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SEC Panel Meeting 49

Meeting SECP_49_1310, 13th October 2017

10:00 – 13:00, Gemserv, 8 Fenchurch Place, London, EC3M 4AJ

Final Minutes

Attendees:

Category	SEC Panel Members
SEC Panel Chair	Peter Davies
Large Suppliers	Simon Trivella
	Ashley Pocock
Small Suppliers	Mike Gibson
	Karen Lee
Electricity Networks	David Lane
Gas Networks	Leigh Page
Other SEC Parties	Hugh Mullens
DCC	Helen Fleming
Consumer Representative	Rajni Nair (Observer)

Representing	Other Participants
Ofgem (the Authority)	Michael Walls
	Raymond Elliot
BEIS (Secretary of State)	Duncan Stone
	Robert Thornes
DCC	Richard Kelly (Part)
	Robin Healy (Part)
	Dave Broady (Part)
Meeting Secretary	Hollie McGovern

SECAS	Adam Lattimore
	Alys Garrett
	Sarah Gratte
	David Barber (Part)
	Courtney O'Connor (Part)
	Tim Newton (Part) (Observer)

Apologies:

Category	SEC Panel Members
Other SEC Parties	Gary Cottrell

1. Minutes and Actions Outstanding

The minutes from the September 2017 SEC Panel meeting were approved ex-committee and circulated to SEC Parties.

SECAS provided the Panel with an update on the Actions Outstanding from previous meetings, noting that the majority of the actions had been closed, with the outstanding actions on target for completion and/or updates to be provided under respective agenda items.

Action reference	Update
SECP48/01	SECAS informed the Panel that a Change Request had been submitted to the contract between SECCo and the User CIO to include the new assessment demand profile forecasts, and are waiting for a response. An update will be given at the November 2017 meeting.
SECP48/06	DCC confirmed that the reports issued for July and August included the information required on the Major Incident.

2. DCC Release Management Policy

The DCC presented the Panel with a proposed approach to an enduring DCC Release Management Policy, in accordance with SEC Section H8.9.

The Panel discussed the scope of the policy and release approach, and it was noted that the DCC were proposing two 'in-life' releases a year supported by maintenance releases, fault fixes and new product releases. The DCC also noted that alternative approaches had been considered including one in-life release per year, and three in-life releases per year. While one in-life release per year provided the lowest delivery risk, it would restrict the capability for modifications to be delivered in any given year. It was noted that three in-life releases per year came with a high delivery risk, however it would provide the Industry with flexibility to prioritise, schedule and approve the delivery of modifications, and consequentially enhance the DCC's capability to introduce new live services.

However, the DCC noted that the proposed two in-life releases per year policy would be the most manageable, in terms of delivery timescales and cost-effectiveness.

There was discussion surrounding the DCC's proposal to govern release formulation and scheduling through the use of 'Stage Gates', which the DCC defined as checkpoints at key points of the delivery lifecycle. It was noted that at every gate, the DCC intended to update the Panel with timescales and estimated costs to deliver and run a modification.

The Panel agreed the proposal was well rounded and headed in the right direction, however there was concern that the policy did not meet the requirements of the DCC Release Management Policy and should be aligned with the Panel Release Management Policy. The Chair noted that the DCC's proposal was not consistent with the SEC Panel Release Management Policy, and that it did not take into account the Modification Proposal process as defined in the SEC.

A Panel Member questioned whether the proposed Maintenance Releases would be User impacting. The DCC confirmed that the maintenance releases should not be User impacting as content would include defect fixes rather than any change to functionality. However, it was noted that there could be potential impact where workarounds had been in place and would be removed via defect fixes. Therefore, the Panel noted that the content of maintenance releases would need to be communicated to Users with sufficient notice for identification of any impacts.

It was requested that clarification is provided in an amended policy on 'simple changes' and whether this would align to a minor release which is the term currently used in the Panel Release Management Policy.

The Panel requested that the DCC work with SECAS to produce a revised DCC Release Management Policy that aligns with an amended SEC Panel Release Management Policy to be presented at the November 2017 Panel meeting. Subject to the Panel's satisfaction, a co-ordinated consultation will then be undertaken for both policies. A Panel Member suggested that during the consultation period, a stakeholder day be held where the proposals can be walked through and discussed in an open forum.

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

ACTION SECP49/01: DCC to work with SECAS to produce a revised DCC Release Management Policy that aligns with an amended SEC Panel Release Management Policy to be presented at the November 2017 Panel meeting.

3. Ofgem Consultation on Proposed New Switching Arrangements

SECAS presented the Panel with a summary of key reform proposals set out in Ofgem's recent consultation regarding the proposed faster switching arrangements.

It was noted that the proposed reform package (RP2a) would replace current switching functionality in gas and electricity switching services with a single Central Switching Service to be managed by the DCC.

The Panel discussed the governance arrangements of the proposed Retail Energy Code (REC), which would hold all relevant arrangements necessary for new switching and retail content. It was agreed that it was logical that code ownership should sit with Suppliers, given that all switching activities are proposed to be undertaken by suppliers.

There was discussion surrounding the DCC's role, and it was noted that the proposed arrangements would broaden the scale of work the DCC would be required to deliver under its Licence. The Panel

noted that as the DCC's role in switching would be contained in its Licence Obligations and therefore would not be governed by the Panel, it was not necessarily a matter for the Panel to provide a response to. However, it was discussed that the Panel could respond in relation to ensuring that the DCC's requirements under the REC would not impact its ability to meet the SEC obligations.

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** to submit a response to the Faster Switching consultation, and provided comments and observations to be included in a draft response which will be circulated ex-committee.

ACTION SECP49/02: SECAS to circulate a draft response to the Ofgem Faster Switching consultation ex-committee, which includes comments and observations of the Panel.

4. Delegation of SOC2 Assessment Responsibility

SECAS presented the Panel with a proposal to delegate to the Security Sub-Committee (SSC) the ability to approve the scope and frequency of the Service Organisational Control 2 (SOC2) assessment undertaken by the DCC on an annual basis.

There was discussion about the two requirements that are currently placed on the Panel in relation to the DCC's SOC2 Assessment, which the DCC are required to undertake at least annually. It was noted that as the Panel had previously approved the scope of the SOC2 assessment at the September 2017 meeting, the proposal was referring to all future assessments.

The Panel agreed that the SSC have the relevant expertise and understanding of the arrangements to determine when an additional assessment may be required, and determine the appropriate scope of each assessment.

A Panel Member questioned whether the SSC should have the responsibility to place additional work and cost on the DCC. The DCC noted that they were happy for the SSC to be delegated the responsibility, and the Panel noted that if the DCC had concern in relation to an SSC decision they could raise it to the Panel.

The Panel agreed that they are content with the SSC having responsibility of setting the scope of each SOC2 assessment henceforth.

The Panel:

- **NOTED** the contents of the paper;
- **CONSIDERED** the additional information set out in the paper and whether it is necessary to annually review the delegation of this authority; and
- **AGREED** that the responsibilities are delegated to the SSC from the Panel.

ACTION SECP49/03: SECAS to update the Delegations Register on the SEC Website to include the delegation of approving the scope and frequency of the SOC2 assessment undertaken by the DCC on an annual basis.

5. SMKI and Repository Testing (SRT) Approach Document Update

Following consultation with SEC Parties and a review by the SMKI Policy Management Authority (SMKI PMA), the Panel were provided with an amended SRT Approach Document, which had been updated to include SRT Part 3b and Part 4 testing.

The Panel were also provided with the responses received from the consultation and a letter of recommendation from the SMKI PMA Chair. The Panel noted the concerns of the SMKI PMA Chair in regard to the risks and costs associated with deferring the remaining SMKI Recovery functionality from R1.4 to April 2018.

A Panel Member questioned a note within the recommendation letter regarding the SMKI PMA continuing to press for proving of the SMKI Recovery functionality in the live environment with a volunteer User. The Panel Member noted that this had been raised at the Implementation Manager's Forum (IMF) and was no longer thought to be an issue, as industry participants had confirmed that they would be happy to test the functionality once available. SECAS agreed to clarify with the SMKI PMA Chair if there was any ongoing concern.

The Panel:

- **NOTED** the contents of the paper;
- **CONSIDERED** the SMKI PMA Chair's letter of recommendation; and
- **APPROVED** the SRT Approach Document.

ACTION SECP49/04: SECAS to clarify with the SMKI PMA Chair if there was any ongoing concern about proving of the SMKI Recovery functionality in the live environment through the use of a volunteer User.

6. Costs of Assessing and Implementing Modification Proposals

SECAS presented the Panel with a confidential update on ways the Panel could mitigate concerns regarding the cost of DCC assessing and implementing modifications.

The Panel **AGREED** for SECAS to provide a more detailed example of how existing provisions in relation to modification timetables can be used, and to review SEC Section D for improvements and to present any possible amendments at the November 2017 Panel meeting.

Further information can be found within the Confidential Minutes from this Panel meeting.

ACTION SECP49/05: SECAS to provide a paper at the November 2017 Panel meeting which provides a more detailed example of how existing provisions on modification timetables can be used and to present any potential improvements to SEC Section D.

7. Release 1.4 Production Services Maintenance Duration Formal Approval Request

A DCC representative requested the Panel to approve the DCC using 20 hours of additional Maintenance time to support the Release 1.4 (R1.4) upgrade to the production environment. This is because the DCC's current plan to upgrade will exceed the amount of Maintenance time permitted by the temporary maintenance arrangements currently in place in relation to SEC Section H8.3.

It was noted that the proposed Maintenance is planned to take place between 20:00 on Saturday 4th November 2017 – 16:00 on Sunday 5th November 2017, in order to minimise impact on Users as DCC expects minimal usage of the production environment during this period.

A Panel Member questioned the duration of the maintenance windows, and the DCC noted that R1.4 was a small functional release, however, involved architectural changes that would reduce the time required for future upgrades to the target time of 6 hours. It was noted that there is still aspiration to reach zero-hour upgrade downtime, however this would not be achievable with the current architecture.

The DCC requested to make an amendment to the start time of the maintenance work, to start earlier than the proposal set out in the paper. This would enable more of the work to be undertaken during the day and therefore, reduce the risk of sleep deprivation for those undertaking the work, especially if there were any difficulties / delays to the upgrade. The Panel agreed with the rationale, however it was questioned why this had not been considered in the initial proposal. The DCC noted that this proposal came about as a lesson from the upgrade to the testing environment and therefore, had not been considered prior to publication of the paper. For transparency purposes, the Panel requested that the DCC circulate a revised paper prior to formal approval.

A Panel Member questioned the decision-making process if the DCC have issues when undertaking the upgrade whether to continue or to rollback. The DCC noted that this is assessed on a case-by-case basis, and that the DCC would normally proceed with unplanned maintenance if it meant reducing disruption by having to start again and continue at a later date.

The Panel **AGREED** that the DCC may undertake the proposed Maintenance required to uplift R1.4 into the production environment, subject to the DCC submitting a revised paper to be circulated via ex-committee on the start time of 14:00 on Saturday 4th November 2017.

ACTION SECP49/06: DCC to provide a revised paper requesting approval of the maintenance uplift into the production environment with new outage times and circulate via ex-committee.

8. Transitional Variation Extension Consultation Request

Following discussion between the DCC and BEIS regarding three Secretary of State (SoS) Transitional Variations (TVs) that are currently in place, and are due to end on 2nd November 2017, SECAS requested the Panel to consult on changes to the TV end dates, in order to enable BEIS to then make a final decision on the proposed changes.

The Panel noted that two of the TVs in place, which relate to the use of Multiple User Identifiers (EUI-64 IDs) and provision of information on the Self-Service Interface (SSI), needed an extension of three days in order to align with the implementation date of R1.4, which is scheduled for 5th November 2017.

The Panel discussed the implications of not extending the end date, and if the DCC would be in breach of the Code, to determine whether consulting on a short extension was necessary. The DCC noted that it would be non-compliant with the SEC for three days and therefore, at risk of action by the regulator. However, following an informal discussion with Ofgem, the DCC noted that they are satisfied that an extension was not necessarily required.

BEIS noted that in order to determine whether to extend the TVs, User input should be sought. A Panel Member requested that the consultation was clear that the Panel were not requesting comments on the implementation date of the changes rather for feedback on aligning the TV end date

with the implementation date. It was noted that the discussion on implementation dates had occurred at the IMF via updates to the Joint Industry Plan.

It was noted that the DCC proposed moving the end date of the third TV in place, which relates to aspects of SEC Appendix L – Smart Metering Key Infrastructure (SMKI) Recovery, to 29th April 2017. It was noted that the reason for needing the extension is that due to R1.3 Systems Integration Testing (SIT) taking longer than anticipated, the DCC were unable to use the SIT environment to allow enough time to test the SMKI Recovery changes required. The DCC informed the Panel that mitigations have been put in place to reduce customers exposure to risk.

A Panel Member questioned the implications of not extending the end date, and there was discussion on the appropriateness of moving the end date by several months and if that may raise questions about code management or sanctioning a breach of licence. The Chair noted that the Panel had previously agreed to undertake consultation on behalf of BEIS and was therefore obliged to do so.

BEIS requested that the consultation end date be changed from 31st October 2017 to 30th October 2017, and the Panel agreed.

The Panel:

- **NOTED** the contents of this paper; and
- **AGREED** to consult on changes to the TV end dates, which will enable BEIS to make a final decision on the proposed changes.

ACTION SECP49/07: SECAS to circulate the Transitional Variation Extension Consultation with an end date of 30th October 2017.

9. Major Incident Report

The DCC provided the Panel with a summary of the Major Incident which occurred in respect of Over The Air Firmware upgrades in the Northern Region, and it was noted that the report would be discussed in detail at the Operations Group meeting on Wednesday, 18th October 2017.

The DCC provided the Panel with a summary table outlining the mitigating actions to prevent future incidents. It was noted that an ongoing challenge for the DCC in the production environment is visibility and proving, and that the DCC are working with BEIS and the SSC to mitigate this. The DCC have proposed that they could act as a Supplier User Role to enable them to prove functionality in a live environment prior to functionality being released to Users. The Panel noted that the proposed approach to proving functionality seemed sensible, however noted that any security implications should be considered.

A Panel Member questioned what the Operations Group had been tasked with in relation to the incident. It was noted that the Operations Group would look at root causes, mitigations and long-term processes, in addition to impacts on testing.

The Panel **NOTED** the update.

10. SEC Panel Draft Budget 2018-2021

SECAS presented the Panel with an outline Draft Budget for the next three Regulatory Years (April 2018 to March 2021), following discussions held with the Panel Finance and Contracts Group (PFCG) on 3rd October 2017.

The Panel provided feedback to be incorporated into a further version that will be presented as a paper available to Parties at the November 2017 meeting.

Further information can be found within the Confidential Minutes from this Panel meeting.

ACTION SECP49/08: SECAS to amend the Draft Budget to include feedback provided by the Panel and present at the November 2017 meeting.

11. Modification and Release Status Report – September 2017

The Panel were provided with an update on the status and progress of Modification Proposals going through the Modification Process. The report included the rationale and details of one proposed extension to a Modification progression timetable.

The Panel **NOTED** the update, and **AGREED** the following extension:

- two-month extension to the progression timetable for SECMP0023.

SECAS informed the Panel that a Draft Modification Proposal for the above modification could be expected in January 2018.

The Panel were also provided an update on the current progression of SEC Modification Proposals as they undergo requested Preliminary Assessments (PAs) and Impact Assessments (IAs), including when they are due to be delivered along with any revisions to expected delivery timescales.

12. BEIS Update

The Panel were provided with an update on the forthcoming consultations and upcoming key milestones from BEIS, including proposed changes to the DCC Licence, operational transition of smart meters and re-designation of the SSI design specification.

The Panel **NOTED** the update.

13. DCC Update

The DCC presented the Panel with an update on the activities undertaken by the DCC since the last Panel meeting. This included an update on Business Continuity and Disaster Recovery (BCDR), Release 1.4, Testing Services and DCC Readiness to Scale.

Business Continuity and Disaster Recovery (BCDR)

The DCC were asked to provide an update on the BCDR exercise that had been undertaken throughout September 2017 and it was noted that a report was currently being drafted to be sent to the Panel at the end of October 2017. The DCC provided a brief update regarding the Communication Service Provider (CSP) and the Data Service Provider (DSP) migration testing that the DCC undertook. It was noted that the CSP's had performed well, with migration time of 4-5 hours, while the DSP's migration time was 12 hours. The DCC have drafted a work plan and are looking to re-test in December 2017. It was noted that the DCC does not anticipate any issues with performance of the DR sites, however these are less fault tolerant than the primary environments.

Release 1.4

The DCC informed the Panel that the agreed functionality of Smart Metering Equipment Technical Specification 2 (SMETS2) R1.4 is on track for go live on 5th November 2017, with the SMKI Recovery procedure changes to be implemented in April 2018, subject to approval by BEIS. A Panel Member questioned if there were any residual or new defects that have arisen since the DCC had cleared the SIT exit gate for Release 1.4 on 6th October 2017, and the DCC confirmed there were no new or residual defects.

Testing Services

The DCC provided the Panel with testing services highlights. It was noted that the DCC have maintained defect volume and are processing defects in line with input. It was highlighted that in September 2017, the DCC had established a forward-looking plan for Root Cause Analysis (RCA) in addition to a plan for deployment of fixes associated with DCC central solution defects.

The Panel were presented with a defects analysis from 2nd October 2017, which provided an overall defect count. It was noted that the majority of the defects need collaboration with Users to resolve, to then complete triage, gather data, retest and close. The DCC have asked Users to engage in this process to close the defects. It was also noted that the DCC has established timescales for resolution of DCC-owned issues, but these do not yet apply to Testing Participants.

DCC Readiness to Scale.

The DCC presented the Panel with its Readiness to Scale plan. It was noted the plan focussed on defect fixes and provided support for Users in the testing environment. There was discussion around the possibility of developing a test lab that may be helpful to Users in the long term. It was noted that this would be done through End-to-End (E2E) Testing, and would need to be consulted on with customers and the Panel in terms of costs etc.

The Panel **NOTED** the update.

14. DCC Reporting

The Panel were provided with a paper that includes reports issued to the Panel from the DCC as required by the SEC. It was noted that the first Operations Group meeting would be held on the 18th October 2017, where the DCC Reporting would be discussed.

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

15. TAG Update

SECAS presented the Panel with an update on the activities undertaken by the Testing Advisory Group (TAG), which included an update on Release 2.0 Testing Approach Document Consultation responses, and a review of Release 2.0 Approach for SIT, Device Integration Testing (DIT) and Operational Confidence Testing (OCT).

The Panel were provided with an update from the latest TAG meeting held on 3rd October 2017. It was noted that future TAG meetings would be scheduled two weeks prior to the SEC Panel Meetings, to allow sufficient time for any TAG recommendations on key deliverables to be issued to the Panel, in line with established governance timescales and paper days.

There was discussion around the Release 2.0 Testing Approach Document (TAD) Consultation responses, and it was noted that the overall view was largely in support of the TAD, especially where it involves the increased use of Devices and the implicit lessons learnt. It was also noted that a lessons learned matrix is being developed.

The Panel noted that the main discussion of the recent TAG meeting was around the actions taken from the Release 2.0 TAD. SECAS noted that the TAG were mostly happy with the documents and that they are working with the DCC to develop a timescale for when testing documentation will be produced and then formally designated as SEC Subsidiary Documents. It was noted that the SIT and DIT Approach documents will be reviewed by the TAG on 25th October 2017, and a recommendation would be presented to Panel at the November 2017 meeting.

In addition to future TAG meetings, SECAS also provided the Panel with a timeline for associated reviews and approvals.

The Panel **NOTED** the update.

16. Draft Changes to the CACoP

Following recent Cross-Code Administrator meetings and Ofgem's Cross Code Survey and Cross Administrator Code of Practice (CACoP) review, SECAS presented the Panel with the proposed changes to the CACoP.

It was noted that the proposed changes included general formatting and typographical corrections, in addition to additional guidance.

A Panel Member questioned if SECAS was fully compliant and it was noted that they were.

The Panel **NOTED** the update.

17. Operations Report – September 2017

The Panel were presented with the Operations Report for September 2017. The report provided an outline of the SECAS activities undertaken by the SECAS team in support of the SEC. Headline items from each of the Sub-Committee meetings held in the month were also provided.

The Panel **NOTED** the contents of the paper, which included a breakdown of days by driver, product and grade.

18. Security Assurance Status Update

SECAS provided the Panel with the monthly confidential update on the Assurance Statuses set by the SSC following the September Panel meeting.

Further information can be found within the Confidential Minutes from this SEC Panel meeting.

19. Smarter Markets Project Update

SECAS provided an overview of the developments and work undertaken in September 2017 in support of the Smarter Markets project.

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

20. Transitional Governance Update

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

The Chair presented the Panel with an update on the Smart Metering Delivery Group (SMDG) headlines, which were issued to Panel Member's prior to the meeting.

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

21. SEC Panel Activity Planner

The Panel were presented with the SEC Panel Activity Planner as a standing agenda item. The Activity Planner provides a high-level overview of the forthcoming Panel activities, and a forward look at Panel agenda items for the next three months based on the latest information available.

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

22. SEC Party Update

SECAS informed the Panel of the Parties who have officially completed the User Entry Process as described in SEC Section H1.10 and confirmation of Parties that have completed various testing activities as required by 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:

- g2 Energy IDNO Limited (Electricity Network);
- Economy Gas Limited (Small Supplier);
- Maine Energy Limited (Small Supplier);
- Washington Energy Limited (Small Supplier);
- Texas Energy Limited (Small Supplier); and
- Arizona Energy Limited (Small Supplier).

23. Any Other Business

The Chair raised a proposal received that the SEC Operations Group should have a role in reviewing DCC costs, such as reviewing the costs associated with proposals by the DCC to amend the Operational Service. The Chair used, as an example, potential changes to the Business Continuity and Disaster Recovery (BCDR) arrangements, in that if the DCC were to suggest amendments to the BCDR platforms to enhance resilience then the Operations Group should review the costs and benefits to inform the DCC of the likely support of such a proposal. The Chair noted that an amendment to the Terms of Reference would be drafted to take account of the Operations Group discussing DCC costs in relation to operational activities. The DCC noted that they have Price Control processes in place and therefore, the remit of the Operations Group should be defined so as not to duplicate current process.

The Chair also provided the Panel with a letter from the SSC Chair requesting Panel's approval for the SSC to look at providing support and co-ordination in standardising the arrangements for Suppliers to meet SEC security obligations to notify and to be notified of security vulnerabilities,

specifically on churn of meters. It was noted that the SSC were concerned that Suppliers may not be aware of or have appropriate arrangements in place in regard to meeting the obligations of, and being compliant with, the SEC in regard to security requirements associated with the User Security Assessments. The Panel noted that the SEC places these obligations on the Supplier but that the SSC might wish to propose guidance on how these obligations could be met.

SECAS requested the Panel to formally approve three additional Operations Group members who had been nominated since the September Panel meeting, where the majority of the Operations Group members were approved. The Panel approved the additional members.

A Panel Member raised concern about risk assessment in relation to risks associated with future releases. BEIS noted that there would be a BEIS/TAG session coming up where the impacts and consequences, including associated risks could be discussed.

<p>ACTION SECP49/09: SECAS to amend the Operations Group Terms of Reference to take account of the duty to discuss DCC costs in relation to operational activities.</p>
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There was no further business and the Chair closed the meeting.