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SEC Change Board Meeting 46

23 September 2020, 10:00 – 11:30

Teleconference

SECCB_46_2309- Draft Minutes

Attendees:

Category	Change Board Members
Change Board Chair	David Kemp
Large Suppliers	Emslie Law
	Simon Trivella
	Paul Saker
	Sharon Armitage (<i>alternate for Tim Larcher</i>)
	David Rodger
	Rachel Norberg (<i>alternate for Jenny Smith</i>)
Small Suppliers	Daniel Davies (<i>alternate for Carolyn Burns</i>)
	Gareth Evans
Networks	David Mitchell
	Paul Fitzgerald (<i>part meeting</i>)
	Gemma Slaney
Other SEC Parties	Gerdjan Busker
	Alastair Cobb
	Mike Woodhall
Consumer	Ed Rees (<i>part meeting</i>)

Representing	Other Participants
DCC	Charlotte Semp
	Sasha Townsend

Ofgem	Michael Walls
SECAS	Holly Burton (Meeting Secretary)
	Abigail Hermon
	Joe Hehir
	Bradley Baker
	Ali Beard
	Rainer Lischetzki

Apologies:

Representing	Other Participants
Small Suppliers	Carolyn Burns
Large Suppliers	Jenny Smith
Large Suppliers	Tim Larcher

1. Approval of Previous Meeting Minutes

The Secretary confirmed no comments had been received on the minutes from the previous Change Board meeting held on Wednesday 26 August 2020. The Change Board **APPROVED** the minutes as written.

2. Actions Outstanding

Action Ref	Action
40/02	SECAS to clarify how the costs provided for completing an Impact Assessment are monitored for MP078.
<p>The DCC has returned the Preliminary Assessment (PA) with reduced costs for carrying out the Impact Assessment (IA).</p> <p>The DCC has confirmed that its commercial team does not pay Service Providers any more for performing the IA than what is quoted in the PA.</p> <p>GS questioned the intent of this action, as the understanding is that there will always be costs associated with an IA. AB highlighted when a PA is received, SECAS is provided with a quote for how much completing the IA would cost. The intent of this action was to specifically clarify how much would actually be charged for the IA and whether there would be any additional costs.</p> <p>Confirmation from the DCC noted that it only pays up to the amount that is quoted in the PA.</p> <p>GS noted that the DCC quoting a cost for implementation of an Issue Resolution Proposal (IRP) is acceptable as these are included within a release. However she queried why the industry is being charged for completing the IA when the solution had been previously agreed under the Technical</p>	

Action Ref	Action
	Specification Issues Resolution Sub-group (TSIRS). The Chair agreed to raise this query as a new action. Status: Closed

ACTION 46/01: SECAS and the DCC to clarify how the costs associated with completing an Impact Assessment for IRP solutions are handled and consider whether these costs should be incurred by Parties.

3. SECMP0007 'Firmware updates to IHDs and PPMIDs' Change Board vote

The Change Board was invited to perform the final vote on [SECP0007 'Firmware updates to IHDs and PPMIDs'](#).

Change Board members noted the cost to implement this modification is roughly £20.8million with a target implementation date of the November 2021 SEC Release.

SECAS (JH) noted that SECAS received six responses to the Modification Report Consultation, four of which believing this modification should be approved. One of those gave rationale against SEC Objectives (a) and (c). The other three respondents gave varying responses such as noting benefits in terms of operational impacts such as reducing the number of site visits, compatibility, interoperability, mitigating any issues and overall better consumer experience without having to undertake site visits.

One respondent believed this modification should be rejected on the basis that there was no justifiable business case. Another Party abstained on providing views on whether this modification should be approved or rejected.

One Change Board member (GB) questioned whether there were any Devices in the field to date that can immediately use updates via the DCC, or will these Devices need to be replaced first. This question has previously been asked by SECAS to Device manufacturers, and the two larger manufacturers had responded that their Devices have been designed on the basis that this modification is approved. There is an outstanding question regarding the solution by which PPMIDs will drive the Alerts from activation of the firmware back to the service user.

No further comments were raised, and the Change Board proceeded to vote.

Change Board Vote – SECMP0007 decision:

The voting outcome is shown below:

Party Category	Approve	Reject	Abstain	Conclusion
Large Suppliers	5	1	0	Approve
Small Suppliers	2	0	0	Approve
Network Parties	1	0	2	Approve
Other SEC Parties	3	0	0	Approve
Consumers	1	0	0	Approve
Overall conclusion:				Approve

The view of the Change Board is that MP102A will better facilitate SEC Objective (a)¹, (c)², (d)³ and (f)⁴ for the reasons given in the Modification Report.

Most members expressed concern at the significant DCC costs associated with this change. Members highlighted it was difficult to articulate the benefits of this modification or put a figure on it as this change is all about mitigating risk. The benefits of SECMP0007 would be in avoiding the need to replace large numbers of Devices further down the line, the total costs of which would likely exceed the implementation costs. On balance, most members felt the costs, while high, would be outweighed by the benefits, and were comfortable with completing the vote on the basis of the information available.

Members also noted the benefits SECMP0007 would have on the consumer perception of the smart metering arrangements, in not having to replace their Devices because they could not be updated remotely.

The Change Board:

- **AGREED** that SECMP0007 should proceed to vote;
- **AGREED** to recommend to the Authority that SECMP0007 should be **APPROVED**; and
- **PROVIDED** rationale for this decision against the General SEC Objectives.

SECMP0007 will be submitted to the Authority for determination. If a decision to approve is received on or before 4 November 2020 then SECMP0007 will be implemented **4 November 2021** as part of the November 2021 SEC Release. If a decision is received after 4 November 2020, then SECMP0007 will be implemented on **24 February 2022** as part of the February 2022 Release.

SECAS (AH) queried, given the strength of feedback from the Change Board on costs, what the next steps would be in terms of reviewing the costs with the DCC. In response, it was confirmed that the Modification Report and Change Board vote will now be sent to the Authority (Ofgem) for a decision. SECAS will continue to work with the DCC to try and reduce the associated costs and can provide any further information received to Ofgem as needed. The DCC (CS) clarified it has already received some cost reduction but will not necessarily be seen in the change budget because of the Release 2.0 parts of the programme.

Ofgem (MW) made a general note on the transparency of costs. ~~He noted~~ [SECMP0015 'GPFD timestamp for reading instantaneous Gas values'](#) had been appealed based on the significant costs, ~~also noting the~~ increase from PA to IA ~~without proper scrutiny by the Working Group or the Change Board~~. For this modification, a disaggregation of the costs had been provided to the Panel and Ofgem. In ~~the Ofgem's~~ send back letter, a note has been made on Ofgem's expectation for these disaggregated costs to be included ~~for within~~ every applicable modification going forward, whether Self-Governance or Authority Determined, so that the Working Group, the Panel and the Change Board decision makers have this complete information to analyse and challenge when reviewing, progressing and voting on Modification Proposals. compare against. Without this information, The Modification Report may be deemed 'incomplete' without sufficient scrutiny and challenge. The expectation is that when a modification comes to a vote, all Change Board members the Modification have complete information they can base their vote upon. This type of information is vital given the

¹ Facilitate the efficient provision, installation, operation and interoperability of smart metering systems at energy consumers' premises within Great Britain

² Facilitate energy consumers' management of their use of electricity and gas through the provision of appropriate information via smart metering systems

³ Facilitate effective competition between persons engaged in, or in commercial activities connected with, the supply of energy

⁴ Ensure the protection of data and the security of data and systems in the operation of the SEC

~~concerns about the level of charges for progressing modifications. It was noted that if there are any concerns around confidentiality, the DCC and the SEC Panel should work to overcome those barriers. Report may be deemed 'incomplete'. Where there are any issues around confidentiality, the DCC and the industry should work to overcome this.~~

~~SECAS (AH) suggested that if this modification is being circulated to the Authority for approval, with it clearly advising that it will expect to see the detailed breakdown of costs and have confidence that the Change Board had seen and voted on the basis of these costs, this could result in a send back.~~

~~MW highlighted that Change Board members had already agreed at today's meeting that there was enough evidence provided within the Modification Report to undertake an accurate vote. It was also noted that Change Board members need to satisfy themselves that they have enough information to provide a vote on any modification and evaluate its effect against the Applicable SEC Objectives.~~

~~A Change Board member (ST) agreed the disaggregated costs are needed going forward. He also noted the reasons behind these need to be explained by the DCC during the Refinement Process, for example differences between Service Providers. While the Change Board can weigh up the overall costs versus benefits case, it cannot assess if the costs quoted are sound based on the DCC's contracts with its Service Providers.~~

~~SECAS (AH) suggested that if this modification is being circulated to the Authority for approval, with it clearly advising that it will expect to see the detailed breakdown of costs and have confidence that the Change Board had seen and voted on the basis of these costs, this could result in a send back. Ofgem (MW) responded that the send back letter from SECMP0015 was purely due to the Change Board lacking time to review why there was a cost increase which was also not explained. He acknowledged that Change Board members had agreed at today's meeting that there was enough evidence provided within the Modification Report to undertake an accurate vote.~~

~~A Change Board member (ST) agreed the disaggregated costs are needed going forward. He also noted the reasons behind these need to be explained by the DCC during the Refinement Process, for example differences between Service Providers. While the Change Board can weigh up the overall costs versus benefits case, it cannot assess if the costs quoted are sound based on the DCC's contracts with the Service Providers.~~

MP102A 'Power Outage Alerts triggered by an OTA firmware upgrade' Change Board vote

The Change Board was invited to perform the final vote on [MP102A 'Power Outage Alerts triggered by an OTA firmware upgrade'](#).

Change Board members noted the cost to implement this modification is roughly £1,200 for two days of effort with a target implementation date of the November 2020 SEC Release. SECAS (BB) noted that SECAS received five responses to the Modification Report Consultation, all of which believed this modification should be approved.

No comments were raised, and the Change Board proceeded to vote.

Change Board Vote – MP102A decision:

The voting outcome is shown below:

Party Category	Approve	Reject	Abstain	Conclusion
Large Suppliers	6	0	0	Approve
Small Suppliers	2	0	0	Approve
Network Parties	3	0	0	Approve
Other SEC Parties	2	0	0	Approve
Consumers	1	0	0	Approve
Overall conclusion:				Approve

The view of the Change Board is that MP102A will better facilitate SEC Objective (a) and (e)⁵ for the reasons given in the Modification Report.

The Change Board:

- **AGREED** that MP102A should proceed to vote;
- **DETERMINED** that MP102A should be **APPROVED** under Self-Governance; and
- **PROVIDED** rationale for this decision against the General SEC Objectives.

There will now be 10 Working Days for any SEC Party who wishes to refer the Change Board's decision to the SEC Panel to do so. This referral period will close at **5pm on Wednesday 7 October 2020**.

If no referrals are received by this date, then MP102A will be implemented on 29 November 2020 as part of the November 2020 SEC Release.

MP122A 'Operational Metrics' Change Board vote

The Change Board was invited to perform the final vote on [MP122A 'Operational Metrics'](#).

Change Board members noted the application support costs for one year is estimated at £845,000 with a target implementation date of the February 2021 SEC Release. SECAS (JH) noted that SECAS received six responses to the Modification Report Consultation, four of which believed this modification should be approved. Two respondents believed this modification should be rejected; although they believed the modification would be beneficial, the implementation costs were deemed too high to justify approving.

The DCC (CS) advised the costs were submitted as a worst case scenario due to the uncertainty on the level of reporting needed. These costs are likely to be revised down as the modification progresses, most certainly after the first year. Due to this uncertainty, the DCC has not yet confirmed what a Business As Usual (BAU) resourcing profile would look like, with early indications that the £845,000 will cover roughly 10 additional individuals. Change Board members welcomed the clarity but were concerned they were signing off on long-term costs without being clear on the governance of these.

SECAS (JH) noted that the revised PMR has not been prepared, but the Working Group agreed that the Working Group will continue to develop this post-decision. Change Board members were also informed that the application support costs are calculated per annum, one year has been included so that the DCC can assess this on a yearly basis. Over time, the DCC would build more automation and

⁵ 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

efficiency, and so the costs are likely to decrease overtime. A Change Board member who is also the MP122 Proposer (GS) acknowledged the modification had been rushed but noted this was due to needing to meet the overarching timescales due to Ofgem's Operation Performance Regime (OPR) review.

SECAS (AH) raised concerns around why this modification has been brought for Change Board decision. Resourcing assumptions were only challenged with the DCC on Thursday 17 September 2020 and no response or close out had yet been received.

There is a four month lead time to DCC changes and that the ones being delivered under MP122A need to be implemented by 1 April 2021. These timescales were built against the four month DCC lead time and the steps needed to receive a decision by that cut-off point.

Change Board (SA) noted concerns regarding the costs associated with this modification. Her preference would be for a larger upfront cost which incorporates any automation of reports as much as possible, which should in turn reduce future ongoing costs per annum.

Ofgem (MW) noted the overarching project had been started at the Operations Group in October 2019 to implement these revised measures, and Ofgem had been involved at every step. He acknowledged the Working Group had put in a significant amount of work to get the modification to its current form. He asked the Change Board that if it felt the Modification Report needed to be sent back, it considers the impacts this would have on the overall timescales. If the changes cannot be implemented by 1 April 2021, they would essentially be deferred a year to 1 April 2022.

The Chair summarised the challenges raised around the application support costs of £845,000 which the DCC has since confirmed have been challenged and which are expected to reduce in time. These assumptions will need to be reviewed by the Change Board before proceeding to vote. This modification was presented to the Change Board at this meeting as it is nearing the cut-off date for inclusion into the February 2021 SEC Release, which is the last release before 1 April 2021.

The Change Board agreed that further investigation of the ongoing costs for this modification is needed before the vote can be performed. The Change Board therefore **DEFERRED** the vote for MP122A until an ad-hoc Change Board meeting in the week commencing 5 October 2020, pending an investigation on the expected ongoing costs.

ACTION 46/02: The Meeting Secretary (HB) to seek potential dates to hold an ad-hoc Change Board meeting to perform a final vote against MP122A in the week commencing 5 October 2020.

ACTION 46/03: The DCC to provide a breakdown of expected ongoing application support costs for MP122A year by year over the next five years, including any support costs related to automation, by Wednesday 30 September 2020, which can then be issued ahead of the ad-hoc Change Board meeting.

4. MP078 'Incorporation of multiple Issue Resolution Proposals into the SEC – Part 2' Impact Assessment Request

The Change Board was invited to approve the DCC IA request for [MP078 'Incorporation of multiple Issue Resolution Proposals into the SEC – Part 2'](#).

Change Board members noted the cost to implement this modification is roughly £680,000 with a target implementation date of the November 2020 SEC Release. The cost for completing an IA is estimated around £118,487 with 50 days effort. The Chair (DK) suggested deferring the decision to approve the IA request, so that questions in relation to associated costs with IRPs are answered. Members agreed, noting this will also allow time for Action 46/01 to be answered in parallel.

The Change Board therefore **DEFERRED** approving the IA request for MP078, pending further investigation on the associated costs for delivering these IRPs, and whether the costs of impact assessing should be incurred by Parties for these sort of changes. The DCC agreed to seek availability from Service Providers for the next Change Board meeting in October 2020 to provide an indication of the costs.

ACTION 46/04: SECAS and the DCC to seek availability from Service Providers for the next Change Board meeting in October 2020, to present and discuss the rationale for the costs for MP078.

5. Any Other Business

A Change Board member (GS) raised two queries. The first relating to whether there should be a cost limit for a modification to be Self-Governance, given previous concerns with SECMP0015.

The Change Board member (GS) raised a second item of business in relation to costs whereby, there is a stark difference between PA and IA costs as opposed to those originally stated in the Modification Report Consultation. It was understood that the PA for SECMP0007 provided costs up to the end of Pre-Integration Testing (PIT). However, there was a further £7million for subsequent stages in the IA that were not covered in the PA. It was also highlighted that the Modification Report lacked clarity on whether the industry had been asked via the Working Group or a consultation to confirm it is happy that the modification is worth progressing with higher costs. GS questioned thoughts around creating a tolerance level against PAs and if the full IA comes back with costs greater than originally stated, there needs to be an extra step to assess this change.

The Chair noted that SECAS will shortly be initiating a wider review of SEC Section D and agreed that these questions would be picked up as part of this work.

A Change Board member (GE) raised one item of business relating to a previous request for attendees of the joint Working Group session on SECMP0046 being held on Thursday 24 September 2020 to sign a Non-Disclosure Agreement (NDA) in order to be accepted into the meeting. GE felt that the request was a knee jerk reaction to something that had previously occurred, and that this route should not be adopted in the future. Instead, more care should be provided on the level of information being provided at these meetings.

SECAS (AH) noted the concern that snippets of information being discussed at the Working Group could be discussed externally as opposed to being holistically shared in a fair and even manner, which could have a detrimental impact to the Smart Meter rollout. The reason for obtaining signatures from attendees would provide confidence that these discussions are protected more than they currently are. AH suggested undertaking a review of the meeting classification as set out in the Panel Information Policy (PIP) as opposed to NDA forms being completed. This would allow attendees to discuss information without fear or concern that discussions could have unintended consequences. The Chair highlighted the Working Group Terms of Reference document specifies that members are required to return a declaration confirming compliance against the PIP before attending. While the overwhelming majority of information relating to modifications is made public (White classification), there are odd occasions where items may need to be presented with caution. As such, SECAS is taking steps to tighten security to protect the level of information being shared and to also create a safe space for industry discussion. SECAS (AB) noted the preceding two meetings had been led by the Distribution Connection and Use of System Agreement (DCUSA) and so the SEC requirements around confidentiality had not been applicable.

The Change Board noted the updates.

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

Next scheduled meeting date: 21 October 2020

DRAFT