change Sub-Committee.

A Panel Member requested that in terms of meeting frequency, the Terms of Reference should state that it is the Change Sub-Committee's decision as to when and how often it convenes.

Another Member requested that the Terms of Reference reflect that the Change Sub-Committee should consider the priority of Modification Proposals and how they might be allocated into different releases and provide a view to the Panel.

The Panel:

- **AGREED** that a separate Change Sub-Committee should be established; and
- **AGREED** that the Terms of Reference should be used for this group if SECMP0049 is approved, subject to inclusion of the Panel's comments.

16. Independent Study of SEC Modifications

Angus Flett, Chief Executive Officer at DCC, and Fabienne Dischamps, Chief of Strategy and Product Management at DCC, attended the meeting to present the Panel with the DCC's plan for efficient, economic and effective delivery of changes to the DCC systems, following the high level of costs quoted for the June 2019 SEC Release.

It was noted that the Panel Chair had written to the DCC on 25 October 2018, outlining the Panel's concerns relating to the difficulties that have been encountered with the delivery of changes to the DCC Systems and processes as part of the SEC Modification Process. The DCC apologised that the

Panel had needed to write to the DCC, but welcomed the letter, and noted that the DCC shares the Panel's concerns.

The DCC noted that it is transitioning from an approach of engineering large programmes such as Release 2.0, to a lower cost and more sustainable model suitable for the smaller, more rapid changes arising from SEC modifications. The DCC informed the Panel that they intended to undertake a cost benchmarking study to achieve efficient, economic and effective change. The DCC noted that the output of the study would:

- identify improvements to the end-to-end SEC modification process;
- categorise types of SEC modifications; and
- for each category, benchmark against industry standards with comparable complexity, scale and impact to the public:
 - delivery costs; and
 - level of testing required for the level of complexity.

It was noted that the study would be sponsored by the Panel and commissioned by the DCC, and an independent organisation will be procured from the DCC's existing framework of consultants. It was noted that the DCC would consult with the Testing Advisory Group (TAG) and DCC customers, specifically on the levels of testing that would be required for SEC Releases.

The DCC noted that it would produce draft terms of reference for the study, to provide a better understanding of what the Panel expect. It was agreed that the terms of reference would be circulated to Panel Members and the Testing Advisory Group, who will have five working days to provide comments.

A Panel Member queried how quickly the DCC could move this forward, to give an idea on how to improve the modification process and in particular to achieve efficient costs of change. The DCC estimated that findings from the study could be provided by March 2019. Following this, the DCC will inform its Service Providers of what will be required. The DCC welcomed any input or expertise that could be provided by the Panel into the study, noting that from an organisational perspective, any data that could be provided would speed up the process.

The Panel Chair queried whether the DCC will be benchmarking the June 2019 Release costs; the DCC confirmed that it will be benchmarking these costs, and then break these costs down in to levels of complexity. The Panel were supportive of efficient and proportionate testing, noting that it was not necessary to test the entire catalogue.

A Member queried whether Modification Proposals that had failed due to high costs could be revisited as part of the study; the DCC noted its commitment to review Modification Proposals that were rejected due to costs. SECAS noted that any such modifications would need to be re-raised as new proposals in order to progress them.

A Member queried how much cost the Panel will incur as a result of the study; the DCC noted that it will be able to provide the Panel with quotes following the procurement process.

The Panel **AGREED** that the DCC may begin the procurement process for an independent organisation to undertake the cost benchmarking study.

SECP62/05: The DCC to circulate a draft Terms of Reference regarding the cost benchmarking study to Panel Members and the Testing Advisory Group for review.

SECP62/06: The DCC to review Modification Proposals that have previously been rejected due to costs, as part of its cost benchmarking study.

17. Update on enduring Modification and Release activities

SECAS provided the Panel with an overview of work undertaken to date and ongoing work with regards to improvements to the modification and release processes and informed the Panel that a high-level set of delivery milestones for all elements of improvements to the process will be presented to the Panel in December 2018.

The Panel **NOTED** the update.

18. Fixed Capacity and November 19 System Release activities

Further to its presentation regarding a cost benchmarking study, the DCC provided the Panel with the following options for a Fixed Capacity Model, which will put in place dedicated resource from the DCC's Service Providers to bring down the costs of delivering two system releases per year:

- Option A – Core Impact Assessment Team:
- Option B – Impact Assessment and Release Delivery Team
- Option C – do nothing and continue as is

The DCC provided an overview of the benefits and risks associated with each option and recommended Option B, noting that this option will deliver two system releases per year with minimal flex. The DCC provided the proposed cost for Fixed Capacity, and noted that this was a minimum spend commitment, and any additional flex required will increase the overall cost. The DCC noted that the cost benchmarking study the DCC will be undertaking will supersede the Fixed Capacity cost and noted that it could wait for the results of the study. The DCC confirmed that the cost is included in the DCC Budget.

The DCC provided suggestions for modifications that could be included in a November 2019 SEC Systems Release, which are either single-systems changes or relatively minor changes, and it was

noted that full Service Provider delivery costs are being developed for the candidates. The DCC noted the following likely modification candidates:

- [SECMP0039 'Communication Hub returns notification mechanism for Other SEC Parties'](#);
- [SECMP0023 'Correct Units of Measure for Uncontrolled Gas Flow Rate'](#); and
- [SECMP0042 'Amendment to SMKI Services to provide DCC Users and/or SMKI Participants with Authorised Responsible Officer \(ARO\) Statistics and Information'](#).

SECAS informed the Panel that SECMP0023 was already approved and could be included in the release by requesting a change of implementation date from the Authority (Ofgem). SECMP0039 was only awaiting the Impact Assessment response from the DCC, and so, subject to timely receipt of this, the Modification Report could be presented to the Panel in December 2018 for a Change Board vote in January 2019. Developments with SECMP0042 where the Proposer was re-examining the solution following receipt of the estimated costs in the Preliminary Assessment response meant this was unlikely to complete in time for inclusion in a November 2019 Release.

The DCC noted that the fixed capacity cost estimate provided was a full year cost and could be split up to show where the DCC is at in the year. It was noted that these costs will be reviewed each year to determine if they remain appropriate, and that the DCC expect the figure to decrease in the future.

A Member queried how the potential scope of the November 2019 release would be taken forward, and it was noted that the DCC need to confirm what the lead time for modifications would be. It was noted that the end to end process from concept to market needs to be much shorter.

BEIS noted their support for the cost benchmarking study, noting that once the DCC can provide component costs, the Panel can begin to build up an idea of what it needs to do with regards to progressing and implementing changes effectively.

The Panel agreed with the DCC's recommendation of Option B, and it was noted that the DCC would investigate whether the November 2019 Release is feasible. An update will be provided at the December 2018 meeting for the Panel's decision on how to proceed with this release.

The Panel **NOTED** the presentation.

19. BEIS Update

BEIS provided the Panel with an update on recent publications, and forthcoming consultations and key milestones.

A Member welcomed the SMETS1 enrolment regulatory consultation, which includes changes to the Commercial Product Assurance and Certified Products List management process for SMETS2 Devices.

The Panel **NOTED** the update.

20. DCC Update

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

SMETS1

The DCC noted that SMETS1 LC13 was issued to SEC Parties for consultation on 1 November, with the following capability release dates:

- IOC May 2019: Aclara, Itron, Honeywell Elster (via DSP)
- MOC August 2019: Honeywell Elster (via MDS), Secure meters
- FOC October 2019: Landis + Gyr, EDM

It was noted that the DCC is engaging with stakeholders to get feedback on the LC13 plan, and it was noted that BEIS still need to consult on Secure and EDM.

R2.0

The DCC noted that Release 2.0 was successfully deployed on 27 October 2018 within the allocated outage times, and that production proving was completed on 28 October with a number of installs taking place successfully. The DCC voiced its gratitude to everyone that was involved in and supported the release. It was noted that the release reinforced that the DCC systems are a stable platform.

Major Incident Reporting

The Panel were provided with an overview of a major incident that occurred on 24 October, relating to the DSP's Database Server going into a 'Read Only' state. The DCC noted that the incident was resolved on the same day.

The Panel **NOTED** the update.

21. SEC Panel Sub-Committee Report

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

The Panel **NOTED** the update.

22. DCC Reporting

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

The Panel **NOTED** the reports.

23. Operations Report

The Panel were presented with the Operations Report for October 2018. The report provided an outline of the activities undertaken by the SECAS team in support of 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:

- Secure SMSO Limited (Other SEC Party);
- Calvin Asset Management Limited (Other SEC Party); and
- Hugo Technologies Limited (Other SEC Party).

The Panel **NOTED** the report.

24. 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.

25. 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.

26. Any Other Business

Raymond Elliot of Ofgem noted that he would no longer be attending Panel meetings as he is moving teams within Ofgem; the Panel Chair gave thanks to Raymond for his support to the Panel.

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