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## SEC Panel Meeting 67

**SECP\_67\_1204, 12 April 2019**

**10:00 – 12:15, Gemserv, 8 Fenchurch Place, London, EC3M 4AJ**

### Final Minutes

#### Attendees:

Category	SEC Panel Members
SEC Panel Chair	Peter Davies (PD)
Large Suppliers	Ash Pocock (AP)
	Simon Trivella (ST) ( <i>Teleconference</i> )
Small Suppliers	Karen Lee (KL)
	Mike Gibson (MG)
Electricity Networks	Paul Fitzgerald (PF)
Gas Networks	Leigh Page (LP)
Other SEC Parties	Gary Cottrell (GC)
	Mike Woodhall (MW)
DCC	Ro Crawford (RC)
Citizens Advice	Ed Rees (ER)

Representing	Other Participants
Ofgem	Michael Walls (MW)
BEIS (Secretary of State)	Robert Thornes (RT)
	Duncan Stone (DS)

DCC	Jim Henton (JH) (Part)
	Alex Henighan (AHe) (Part) ( <i>Teleconference</i> )
	Mo Asif (MA) (Part)
	Robin Healey (RH) (Part)
Testing Advisory Group Chair	Phillip Twiddy (PT) (Part)
Meeting Secretary	Hollie McGovern (HM)
SECAS	Abigail Hermon (AH)
	Fiona Chestnutt (FC) (Part)
	David Kemp (DK) (Part)
	Nick Blake (NB) (Part)
	Sarah Gratte (SG) (Part)

## 1. Minutes and Actions Outstanding

The Panel Chair welcomed newly elected Panel Member Paul Fitzgerald, who has replaced David Lane as the Electricity Networks representative.

The minutes from the March 2019 SEC Panel meeting were approved ex-committee and circulated. The following updates were provided:

Action Reference	Action
<b>SECP64/02</b>	SECAS to ensure the DCC provides a documented post-release Lessons Learned, for comment.
The DCC provided the Panel with an overview of the lessons that were identified throughout the implementation of the Release 2.0 programme, which was discussed under agenda item 6. It was noted that the document would be circulated to SEC Parties. Action: <b>CLOSED</b> .	
<b>SECP66/01</b>	SECAS to undertake a review of the Other User role, with a specific focus on the requirements and objectives of Other SEC Parties in regard to DCC services.
The Panel was presented with a questionnaire which was discussed under agenda item 3. The Panel requested that the questionnaire be issued to all SEC Parties. Action: <b>Open</b> .	

The Panel **NOTED** the updates in the Actions Paper and **AGREED** that any actions marked as CLOSED could be formally closed.

## 2. Random Sample Privacy Assessment Scheduling

SECAS (NB) presented the Panel with proposed amendments to the Privacy Controls Framework (PCF), which related to Random Sample Privacy Assessment Scheduling. SECAS noted that the purpose of the amendments was to provide further clarity around the current Random Sample Privacy Assessment arrangements, and to ensure compliance with SEC Section I2.15(c).

SECAS highlighted the proposed approach for using the year two Privacy Self-Assessment submission as a pre-cursor for the Random Sample Privacy Assessment, noting that it would perform a 'scoping call' with each User to confirm they are sending Service Requests, or alternatively liaise with the DCC to gain this data. A Member queried how many Service Requests needed to be sent to warrant a Random Sample Privacy Assessment and noted that receiving alerts and responses from pre-scheduled requests should also be taken into account.

A Member queried the process if there was no activity in both the second and the third year, and whether the assessment cycle will roll over; SECAS noted that a caveat will be included in the PCF to clarify that if there are no Service Requests sent in the second and third year, then the assessment cycle will roll over into the fourth year.

The Panel also discussed Other User 'C's business case; the discussion was marked as **RED** and therefore recorded in the Confidential Minutes.

The Panel:

- **CONSIDERED** the timing of the Random Sample Privacy Assessments in line with I2.15(c) and the proposed amendments to the Privacy Controls Framework; and
- **AGREED** that SECAS may implement the new process and update the Privacy Controls Framework to V2.4, to include Panel Member's comments.

**SECP67/01:** SECAS to update the Privacy Controls Framework to reflect Panel Member's comments regarding Random Sample Privacy Assessment Scheduling and publish on the SEC Website.

## 3. Other SEC Party Requirements

Pursuant to action SEC66/01, SECAS (NB) presented the Panel with a questionnaire which SECAS are proposing to issue to Other SEC Parties to better understand the requirements and objectives of this Party category.

A Panel Member suggested issuing the questionnaire to all SEC Parties, noting that there may be some Suppliers who intend to become an Other SEC Party in the future, to which SECAS agreed.

The Panel discussed the proposed questionnaire distribution timeline and agreed that the closure of the questionnaire should be 28 May 2019, with the findings and analysis to be presented to the Panel

at the June 2019 meeting. It was noted that all Parties should be made aware that the responses to the questionnaires would be anonymous. SECAS noted it would extend the proposed timeline.

The Panel:

- **CONSIDERED** the Other SEC Party Questionnaire; and
- **AGREED** the final questionnaire and proposed timelines, subject to the amendments outlined above.

**SECP67/02:** SECAS to issue the Other SEC Party Questionnaire to all SEC Parties and present the findings at the June 2019 Panel meeting.

#### 4. CPA Methodology for Modifications to Security Characteristics

SECAS (NB) informed the Panel that SEC obligations have now been placed on the Security Sub-Committee (SSC) in respect of the Commercial Product Assurance (CPA) Scheme, including an obligation in SEC Section G7.19(f) to develop and maintain the CPA Security Characteristics (SCs). The Panel considered the CPA Security Characteristics Methodology that was developed by the SSC to meet these obligations.

SECAS noted that the Security Characteristics are not SEC documents, and that the National Cyber Security Centre (NCSC) are the authority who retain overall responsibility for sign-off and publishing the CPA Security Characteristics. It was noted that the SCs will be published on the SEC website.

The Panel:

- **NOTED** the methodology developed by the SSC for the development, maintenance, modification and governance of the CPA SCs; and
- **NOTED** that SC Version 1.3 is still in the process of being developed, agreed and implemented. This modification was initiated by NCSC via a CPA Industry Group on 11 October 2018 but has not yet concluded and is now being managed by the SSC.

#### 5. SMETS1 Services Initial Operating Capability SIT Completion Decision

The Testing Advisory Group (TAG) Chair presented a paper providing details of the TAG's considerations, and associated recommendations, regarding the completion of the SMETS1 Services Initial Operating Capability (IOC) System Integration Testing (SIT) and whether exit criteria for the test phase had been met.

The TAG Chair noted that since the previous Panel meeting, the DCC had addressed the three remaining actions which had led to the TAG's recommendation in March that SIT was not complete.

The TAG Chair noted that at its meeting on 4 April, the TAG had considered that the exit criteria for SMETS1 IOC SIT had been met.

The DCC (RC) noted that as a result of the TAG's recommendation that IOC SIT is complete, the DCC had opened User Testing Services, to allow Users to start their testing. The DCC noted that the environment had not changed since the TAG recommendation and it would like the User testing that had commenced to contribute to the completion of User Integration Testing, rather than requesting the Users to repeat the testing that they had completed.

The Panel confirmed that IOC SIT was complete on 12 April 2019, noting that this result demonstrates that the TAG and the DCC have worked very well together. As set out in SEC Appendix AK13.17, the DCC will now be required to provide Parties with the SIT Completion Report and SIT Auditor Report.

The Panel **AGREED** that the IOC SIT exit criteria have been met and that IOC SIT was completed on 12 April 2019.

**SECP67/03:** DCC to provide SEC Parties with the SIT Completion Report and the SIT Auditor Report.

## 6. Release 2.0 Lessons Learned

The DCC (JH) provided the Panel with an overview of the lessons that were identified throughout the implementation of the Release 2.0 programme and invited comments and feedback from the Panel.

A Panel Member (AP) noted that the Large Supplier group had welcomed the document but had some concerns that some key lessons had not been reflected in the document, specifically the amount of time taken to test.

The Panel Chair requested that the DCC circulate the document to all SEC Parties to ensure that all lessons are captured and noted that the responses should be reported back to the Panel.

The Panel Chair also queried whether the lessons learned, regarding the DCC's appeal of the Incentive Scheme Milestone 1B, would be included in the overall lessons learned document, and the DCC agreed that it would.

The Panel **NOTED** the Release 2.0 lessons learned.

**SECP67/04:** DCC to include the lessons learned regarding the appeal of the Incentive Scheme Milestone 1B in the lessons learned document, to be circulate to all SEC Parties. The DCC to report the responses received back to the Panel.

## 7. Business Continuity Disaster Recovery Report

The DCC (AHe) provided the Panel with an update on the progress with the current Business Continuity and Disaster Recovery (BCDR) Test cycle.

The DCC informed the Panel that during the test cycle, two key issues had been identified and needed to be resolved. It was noted that the DCC had sought the view of the Operations Group (OPSG) on when the re-test should take place to resolve these issues. The DCC noted that the majority of OPSG Members were of the view that the BCDR retest activities should take place in May 2019 and as a result, the DCC has secured provisional dates for the retest and will notify industry once the dates have been confirmed.

The DCC noted that its intention was not to defer the retest activities to later in the year, when other key events will be occurring, and the Panel noted that retesting in May will provide Parties with certainty, and enable them to plan around those dates.

In light of the Operations Group view, the Panel expressed a preference for the BCDR retests to take place in May 2019. The DCC noted that it will notify Parties as soon as the dates have been confirmed, in accordance with SEC Section H10.12B.

The Panel **NOTED** the update.

## 8. Notifying Parties of Socialisation Costs (RED)

The Panel discussed the Event of Default process and considered how to provide SEC Parties with advance notice of costs to be socialised following the expulsion of a Party from the Code. It was agreed that SECAS and the DCC would work together to finalise the process and present to the Panel for final consideration. The agenda item was marked as **RED** and therefore recorded in the Confidential Minutes.

The Panel **NOTED** the presentation.

## 9. End of Regulatory Year Report 2018 – 2019

SECAS presented the Panel with a confidential draft of the End of Regulatory Year Report for the 2018/19 period, developed in accordance with SEC Section C2.3 (h). The draft was provided as a confidential paper in order for the Panel to provide feedback prior to the report being published on the SEC Website to Parties.

A Panel Member requested that SECAS circulate the report to the independent Sub-Committee Chairs for comment prior to publication of the report. It was noted that if the Chairs suggested substantial revisions, the report would need to be brought back to the Panel for further consideration. The Member also noted that the wording relating to defaulting Parties in Section 3.3 needed to be amended to reflect how many Parties had been expelled from the SEC as a result of entering Default.

The Panel Chair noted that it should be referenced in the Summary that the SEC continues to meet the SEC Objectives.

The Panel **APPROVED** the End of Regulatory Year Report, subject to the above agreed revisions and any revisions suggested by the independent Sub-Committee Chairs.

**SECP67/05:** SECAS to circulate the End of Regulatory Year Report 2018-19 to the independent Sub-Committee Chairs for comment, and subject to any suggested revisions, publish to the SEC Website by 10 May 2019.

## 10. SECAS Contract

As the existing Smart Energy Code Administrator and Secretariat (SECAS) contract is due to lapse in September 2019, the Panel was presented with amendments to the SECAS contract, following discussions with the SECCo Board and the current service provider for the SECAS services.

The Panel considered the proposed amendments to the SECAS contract and agreed to extend the services agreement for a further two and a half years.

The Panel:

- **APPROVED** the extension to the SECAS Contract for a period of two and a half years; and
- **AUTHORISED** the SECCo Board to make the necessary revisions to the existing contract.

## 11. Change Status Report – April 2019

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

SECAS (DK) informed the Panel that [SECMP0025 'Electricity Network Party Access to Load Switching Information'](#) and [SECMP0043 'Modification to Services Force Majeure Provisions'](#) had been approved by the Authority on 5 April 2019.

The Panel **NOTED** the report.

## 12. SEC Modification Timetables update

SECAS provided an update to the Panel on the timetables for Modification Proposals currently in the Refinement Process.

The Panel **AGREED** the programmes of work and timelines proposed.

## 13. Change Process Improvements Update

SECAS provided the Panel with an update on the delivery of improvements to the SEC Modification Process since the March 2019 Panel meeting, in addition to an overview of the workstreams that will be delivered this quarter.

A Panel Member (KL) noted that the Modcasts that SECAS has been publishing were very well received.

The Panel **NOTED** the update.

## 14. Interim approach to reporting SEC release costs

The DCC provided the Panel with an overview of its proposal for how costs incurred during the testing of Modification Proposals should be accounted for and reported on, on an interim basis until an enduring methodology is developed and agreed.

The DCC proposed that DCC Assessments will now provide a breakdown of implementation costs including:

- Costs to the end of Pre-Integration Testing (PIT); and
- Post-PIT costs, including System Integration Testing (SIT) and User testing.

The DCC noted that the Post-PIT costs will be based on an assessment of each modification as a 'standalone release', which should provide the Panel with the DCC's best estimate of the standalone cost that would be incurred during the implementation of each modification. The Panel Chair noted that this approach should result in the sum of the standalone modifications being more than the combined release cost subsequently incurred, resulting in some savings.

The Panel Chair queried the Authority's view on accepting modifications in this manner. The Ofgem Representative (MW) noted that Ofgem will continue to make a decision based on the business case for the modification, taking into consideration that the costs may change down the line.



The Panel discussed how the Change Board may vote on these modifications. A Member suggested that the Change Board could vote twice, once on the modification in isolation, and once as part of a release. SECAS noted this would require changes to the decision-making process detailed in SEC Section D but were happy to explore how this stage could be changed as part of the ongoing work to improve the Modification Process.

The Panel noted that the proposed approach was that which the DCC will follow moving forward. SECAS informed the Panel that it expected to present the proposed scope for the June 2020 Release to the Panel at its May meeting. The Panel noted that it would like to see some evidence of cost savings for the June 2020 Release to provide confidence in cost savings for other releases.

A Panel Member noted that each Modification Report that is provided to the Change Board and Authority needs to sufficiently capture these discussions and the approach to costs for each modification.

The Panel **AGREED** that the cost accounting model presented by the DCC may be used on an interim basis until an enduring approach has been developed and agreed with the Panel.

## 15. BEIS Update

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

The Panel **NOTED** the update.

## 16. DCC Update

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

### Operational update

The DCC informed the Panel that the DCC Innovation Events were due to end on 12 April, noting that these events were a good opportunity for industry to test connectivity.

### Release 2.0 Transition

The DCC provided an update on transition to Release 2 Single and Dual Band Communications Hubs (DBCH), noting that the DCC are undertaking a number of activities to focus on the expiry date of 27 October 2019 for Release 1. The DCC noted that this involved merging with Release 2, and releasing it into the UIT environment for Users to test; the DCC recognised that Users currently have a significant amount of testing at present.

The DCC confirmed that the transition plan will be presented to the Operations Group for consideration, and that it had already been presented to the Implementation Management Forum (IMF). There was discussion regarding the expiry date; it was noted that 27 October 2019 was a notional date, and that the DCC is working with BEIS and Users to understand the risks associated with the plan and is looking to be flexible to support Users through the process.

BEIS (DS) noted that once the DCC can provide clarity on the testing regime that it is supporting in UIT, and how long it will take Users to utilise the regime, then the expiry date can be reviewed. BEIS noted that if the date is changed now, testing may be affected.

A Member requested notification to be issued from IMF to provide Users with clarity on what they need to do, noting that IMF is not representative of all Parties and that the transition is not a widely known issue. BEIS agreed to pass on the request for relevant information on this issue to be sent to all Parties following discussion at the next IMF.

#### Dual Band Comms Hubs

The DCC provided an update on DBCH Device Integration Testing (DIT), specifically with regard to the two Meter Manufacturers (MM1 and MM2) that are supporting the testing.

It was noted that MM1 had slightly changed its product strategy in the lead up to the closing phase of DIT at the end of the month.

The DCC highlighted the next steps for MM2, noting that two Gas Meter Manufacturers will begin confidence testing in mid-April.

A Member noted that it would be useful if the scope for DIT was presented to the TAG, to ensure that the User risks were taken into consideration. The DCC noted that once the scope had been considered by BEIS and the Smart Metering Design Group (SMDG), it would be presented to TAG.

#### SMETS1

The Panel discussed the SMETS1 LC13 Plan and a Panel Member queried when and how this would be published. It was noted that the DCC need to provide Parties with 15 Working Days' notice, and that the DCC will provide notification through the IMF and its sub-groups. BEIS confirmed that the IMF Change Request is currently out for comment until 23 April, after which IMF will make a decision on 25 April.

The Panel **NOTED** the update.

## **17. 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.

## 18. SEC Panel Risk and Issue Register update

The Panel was provided with an update on the SEC Panel Risk Register and the SEC Panel Issues Register, which included a proposed new risk, and amendments to mitigations for six existing risks and two existing issues.

The Panel **AGREED** the amendments to the Risk and Issues Register.

## 19. DCC Reporting

The Panel was provided with the Post Commissioning Information Report from the DCC as required by the SEC. The Panel also considered observations raised by the OPSG against the reports currently delegated to them.

The Panel:

- **NOTED** the report; and
- **NOTED** the OPSG observations in relation to DCC reports delegated to them.

## 20. Operations Report – March 2019

The Panel was presented with the Operations Report for March 2019. The report provided an outline of the activities undertaken by the SECAS team in support of the SEC.

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

- Intelesant Limited (Other SEC Party);
- Smart Test Labs GB Ltd (Other SEC Party); and
- Green Energy Supply Limited (Small Supplier).

The Panel **NOTED** the report.

## 21. Smarter Markets Project Update

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

The Panel **NOTED** the update.

## 22. Transitional Governance Update (**GREEN**)

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

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

### **23. Any Other Business**

A Member (KL) requested that SECAS provide an update on the work that is being undertaken with Ofgem relating to the consequential changes to the SEC, as a result of Ofgem publishing its revised rules on Supplier licensing. It was agreed that an update will be provided at the May 2019 Panel meeting.

SECAS requested that the Panel provisionally approve the budget for the SEC Party Engagement Day in July 2019. The Panel approved the budget to enable SECAS to book a venue ahead of the May Panel meeting.

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

**Next Meeting: 10 May 2019**