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SEC Panel Meeting 71

9 August 2019, 10:00 – 12:30

Gemserv, 8 Fenchurch Place, London, EC3M 4AJ

SECP_71_0908 - 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	Leigh Page (LP)
DCC	Ro Crawford (RC)

Representing	Other Participants
Ofgem	Michael Walls (MWa)
BEIS (Secretary of State)	Robert Thornes (RT)
Citizens Advice	Ed Rees (ER)
DCC	Mo Asif (MA) (Part)
Meeting Secretary	Hollie McGovern (HM)
SECAS	Abigail Hermon (AH)
	Nick Blake (NB) (Part)
	Fiona Chestnutt (FC) (Part)

	David Kemp (DK) (Part)
	Sarah Gratte (SG) (Part)
	Alan Bateman (AB) (Part)

Apologies:

Representing	Other Participants
BEIS (Secretary of State)	Duncan Stone (DS)
Other SEC Parties	Gary Cottrell (GC)
	Mike Woodhall (MW)

1. Minutes and Actions Outstanding

The minutes from the July 2019 SEC Panel meeting and additional Panel meeting held on 19 July 2019 were approved ex-committee and circulated. The following action 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 DCC noted that it had raised the rejected Modification Proposals with the Change Sub-Committee (CSC) who had determined that for a number of these proposals, cost was not the only factor, while for others, the business case was not considered to be generally robust enough, and therefore it would not be efficient to conduct new impact assessments. Action: **CLOSED**	
SECP67/04	DCC to include the lessons learned regarding the appeal of the Incentive Scheme Milestone 1B in the lessons learned document, to be circulated to all SEC Parties. The DCC to report back to the Panel.
The Panel were informed that DCC have consulted on the R2 Lessons Learned. One response was received, which included a number of comments regarding Testing, Program Governance and Operational Readiness. A key comment was that the Release 2 programme has not yet concluded, as Dual Band Communications Hubs are not available in volume. DCC confirms that it will be undertaking another lessons learned exercise once Dual Band Comms Hubs are available to be installed in volume. Action: **Open**	

Action Reference	Action
SECP68/02	SECAS to review how the other codes are addressing Ofgem's Supplier Licensing Review, to ensure alignment.
SECAS noted that it had requested the views of CACoP members regarding the impact of Ofgem's Supplier Licencing Review on other codes; the other codes either advised that the review does not impact them, or they have not responded to the request and reminders. A Panel Member (KL) noted that as a result of the review, a number of organisations that are in the Supplier Party category may have their licences revoked in September. The Member noted they did not believe these Parties should be expelled from the SEC, and a new action was raised for SECAS to investigate the scope of a 'downgrade process' for Suppliers who have had their licence revoked to be moved into the Other SEC Party category. Action: **CLOSED**	
SECP69/06	SECAS to review all DCC performance reports and provide a summary to Operations Group Members to be reviewed at an ad-hoc monthly teleconference.
It was noted that the OPSG had agreed to host an additional teleconference on the Monday of the fourth week of the month to review all DCC performance reports. Action: **CLOSED**	
SECP70/05	DCC to provide an update on the alerts issue at the August Panel meeting.
The DCC informed the Panel that the majority of the alerts causing the issue are 8F3E (Unauthorized Communication Access Attempted). The DCC has communicated this information across industry and are now targeting key Suppliers that are responsible for the alerts. A Member (KL) queried whether these Suppliers were responding to the DCC and taking remedial action, and questioned what power the Panel has in terms of raising a potential Event of Default. It was noted that the issue was also being discussed by the Operations Group (OPSG). The Panel raised concern on the associated matter of Pre-Payment Meter Interface Devices (PPMIDs) dropping off of the Home Area Network (HAN) six months after installation, and questioned whether the DCC considered this to be a major problem. The DCC noted that it was investigating the matter. Citizens Advice (ER) noted how the issue escalates the urgency for SECMP0007 'Firmware updates to IHDs and PPMIDs to be implemented. Action: **CLOSED**	

SECP71/01: SECAS to investigate the scope of a 'downgrade process' for Suppliers who have had their licence revoked to be moved into the Other SEC Party category.

The Panel **NOTED** the updates and **AGREED** that any actions marked as Complete and Propose to Close could be formally closed.

2. Privacy Self-Assessment Review – Other User 'C' (AMBER)

The Panel considered a Privacy Self-Assessment for Other User 'C'. The agenda item was marked as **AMBER** and therefore recorded in the Confidential Minutes.

The Panel **AGREED** the recommendations for Other User 'C'.

3. Privacy Controls Framework Update

SECAS (NB) presented the Panel with an updated version of the Privacy Controls Framework (PCF) which incorporates lessons learned that have been identified during Privacy Assessments and bilateral discussions with the User Independent Privacy Auditor (IPA) and SEC Parties.

The Panel **APPROVED** the amendments to the PCF.

SECP71/02: SECAS to publish the Privacy Controls Framework v2.6 to the SEC website.

4. Current Events of Default (RED)

The Panel were provided with an update on one SEC Party who entered into a further Event of Default, and two Parties who entered into an Event of Default since the previous SEC Panel meeting and have subsequently resolved their Default. The agenda item was marked as **RED** and therefore recorded in the Confidential Minutes.

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

5. Supplier of Last Resort (AMBER)

SECAS (AB) provided the Panel a Supplier of Last Resort (SoLR) Pre-Payment scenario progress update. The agenda item was marked as **AMBER** and therefore recorded in the Confidential Minutes.

The Panel **NOTED** the update.

6. Reforming Energy Industry Codes

SECAS (SG) provided an overview of the key areas of the Reforming the Energy Industry Codes consultation issued by BEIS and Ofgem on 22 June, and asked the Panel to consider potential responses to the consultation.

Background and scope

The first area the Panel discussed was background and scope. The Panel noted their response should reflect the need for an established vision for the energy system, defined strategic objectives and a plan for achieving those objectives.

Vision and options

The Panel discussed the two proposed governance models. It was noted that while Model 2[1] may appear to be more cost efficient, the Panel saw Model 1[2] as the most feasible option that maintains accountability, while addressing the strategic challenge, and will change the way codes are managed to achieve a better outcome.

Providing strategic direction

The Panel discussed the function of the Strategic Body, and where this function should sit. It was noted that this function should have broad representation from Industry. There was some confusion around the governance arrangements of the Strategic Body and Code Manager(s) and the Panel requested a workshop with the consultation authors for further clarification. The Panel noted that their response should question what the impact of considering these options would be on the SEC.

Code management function

The Panel noted it would provide feedback on this function once more information has been provided around its accountability and obligations.

Code simplification

The Panel discussed code simplification and the potential for cross-code fertilisation; a Member questioned whether there could be some commonality on processes such as SoLR, Credit Cover and Change process arrangements.

The Panel noted that it welcomed consolidation of the codes when it brings about simplicity, greater clarification and a break-down of responsibilities, however recognised the fact that some codes are more technical than others, and less easy to consolidate. The Panel noted the importance of maintaining the accountability of the Code Manager to market participants in terms of cost control and performance, and discussed the potential for Code Manager consolidation, rather than Code consolidation,

[1] Model 2 merges the roles of code manager and strategic body into a single organisation. This Integrated Rule Making Body (IRMB) would be accountable to the government.

[2] Model 1 creates a separate Strategic Body whose role it is to set the strategic direction for Code Managers to follow. Code Managers would be accountable to the Strategic Body for delivering the strategic changes, whilst the Strategic Body would in turn be accountable to the government.

Monitoring and Compliance

The final area the Panel discussed was monitoring and compliance. The Panel noted the potential for improvements that would allow for greater sanctions to be applied.

SECAS (SG) noted that a draft response would be issued to Panel Members for comments and agreement of content before a final version is presented to the Panel at their September meeting.

The Panel Chair also noted the Switching Programme and Retail Code Consolidation consultation, had a secondary closing date for responses on 9 September. It was noted that the Panel's response should ensure that the changes that the Retail Energy Code (REC) bring about to the SEC are appropriate, and that the responsibilities are in the right place. SECAS agreed to draft a response and issued to the Panel for comment prior to being sent to Ofgem before the closing date.

The Panel:

- **AGREED** the key areas for inclusion in any response; and
- **NOTED** a draft response will be issued prior to the September Panel meeting for review.

SECP71/03: SECAS to issue a draft response to the Reforming of Energy Industry Codes consultation to Panel Members for comment and agreement of content, before a final version is presented to the Panel at their September meeting.
SECP71/04: SECAS to draft a response to the Switching Programme and Retail Code Consolidation consultation and issue to Panel Members for comment prior to being sent to Ofgem before 9 September.

7. SEC Panel Meeting Dates

The Panel were provided with the proposed meeting dates for their monthly meeting, from January to December 2020.

The Panel **AGREED** the proposed meeting date schedule for 2020.

8. Change Status Report – August 2019

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

SECAS (DK) noted that several DCC Assessments have significantly exceeded the timescales within the SEC. SECAS also highlighted steps that they had agreed with the DCC to progress the current assessments.

One Member (AP) believed a more substantial plan of action is needed, which tackles the root of the problem. They noted that confidence in the change process is currently low and queried how these assessments can be carried out more effectively. They noted that the DCC are at the heart of the system, and that the Panel would be happy to support the DCC in helping to resolve these delays.

The Panel agreed that this is a growing concern and the problem needs to be addressed. The Panel agreed to write to the DCC expressing concerns regarding the timescales for DCC Assessments and requesting a plan of action, including proposals on how and when the process will improve.

The Panel **NOTED** the report.

SECP71/05: SECAS to issue a letter on behalf of the Panel, expressing the Panel's concerns regarding the timescales of DCC Assessments, and requesting a plan of action on how and when the delivery of DCC Assessments will improve.

9. SEC Modification Timetables

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

SECAS provided an update on SECMP0007 'Firmware updates to IHDs and PPMIDs'. The Working Group had met on 7 August to discuss the modification and had agreed not to take forward any alternative options under this proposal. SECAS noted that this modification is a top priority and that the Modification Report is currently anticipated to be presented to the Panel in October. The draft legal text will also be published on the SEC Website before then, to allow Parties to comment.

A Member (ST) noted SECMP0046 'Allow DNOs to control Electric Vehicle chargers connected to Smart Meter infrastructure' and the timescales for this modification. They highlighted other BEIS and Ofgem considerations around electric vehicles, and requested that the Working Group consider the bigger picture when they meet to discuss the Preliminary Assessment response.

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

10. MP076 'Pursuing Non-Payment in Events of Default' Modification Report

SECAS presented the Panel with the Modification Report for MP076 'Pursuing Non-Payment in Events of Default'.

The Panel:

- **AGREED** that MP076 should be progressed to the Report Phase;
- **APPROVED** the Modification Report;
- **APPROVED** the implementation approach; and
- **AGREED** that MP076 should be progressed as an Authority Determined Modification.

11. DP077 'DCC Service Flagging' Problem Statement

SECAS presented the Panel with the Problem Statement for DP077 'DCC Service Flagging'.

The Panel:

- **AGREED** that DP077 is ready to be converted to a Modification Proposal;
- **AGREED** that MP077 should be progressed to the Refinement Process; and
- **AGREED** the first package of work and timetable for MP077.

12. DP078 'Incorporation of multiple IRPs into the SEC – Part 2' Problem Statement

SECAS presented the Panel with the Problem Statement for DP078 'Incorporation of multiple Issue Resolution Proposals into the SEC – Part 2'.

The Panel:

- **AGREED** that DP078 is ready to be converted to a Modification Proposal
- **AGREED** that MP078 should be progressed to the Refinement Process; and
- **AGREED** the first package of work and the timetable for MP078.

13. Other SEC Party Panel Membership

The Panel discussed the potential for sub-dividing the two Other SEC Party Panel seats into one Other SEC Party representative and one Other User representative, to ensure that both are appropriately represented on the SEC Panel.

A Member (ST) noted that it is up to the Other User community to decide whether they would like to raise a Draft Proposal.

The Panel **ENDORSED** SECAS to engage with the Other User community to see if there is appetite for a Draft Proposal to be raised to debate this issue further.

SECP71/06: SECAS to engage with the Other User community to identify whether there is appetite for a Draft Proposal to be raised to sub-dive the two Other SEC Party Panel seats.

14. BEIS Update

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

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

The Panel were informed that no Major Incidents had occurred in July 2019. An update was also provided on open and forthcoming consultations, in addition to upcoming DCC events.

SMETS1

DCC informed the Panel that the code release for Initial Operating Capability (IOC) was successfully completed on 28 July and provided an update on the remaining deliverables for IOC. The DCC noted that it is intending to align Device Model Combination Testing and Active Migration Testing governance go-live.

November 2019 Release

The DCC provided the Panel with a November 2019 Release testing update, noting a proposed go-live date of 24 November to include an extended User Integration Testing (UIT) period. The DCC agreed to write to the SEC Panel, requesting formal approval of, and providing rationale for, the go-live date of 24 November. It was noted the Panel would then be required to write to Ofgem to request approval of this date.

Release 2

The Panel were presented with a Single Band Communications Hub (SBCH) and a Dual Band Communications Hub (DBCH) plan on a page, which included the RAG status associated with the milestones for each.

The Panel **NOTED** the update.

SECP71/07: DCC to write to the Panel requesting formal approval of the go-live date of 24 November for the November SEC Release, and provide rationale for this date.

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. DCC Reporting

The Panel were informed that the Post Commissioning Information Reports for March, April, May and June 2019 had not been provided due to technical issues at the DCC.

The Panel **NOTED** the observations raised by the Operations Group against the reports currently delegated to them.

18. Operations Report – July 2019

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

The Panel **NOTED** the report.

19. 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 amendments to three existing risks and their mitigations.

A Panel Member raised concern around the retirement of the 2G network service provided by the Communications Service Provider (CSP) Central and South; the DCC agreed to provide an information paper on how this will be addressed.

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

SECP71/08: DCC to present an information paper on how it will address the retirement of the 2G network service provided by the CSP Central and South.

20. 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.

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

SECAS informed the Panel that the DCC require new nominations for Key Custodians to facilitate the SMKI Recovery system and requested any interested Parties to get in touch with SECAS. A Member (SL) noted the SMKI PMA may need to come up with a more feasible option to manage the risk of not having Key Custodians to undertake SMKI Recovery.

The Panel approved a request for SECAS to host Device manufacturer Technical Specifications on the SEC website.

SECP71/09: SECAS to investigate how Device manufacturer Technical Specifications could be hosted on the SEC website, including who will provide this information, the caveats required and how this information will be kept current.

The Panel supported the Panel Chair's suggestion for SEC participation in the British Standards Institution (BSI) PEL/13 technical committee, which is responsible for smart meter standards.

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

Next Meeting: 13 September 2019