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SEC Change Board Meeting 20_2507

25th July 2018 10:00 – 12:00

8 Fenchurch Place, London, EC3M 4AJ

Final Minutes

Attendees:

Category	Change Board Members
Change Board Chair	David Kemp
Large Suppliers	Jonathan Hawkins (<i>Teleconference</i>)
	Stacey Brentnall (<i>Teleconference</i>)
	Simon Trivella (<i>Teleconference – alternate for Graham Wood</i>) (<i>part meeting</i>)
	Andy Knowles (<i>Teleconference – alternate for Rachael Mottram</i>)
	Paul Saker (<i>Teleconference</i>)
	Samantha Cannons (<i>Teleconference</i>)
	David Rodger (<i>Teleconference</i>)
	Amie Charalambous (<i>Teleconference</i>)
Small Suppliers	Karen Lee (<i>Teleconference – alternate for Carolyn Burns</i>)
Networks	Peter Ballard (<i>Teleconference – alternate for Paul Fitzgerald</i>)
	Jeremy Meara (<i>Teleconference</i>) (<i>part meeting</i>)
	Shanna Kay (<i>Teleconference</i>)
Other SEC Parties	Elias Hanna
	Mike Woodhall
	Gerdjan Busker (<i>part meeting</i>)
Representing	Other Participants
DCC	Amanda Rooney
Ofgem	Raymond Elliot (<i>Teleconference</i>)
SECAS	Talia Addy (<i>part meeting</i>)
	Harry Jones
	Cordelia Grey

Apologies	
Utilita	Rachael Mottram

1. SECCB_20_2507_01 – SECMP0019 ‘ALCS Description Labels’

SECAS provided the Change Board Members with the Final Modification Report (FMR) and Modification Report Consultation (MRC) Responses for [SECMP0019 ‘ALCS Description Labels’](#). SECAS informed the Change Board that the SEC Panel had agreed that due process had been followed and that the Working Group had unanimously believed that SECMP0019 should be approved.

Change Board Vote on SECMP0019

The Change Board voted to **APPROVE** SECMP0019 under Self-Governance. The voting outcome is shown below:

Party Category	Approve	Reject	Abstain	Conclusion
Large Suppliers	7	0	0	Approve
Small Suppliers	1	0	0	Approve
Networks	1	0	1	Approve
Other	3	0	0	Approve

The majority of the Change Board believed SECMP0019 will better facilitate Objectives (a), (c) and (d) should there be sufficient uptake of the list although it was highlighted that, since the list will not be mandatory then it could be considered neutral for Objective (c) which added to the positives arising from being dependent on uptake.

The majority of the Change Board believed that standardising the nomenclature for all possible ALCS and HCALCS labels would simplify a Change of Supplier (CoS) event, in particular, as it would eliminate incoming Suppliers from applying incorrect settings for each switch. In this regard it would support the CoS process and remove some barriers that currently existed for CoS. Additionally, the modification would allow for a more positive consumer experience.

One Network member abstained as they did not believe the modification has an impact on Gas Networks.

One Small Supplier highlighted a request had been raised at Panel to distinguish between a swimming pool and/or a jacuzzi in the table.

One Change Board member raised a concern that, while they were not against the proposed solution, the modification would introduce an optional process; the Working Group had dropped the original solution of making it mandatory, which the member would have preferred been taken forward, due to the cost differences between the optional and mandatory solutions¹. The Change Board Member felt this was an ineffective solution as it only covered part of the intent of the modification and highlighted the disappointment that the list would not be mandatory for the sole reason of the cost implications. They expressed their deep frustration that SECMP0019 was another modification where a solution

¹ The costs provided by DCC in its Preliminary Assessment for SECMP0019 stated the cost for the list to be mandatory was between £432,000 - £622,000. The optional solution has no DCC impact, and so requires only SECAS effort to update the SEC (£1,200).

sought by the industry had to be watered down or discarded due to the high costs that would be incurred to amend the DCC Systems. They were concerned that these costs are becoming a blocker to change.

The Change Board:

- **CONSIDERED** the Final Modification Report and Modification Report Consultation responses for SECMP0019;
- **AGREED** not to send the Final Modification Report back to the Panel for further clarification;
- **APPROVED** SECMP0019 under Self-Governance for implementation on 1st November 2018 as part of the November 2018 SEC Release; and
- **PROVIDED** rationale as to why SECMP0019 better facilitates the General SEC Objectives.

2. SECCB_20_2507_02 – SECMP0044 ‘User Security Assessment of a Shared Resource’

SECAS provided the Change Board with the FMR and MRC Responses. SECAS informed the Change Board that the SEC Panel agreed that due process had been followed and the Working Group had unanimously believed that [SECMP0044 ‘User Security Assessment of a Shared Resource’](#) should be approved.

Change Board Vote SECMP0044

The Change Board **AGREED** to proceed to a vote for SECMP0044. The voting outcome is shown below:

Party Category	Proceed to vote	Return FMR to Panel	Abstain	Conclusion
Large Suppliers	6	2	0	Proceed to Vote
Small Suppliers	1	0	0	Proceed to Vote
Networks	2	0	0	Proceed to Vote
Other	2	0	0	Proceed to Vote

The Change Board voted to **APPROVE** SECMP0044 under Self-Governance. The voting outcome is shown below:

Party Category	Approve	Reject	Abstain	Conclusion
Large Suppliers	7	0	1	Approve
Small Suppliers	1	0	0	Approve
Networks	1	0	1	Approve
Other	3	0	0	Approve

One Change Board Member raised concerns that the legal text did not reflect the requirement that it must be a single organisation providing the Shared Resources which would then constitute the entirety of a User’s System in order to qualify as a Shared Resource Provider. They believed that the combination of SEC Sections G5.25, G10.1 and G10.3 would mean that any Shared Resources that

make up a User System must be provided by a Shared Resource Provider. This means there is a risk that any User who has Shared Resources as part of its User System that are not provided by a Shared Resource Provider may be in breach. SECAS explained that the SEC Lawyers had confirmed that the legal text, as presented, would deliver the intention of the modification, and had fully considered the consultation responses provided when reaching this conclusion.

Other Change Board Members disagreed with the first member's view, believing the legal text, as written, did not raise any issues, and they were happy to accept the legal text as drafted, noting the assurance provided by the SEC Lawyers. One member noted that they did not understand the concerns that had been raised. They considered that the legal text made it clear that a Shared Resource Provider is one that provides the entire system to another User, and that the various clauses linked together to achieve this.

A Change Board Member also highlighted that this change could have unintended consequences if a User was to take on a Shared Resource Provider who was not a SEC Party. It was confirmed that all existing Shared Resource Providers are SEC Parties, so this would only be an issue if a new provider emerged and did not accede to the SEC.

Another Change Board Member raised a query over the proposed definitions of a Shared Resource. They were uncertain whether the definition was correct, or whether it could be misleading. They considered that the definition of a Shared Resource explained in the FMR was correct but was unsure if the legal text delivered this. They also expressed a reservation about the solution only applying to a Shared Resource Provider who provided the entire package. It was highlighted that this was the intention of the modification and was the solution the Proposer had sought.

Two Change Board Members (both Large Supplier representatives) voted that the modification should be returned to the Panel, believing the queries raised around the legal text meant that further work was needed to resolve these issues. All other Change Board Members, although they noted that concerns had been raised, believed that the modification was clear enough and that sufficient assurances had been provided by the SEC Lawyers over the legal text for them to be able to proceed to the vote.

The majority of the Change Board agreed the modification will better facilitate Objective (a)² and (e)³ and the Change Board unanimously considered this would better facilitate Objective (g)⁴. Members believed the User Security Assessment process would be significantly improved and would have a positive impact on those involved. The Change Board agreed it would be more efficient for Shared Resource Providers to undertake one User Security Assessment a year, rather than multiple assessments, additionally there would be significant cost savings for the Industry and SECAS.

A Large Supplier abstained and stated the modification should be sent back to Panel for a further review of the legal text as they believed the current draft could pose a risk in the future with new SEC Parties acceding to the SEC and potential changes in processes.

One Network member abstained as they did not believe this modification has an impact on Gas Networks.

2 Facilitate the efficient provision, installation and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain

3 Facilitate such innovation in the design and operation of Energy Networks (as defined in the DCC Licence) as will best contribute to the delivery of a secure and sustainable Supply of Energy

4 Facilitate the efficient and transparent administration and implementation of this Code

The Change Board:

- **CONSIDERED** the Final Modification Report and Modification Report Consultation responses for SECMP0044;
- **AGREED** not to send the Final Modification Report back to the Panel for further clarification;
- **APPROVED** SECMP0044 under Self-Governance for implementation on 22nd August 2018; and
- **PROVIDED** rationale as to why SECMP0044 better facilitates the General SEC Objectives.

3. SECCB_20_2507_03 – SECMP0048 ‘Extension of SMETS gas valve exemption to include Large Gas Meters installed at Domestic Premises’.

SECAS provided the Change Board members with the FMR and the MRC Responses for [SECMP0048 ‘Extension of SMETS gas valve exemption to include Large Gas Meters installed at Domestic Premises’](#). SECAS informed the Change Board that the SEC Panel had agreed that due process had been followed and that SECMP0048 had been progressed directly to the MRC due to little interest from industry participants to join a Working Group due to them believing the change did not require further discussion.

Change Board Vote on SECMP0048

The Change Board voted to **APPROVE** SECMP0048 under Self-Governance. The voting outcome is shown below:

Party Category	Approve	Reject	Abstain	Conclusion
Large Suppliers	8	0	0	Approve
Small Suppliers	1	0	0	Approve
Networks	0	0	2	Abstain
Other	3	0	0	Approve

One Change Board member questioned the reasoning behind raising the modification as there was no evidence to suggest a SMETS-compliant U16 gas meter (where the requirement for a valve is removed) would be developed. The member however noted that should evidence arise to indicate this was likely to be developed in the future then this would facilitate Objectives (a) and (c) as it will enable the installation of Smart Metering Systems at a consumer’s premises and enable consumers to manage their energy consumption through the Smart Metering System.

One member noted that U16 gas meters could be procured now and queried what evidence there was that the Valve was acting as a blocker. Another Change Board member, who was the Proposer of SECMP0048, believed that meter Manufacturers would not want to develop a meter with a Valve as the likely uptake would be low and so it would not be cost-effective for them. SECMP0048 would be an enabling modification, allowing U16 gas meters without a Valve to be installed at a wider range of sites; it would not change the technical specifications of the meter itself, and would not impact on the licence. DCC confirmed that there would be no costs or impacts on it to implement this modification.

The view of the Change Board is that SECMP0048 will better facilitate Objectives (a), (c)⁵ and (d)⁶.

Change Board members noted that the modification will better facilitate the usage of IHDs, interoperability and Smart Metering Systems as a whole, which in turn would better facilitate Objectives (a) and (c). A minority of Change Board members believed SECMP0048 would better facilitate Objective (d), with the remaining members neutral.

One Change Board member requested for consideration to be made on the future implications should products be introduced to market that enable Smart Pre-Payment Meters for U16 supply.

Two Network members abstained as they did not believe that this modification has an impact on Gas networks and therefore requested to leave the decision to those with vested interests.

The Change Board:

- **CONSIDERED** the Final Modification Report and Modification Report Consultation responses for SECMP0048;
- **AGREED** not to send the Final Modification Report back to the Panel for further clarification;
- **APPROVED** SECMP0048 under Self-Governance for implementation on 1st November 2018 as part of the November 2018 SEC Release; and
- **PROVIDED** rationale as to why SECMP0048 better facilitates the General SEC Objectives.

4. SECP_58_1307_08 – Change Status Report

The Change Board noted this month's Change Status Report. There were no questions or comments raised.

5. Any other business

Change Board Members requested for Working Groups to be grouped together as much as possible so that attendees could work on multiple modifications in one session, especially where there was overlap between changes. One member noted caution with grouping modifications, as in some cases different expertise would be needed for different changes. Members also requested SECAS ensures the distribution lists for Working Groups include all relevant Industry contacts, so no-one was omitted from any correspondence, especially for those who were a part of an existing Working Group.

The Change Board also stated there had been instances of Working Groups occurring when they were not considered quorate, expressing concerns that large changes are being reviewed by small groups. They also noted meetings being held at the same time as other Industry meetings, resulting in representatives being unable to attend both, which could potentially have a detrimental effect on the outputs of those Working Groups. SECAS agreed to take all feedback onboard and would ensure all Working Group distribution lists were updated and to seek to hold Working Groups so that the majority of members could attend and to try and arrange these in groups depending on content.

⁵ Facilitate Energy Consumers' management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems

⁶ Facilitate effective competition between person engaged in, or in Commercial Activities connected with, the Supply of Energy