SEC Panel Meeting 68

SECP_68_1005, 10 May 2019

10:00 – 12:45, 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)
Small Suppliers	Karen Lee (KL)
	Mike Gibson (MG)
Electricity Networks	Paul Fitzgerald (PF)
Gas Networks	Phillip Burrows (PB) *(Alternate for Leigh Page)*
Other SEC Parties	Elias Hanna (EH) (*Alternate for Gary Cottrell*)
	Mike Woodhall (MW)
DCC	Ro Crawford (RC)
Citizens Advice	Ed Rees (ER)

Representing	Other Participants
Ofgem	Raymond Elliot (RE)
BEIS (Secretary of State)	Robert Thornes (RT)
	Duncan Stone (DS)
DCC	Ben McCauley (BM) (Part)
	Steve Stathakis (SS) (Part)
	David Brown (DB) (Part)
	Aimi Hayman (AHa) (Part)
User Independent Privacy Auditor	Alistair Grange (AG) (Part) *(Teleconference)*
Testing Advisory Group Chair	Phillip Twiddy (PT) (Part)
Meeting Secretary	Louise Evans (LE)
SECAS	Abigail Hermon (AH)
	Fiona Chestnutt (FC) (Part)
	David Kemp (DK) (Part)

Apologies:

Representing	Other Participants
Gas Networks	Leigh Page
Other SEC Parties	Gary Cottrell
Ofgem	Michael Walls

1.   Minutes and Actions Outstanding

The minutes from the April 2019 SEC Panel meeting were approved ex-committee and circulated.

The following updates were provided:

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

The Panel were informed that the SEC Modifications that formed part of the rejected June 2019 Release were re-issued to Service Providers earlier this year for re-assessment. It was noted that Preliminary Assessments have been returned by the Service Providers and are now in the SECAS review process, and that the Cost Benchmarking Report will address these modifications. Action: **Open**.

Action Reference	Action
SECP66/04	SECAS to seek input and best practice from CACoP Members on Credit Cover.

SECAS (AH) informed the Panel that it had engaged with the Balancing and Settlement Code (BSC) and the Connection and Use of System Code (CUSC), noting that there are commonalities between the codes, and proposed a further meeting with all codes to draw comparisons and areas for potential change in the way Credit Cover is managed.

The Panel Chair recapped that, if a Party felt the process to be inadequate, they could raise a modification. A Member noted that Parties may not be aware of the full risk relating to Credit Cover, and the Panel Chair suggested highlighting the current situation to Parties in the SEC Newsletter, inviting them to raise concerns or issues. Action: **Open**.

SECP68/01: SECAS to highlight how Credit Cover is managed in accordance with the SEC to SEC Parties, inviting Parties to raise any concerns or issues.

Small Supplier Representative (KL) raised the process of a Supplier acceding to the SEC without a Supply Licence in the context of Ofgem's consultation on Supplier Licensing Review: Final Proposals on Entry Requirements.

SECAS (AH) explained that an organisation can accede to the SEC in the role of Other SEC Party in the absence of a Supply Licence. An Other SEC Party can begin SMKI & Repository Entry Process Tests (SREPT) and User Entry Process Testing (UEPT) for any DCC User role without a Supply Licence.

An Other SEC Party can book the Security Assessment for any DCC User role but will require a Supply Licence at the time of the CIO audit for the DCC User roles of Import Supplier, Export Supplier, Gas Supplier, Electricity Distributor and Gas Transporter.

A Supply Licence is also required (for Import Supplier, Export Supplier, Gas Supplier, Electricity Distributor and Gas Transporter DCC User Roles) before the DCC can confirm that a User ID for a particular User Role has been accepted.).

Small Supplier Representative (KL) acknowledged that whilst the process does work currently, there should be a review of how the other codes are addressing Ofgem's Supplier Licensing Review, to ensure alignment.

SECP68/02: SECAS to review how the other codes are addressing Ofgem's Supplier Licensing Review, to ensure alignment.

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

2. Privacy Controls Framework amendment – Self-Assessment Questionnaire update

The User Independent Privacy Auditor (IPA) (AG) presented the Panel with a questionnaire that SECAS and the User IPA have developed for Users undertaking a Privacy Self-Assessment, to replace the current questionnaire that already exists in the Privacy Controls Framework (PCF).

The User IPA noted that the amendments follow a similar format to Security Self-Assessments, and that the assessment process mirrors the Security Assessment process, with a two- stage verification. It was noted that the second stage will highlight the areas where further consideration could be given.

A Large Supplier Member questioned whether the questionnaire covered scheduled Service Requests, and it was agreed that further clarification would be included in the questionnaire.

The Panel discussed consumption data; a Member queried whether this related to meter readings, and whether it was hourly or half hourly.

The Panel **APPROVED** the suggested amendments to the Privacy Controls Framework subject to reflecting the volume of scheduled Service Requests in the Privacy Self-Assessment questions.

SECP68/03: SECAS to publish the updated Privacy Controls Framework, to reflect Panel Member comments regarding the volume of scheduled Service Requests in the Privacy Self-Assessment questions.

3. Supplier of Last Resort workshop update (GREEN)

SECAS (FC) provided the Panel with an overview of the outputs of the Supplier of Last Resort (SoLR) workshops that have taken place to date.

It was noted that the workshops had provided a better understanding amongst stakeholders of the SoLR process, and an end to end process map highlighting interactions between the DCC, Ofgem and SECAS had been created. SECAS informed the Panel that six SoLR scenarios have been identified so far:

1. Standard SoLR scenario - where SMETS1/SMETS2 meters are installed

2. Standard SoLR scenario - if the failing Supplier is in the middle of migrating SMETS1 meters

3. Non-standard SoLR scenario - if gaining Supplier continues to use failing Supplier systems

4. Pre-payment meters – non-cooperative failed Supplier

5. Pre-payment meters – cooperative failed Supplier

6. Large failing Supplier – transferring to a single or multiple Suppliers

SECAS noted that the most recent workshop held in April focused on risks to pre-payment customers, and that a further workshop would be scheduled in May to agree mitigations to the risks to pre-payment customers.

The Panel discussed expanding the attendees of the SoLR Workshops to include representation from:

- Citizens Advice;

- Supplier that specialises in pre-payment;

- A payment company; and

- Pre-payment Forum.

The BEIS member questioned how confident workshop attendees are that the timetable could be expediated in the Large Failing Supplier scenario that ceases trading immediately to ensure that customers are not cut off from supply, SECAS informed the Panel that the 3-day tender period could be reduced.

Members raised the need to consider the ability to vend for a customer and the possibility of a scenario where a business can be failing but not go into administration. Under the Electricity Act, an application must be made to the Secretary of State to allow Ofgem to appoint a SoLR which could cause a delay of two-three weeks and SECAS agreed to include these points in the scope of the workshop review.

The Panel Chair requested that work be accelerated on the SoLR workshops, in particular finalising the Pre-Payment area.

A Panel Member suggested circulating SoLR flow diagrams to the Panel to raise their awareness of the process.

The Panel **NOTED** the update.

SECP68/04: SECAS to share SoLR flow diagrams with Panel members.
SECP68/05: SECAS to engage with the Pre-Payment Forum, Citizens Advice, a payment company and a Supplier that specialises in pre-payment as part of the next scheduled SoLR workshop.
SECP68/06: SECAS to include consideration of the ability to vend for a customer and the possibility of a Supplier failing but not go into administration as part of the scope of the SoLR workshop review.
SECP68/07: SECAS to accelerate work on the SoLR workshops, in particular finalising the Pre-Payment area.

4.   Current Events of Default (RED)

The Panel were provided with an update on one new Event of Default and the actions taken since the last SEC Panel meeting. The agenda item was marked as **RED** and therefore recorded in the Confidential Minutes.

The Panel **AGREED** the recommendations for the new Event on Default.

5.   SEC Party Engagement Day – preparations

SECAS (FC) presented the Panel with details for the upcoming SEC Party Engagement Day, noting SECAS are proposing a similar approach to last year with input from the SEC Panel, the DCC, BEIS, Smart Energy GB, Citizens Advice, Ofgem and SECAS in the morning, followed by three education streams in the afternoon on specific subjects.

The Panel suggested the following:

- in addition to sharing existing important information, relevant/ interesting topics should also be covered, such as SoLR, socialisation of costs, and polyphase meters;

- the content should be User driven, and as well as focusing on SECAS, should also cover SEC Sub-Committees and the issues they are currently facing;

- reduce the number of agenda items to two or three morning items;

- review what is driving inbound traffic to the helpdesk; and

- request input from SEC Parties on what topics they would like to discuss.

This document has a Classification of White

The Panel **AGREED** the outlined approach for the SEC Party Engagement Day.

SECP68/08: SECAS to request input from SEC Parties on what topics they would like to discuss at the SEC Party Engagement Day.

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6. DCC Stakeholder Engagement (GREEN)

The DCC provided the Panel with an overview of its proposed approach for engaging with Users and set out its draft Business and Development Plan. The DCC highlighted areas for improvement that had been identified through recent engagement with industry and feedback from Ofgem in its 2017/18 Price Control report.

A Panel Member queried the DCC's plan for providing industry with a transparent view of costing. The DCC noted that its business plan for the previous year included indicative prices but noted that a critical step will be to report any changes to costs that were previously communicated, in order to close the feedback loop with the intention of driving short term improvements and impacts.

A Member raised that there are currently issues where the DCC is not delivering the value that was initially expected, and queried how the DCC's engagement plan will look at existing issues where outputs have not materialised; the Member noted Production Proving as an example, which was expected to be in place for Release 2.0, however may still not be ready for Release 3.0.

There was discussion around how information is disseminated to industry, with the DCC noting that they are looking at different channels for engaging including interactive formats; a Member queried whether there is a way to provide greater clarity outside these forums. The BEIS representative requested a map of the different forums that require BEIS engagement. The Small Supplier member raised that there should be consideration of whether information should be restricted to the particular sub-group or perhaps shared more widely to all SEC Parties. The DCC noted that they have been working with SECAS to address particular issues and streamline processes where possible and will continue to do so.

The Panel were informed that the Business Development Plan was combined and consulted on for the first time (deadline 10 May), the DCC acknowledged that they would be happy to receive feedback ahead of the final version scheduled to be published in early July to align with the Q2 Indicative Charging Statement.

A Large Supplier Member provided feedback on the structure of the Business Development Plan, requesting that it be categorised by mandatory activity in accordance with the licence obligations and speculative activity.

The Panel **NOTED** the update.

SECP68/09: DCC to include the provision of outputs on existing issues such as Production Proving in the DCC Stakeholder Engagement Plan.

SECP68/10: DCC to provide BEIS with a map of the different forums that require BEIS engagement.

SECP68/11: DCC to consider of the information shared by the DCC at the various forums and whether this should be restricted to the group or shared more widely e.g with SEC Parties.

7. Change Status Report – May 2019

SECAS (DK) provided the Panel with an update on the status and progress of Modification Proposals, noting that the Change Status Report had been simplified to improve readability.

The Panel were informed that a Draft Proposal to amend SEC Section J, to clarify that the resolution of Payment Default should fall under full Panel jurisdiction, was due to be raised by a Panel Member (ST) on 10 May 2019. It was noted that it had not been decided whether the modification would be Self-Governance.

The Panel discussed [SECMP0007 'Firmware updates to IHDs and PPMIDs'](). It was noted that the Working Group had agreed that an amalgamation of two solutions would be appropriate, the Modification Report will be issued for consultation soon, and the Impact Assessment will be requested once the consultation has closed. A Member raised concern that the Working Group are still considering the scope of the Modification which indicates that there will be further delay.

The Panel discussed the cost/benefit for the modification. They noted that the business case for the change exists but would be greatly reduced if the modification is not implemented within the next 18 months. Devices are being rolled out now based on the current specifications, and changes to these to include over-the-air (OTA) firmware update capabilities cannot be made without replacing the whole Device. A Panel member noted that the majority of these Devices would be rolled out by November 2020 and queried whether the cost of the modification could be spent on Device recall and replacement capability. The Panel Chair added that if the modification can deliver a generic solution for Devices on the Home Area Network (HAN), there would be a longer-term benefit to justify the cost.

The Panel Chair summarised that:

- the modification is needed by industry;
- a cost-effective solution is required for the modification, and requested a breakdown of the costs, noting that DSP and CSP costs are commercially sensitive; and
- confirmation is required from the DCC that the costs have been reviewed and are reasonable, which would give Users more confidence.

The Panel **NOTED** the report.

> **SECP68/12:** DCC to provide the Panel with a breakdown of costs for SECMP0007 and confirmation that the costs have been reviewed and are reasonable for consideration at the June Panel meeting.

8. SEC Modification Timetables

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

SECAS noted that SECMP0067 'Service Request Traffic Management' had been issued for Preliminary Assessment and, due to the complexity of the modification, the DCC have confirmed that this will require 25 Working Days (WDs) as opposed to the standard 15WDs which SECAS believes is reasonable. The modification would therefore be expected to be considered at the July Working Group rather than June.

The Panel:

- **AGREED** the programmes of work and timelines proposed; and
- **AGREED** the extension to the Preliminary Assessment deadline for SECMP0067.

9. SECMP0055 'Incorporation of multiple Issue Resolution Proposals into the SEC' Modification Report

SECAS provided the SEC Panel with the Modification Report for SECMP0055 'Incorporation of multiple Issue Resolution Proposals into the SEC' highlighting that this has undergone the Refinement Process, and the Working Group has now completed its assessment of the areas requested by the Panel and prepared the Modification Report.

The Panel:

- **AGREED** that SECMP0055 should be progressed to the report phase;
- **APPROVED** the Modification Report;
- **APPROVED** the implementation approach; and
- **AGREED** that SECMP0055 should be progressed as a Self-Governance Modification.

10. November 2019 Release Implementation Document

SECAS presented the SEC Panel with the November 2019 SEC Release Implementation Document highlighting that the November 2019 SEC Release is due to go live on 7 November 2019 and lists the modifications for inclusion in this release that do not impact on the DCC Systems.

SECAS noted that SECMP0062 'Northbound Application Traffic Management – Alert Storm Protection' will be presented to the Panel at the June meeting rather than May to provide the DCC with sufficient time to complete the Impact Assessment. There are also several Draft Proposals that have been raised recently which could be included by exception at a later stage.

SECAS informed the Panel that BEIS changes to the Technical Specifications were being targeted for the same date, and that the versions of these documents containing all approved changes would be incorporated into the SEC following a decision on SECMP0055. A Member noted disappointment that SECMP0053 'Amend Target Response Times for Service Requests Critical to Installation and Commissioning Processes' has not been included in the release.

A Member queried what the release means from a system impacting perspective and when the various versions of the technical specifications will be applicable. The BEIS Representative raised that the TABASC Chair is discussing this with SECAS and will provide further clarity.

BEIS agreed to provide a draft document from the Technical Specification Issue Resolution Sub-Group (TSIRS) which took place on 9 May to support this, and SECAS agreed to coordinate with BEIS and the DCC to produce a plan on a page for consideration.

The Panel **AGREED** to re-baseline the November 2019 SEC Release Implementation Document.

> **SECP68/13:** SECAS to coordinate the provision of a plan on a page with BEIS and the DCC which will demonstrate the different elements of the release, when they will be implemented and the dependencies, to be an ongoing document.

11.   Proposed scope for the June 2020 and November 2020 Releases

SECAS provided the Panel with the proposed scope of the 2020 SEC Releases highlighting their proposal on which DCC impacting Modification Proposals should be included in the June and November 2020 SEC Releases, for Panel's consideration. SECAS informed the Panel that comments on this would be sought from Parties, the TABASC and the Operations Group, and these will be presented to the Panel in June.

The Panel:

- **NOTED** the provisional scope of the June 2020 and November 2020 SEC Releases; and

- **AGREED** the next steps for the June 2020 SEC Release Implementation Document.

12.   DCC Management Report – Cost Benchmarking Study

This agenda item has been postponed until the Cost Benchmarking Report has been finalised.

The Panel Chair informed Panel Members that the original intention was to present the study and initial views by the DCC. Finalisation of the report has taken longer than expected, in parallel the DCC did produce a management response which the Panel Chair has reviewed and welcomes.

13. Change Board Decision Making

A Panel Member (ST) raised a discussion about abstentions at Change Board meetings and the role of Change Board Members, highlighting abstentions by members on Modification Proposals not impacting their Party Category.

A Panel Member highlighted to the Panel the volume of voting abstentions recorded at Change Board meetings recently, on the grounds that proposals do not impact on the abstaining members' Party Categories. It is their view that Change Board Members should be voting based on their view against the Applicable SEC Objectives, and that whether there is an impact on their constituency is not relevant. This ensures that decisions from the Change Board, particularly on Self-Governance Modifications, are based on views across the whole industry.

A Panel Member provided a view that some Change Board Members abstain on modifications which do not impact them, as they do not believe they should be influencing the outcomes when other Parties pick up the costs. While they may have views on whether such proposals should be implemented, based on whether or not they facilitate the Applicable SEC Objectives, they preferred to abstain than to cast a vote either way. The first Panel Member acknowledged this and proposed that Change Board Members participate in a decision even if they are not affected.

After noting these views, the Panel agreed to write to Change Board Members encouraging them to cast their votes on all proposals, even where they do not impact on their Party Category and highlighting:

- that the Panel welcome all opinions on whether a proposal should be implemented or not;

- where a Member has not received a steer from their Party Category via the Modification Report Consultation, they should apply their own judgement to the situation, based on whether the solution would better facilitate the Applicable SEC Objectives;

- if Members still believe they should abstain, clear rationale for this decision should be provided; and

- that the Panel also reminds Members to provide their rationale against the Applicable SEC Objectives both when voting to approve and when voting to reject a proposal.

SECP68/14: SECAS to write to Change Board Members on behalf of the SEC Panel encouraging them to vote based on their assessment of the modification against the applicable SEC Objectives.

14. BEIS Update

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

The BEIS representative noted that the Government response to consultation on proposals to raise microbusiness awareness of smart metering has now been published; and the Response to SMETS1 regulatory consultation is scheduled for publication on 14 May 2019.

The Panel **NOTED** the update.

15. DCC Update

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

Operational update

There was discussion regarding the process for reporting on Major Incident Report Summaries; SECAS (LE) highlighted that these reports were previously shared as Amber (in line with the Panel Information Policy) as the Operations Group review the reports on behalf of the Panel, and then take a decision as to whether the reports should be published to all SEC Parties, and whether any amendments to the reports are required.

The Panel **AGREED** for Major Incident Summary Reports to be issued as Green, and for the Major Incident Review reports continue to be circulated at Amber until the Operations Group have agreed otherwise.

> **SECP68/15:** SECAS to publish the Major Incident Summary Reports as Green after receipt from the DCC.

SMETS1

The Testing Advisory Group (TAG) Chair (PT) provided the Panel with an update on SMETS1 Testing noting that the TAG's focus has been on Initial Operating Capability (IOC) Testing.

The TAG has concerns regarding migration testing taking place prior to the conclusion of the consultation on the Migration Testing Approach Document (MTAD) and have voiced similar concerns for the Systems Capacity Testing Approach Document (SCTAD).

The TAG Chair noted that it is still necessary to determine whether 100% of the capability is being delivered for the preliminary IOC decision, or a scaled down capability. This is needed to evaluate whether the Live Services Criteria have been met.

A Panel member noted that Devices being enrolled into DCC systems require pre-configuration, which needs to be (but is not as yet) documented by the DCC. Activities required to get devices to the

DCC's configuration take place before migration, with responsibility falling to Suppliers for active meters and DCC for dormant meters. DCC testing will need to use the configuration for migration testing.

Discussions are taking place between SECAS, Panel & Sub-Committee Chairs, BEIS and DCC regarding what will be reported against. The DCC has committed to providing a draft of the Live Service Criteria submission that can be shared with the Sub-Committees, but no date is yet set.

The TAG Chair informed the Panel that the Operations Group have less visibility than the TAG and have also expressed concern.

<u>Release 2.0 Transition</u>

The DCC provided an update on transition to Release 2.0 Single Band Communications Hubs (SBCH), noting that there are some dependencies, and that the DCC are ensuring that the upgrade plan is aligned to customer's expectations.

The DCC noted that it will raise a Change Request the following week to put the milestones presented into the Joint Industry Programme (JIP).

<u>Dual Band Comms Hubs</u>

The DCC provided an update on Dual Band Communications Hubs (DBCH) Device Integration Testing (DIT). It was noted that DIT phase 1 is complete, however there is no commitment on DIT phase 2. It was noted that once GSME testing takes place, DIT will be closed. The DCC proposed testing the remaining meters in the User Integration Testing (UIT) phase. It was noted that the DCC will commit to full regression testing for meter manufacturers for ESMEs and the GSMEs.

16.   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.

17.   SEC Panel Risk and Issue Register update (GREEN)

The Panel were provided with an update on the SEC Panel Risk Register and the SEC Panel Issues Register, which included non-material amendments to mitigations for two existing risks and one existing issue.

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

18.   DCC Reporting

The Panel were informed that the Post Commissioning Information Report for March 2019 had not been provided by the DCC in time for the May Panel meeting and would be provided to the Panel at the June 2019 meeting, in addition to the April report. The Panel also considered observations raised by the OPSG against the reports currently delegated to them.

The Panel **NOTED** the OPSG observations in relation to DCC reports delegated to them.

19.   Operations Report – April 2019

The Panel was presented with the Operations Report for April 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 organisations would be admitted as Parties to the SEC following countersignature of their Accession Agreements by the SECCo Board:

- Dashly Limited (Other SEC Party);
- Omni Energy Ltd (Small Supplier Party); and
- OSSO Gas Limited (Small Supplier Party).

The Panel **NOTED** the report.

20.   Smarter Markets Project Update

The Panel was provided with an update on the activities currently being undertaken to support the project, in addition to an update on SEC Changes, as a consequence of the Central Switching Service (CSS) and Retail Energy Code (REC) implementation.

The Panel **NOTED** the update.

21.   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 update.

22.   Any Other Business

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

Next Meeting: 14 June 2019

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