

This document is classified as **White** in accordance with the Panel Information Policy. Information can be shared with the public, and any members may publish the information, subject to copyright.

## SEC Panel Meeting 47

### Meeting SECP\_47\_1108, 11<sup>th</sup> August 2017

10:00 – 12:30, Gemserv, 8 Fenchurch Place, London, EC3M 4AJ

## Final Minutes

### Attendees:

Category	SEC Panel Members
SEC Panel Chair	Peter Davies
Large Suppliers	Simon Trivella
	Adam Carden (Teleconference)
Small Suppliers	Mike Gibson
Electricity Networks	David Lane
Gas Networks	Hilary Chapman
Other SEC Parties	Tim Boyle (Alternate)
	Hugh Mullens
DCC	Helen Flemming

Representing	Other Participants
Ofgem (the Authority)	Raymond Elliott
	Michael Walls (Teleconference)
DCC	Tom Rotherey
	Stefan Maxwell (Part)
Meeting Secretary	Hollie McGovern
SECAS	Adam Lattimore (Teleconference)
	Alys Garrett
	David Barber
	Sarah Gratte
Electricity Northwest Limited	Catherine Duggan (Part)

## Apologies:

Category	SEC Panel Members
Citizen's Advice	Morgan Wild
Small Suppliers	Eric Graham

## 1. Minutes and Actions Outstanding

The minutes from the July 2017 Panel meeting were approved via ex-committee decision, noting that suggested changes were included in the final minutes.

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.

For action SECP46/01, SECAS noted that a guidance note on the technical specification versioning will be published weekending 18<sup>th</sup> August 2017 and will be circulated to Panel Members for information.

## 2. Release 2.0 Plan and Test Approach Document Consultations

The Panel were presented with a summary of the DCC consultation on the Release 2.0 (R2.0) Plan and Testing Approach Document, which sets out the scope of R2.0 and the DCC's planned approach for delivery. A draft Panel response to the consultation was also included in the paper for the Panel's consideration and comment.

The Panel were also presented with observations on the consultation which were raised at the Testing Advisory Group (TAG) meeting held on 9<sup>th</sup> August 2017. The observations were provided for the Panel to consider including in its response. The Panel **AGREED** for the TAG observations and views to be included in its response, which would be updated by SECAS and circulated for final Panel review.

Noting issues that had been experienced in previous releases, in relation to testing, the Panel discussed the proposed mechanism for signing off releases. They believed that the SEC should reflect how a release is signed off overall rather than on a specific release by release basis. The Panel felt consideration should be given to the proposed wording within the Testing Approach Document so that when it is designated as part of the SEC, it does not require frequent amendments and that it clearly sets out and a robust governance mechanism for signing off sets of release documentation before a release goes-live.

When considering the information provided on the costs of R2.0, provided for information within the consultation, the DCC representative responded to comments about lack of transparency over costings contained within the consultation. They acknowledged that they had struggled to provide a breakdown in costs due to commercial issues and they were trying to find a way to show additional layers of costs. They expressed sympathy with the situation faced by Parties and noted that from a licence perspective they work hard to produce the figures, with supporting justification as part of the submission for price control to the Authority. The DCC indicated that they would look in to how this information could be provided to the Panel and SEC Parties to aid transparency.

They also highlighted to the Panel that definitive dates for the project plan would not be produced until after the solution design work finishes in September. The Panel reiterated their desire to have a set of dates that were realistic and achievable so the industry can set their own implementation plans with certainty. The Panel agreed that this observation should be included within its consultation response to encourage such an outcome.

The Panel:

- **NOTED** the contents of the paper; and
- **AGREED** to submit a response to the R2.0 Consultations that included the additional comments raised at the meeting and by the TAG.

### **3. Post-implementation Temporary Maintenance Schedule – request for extension**

The temporary maintenance schedule, used in place of the provisions for the Planned Maintenance under Section H8.3 of the SEC, expires at the end of August 2017. The DCC requested that the Panel approve a three-month extension (until the end of November 2017) to the temporary maintenance schedule in order to await an increase in the number of SMETS2 meters being installed and the outcome of a Business Continuity and Disaster recovery test in September 2017, which may highlight further issues that will need to be addressed.

The Panel raised concerns that the DCC had not consulted with Users before making this request, and that it should not just be assumed that there would be no impact. The DCC responded that they had not consulted Users as there were no proposed changes to the current arrangements, and because the DCC plans to consult again with Users on changes to the enduring provisions for Planned Maintenance and didn't want to give Users consultation fatigue.

The Panel agreed that there should not be consultations for consultations sake, but that in this case there could be a real impact on Users and they should have the opportunity to comment.

The Panel agreed that without the views of Users there was not sufficient evidence to make an informed decision. They also noted that if a consultation had been issued in July as requested a decision could have been made, based on consultation input.

The Panel requested the DCC consult SEC Parties on the impacts of the proposal, and subject to satisfactory response to the consultation agreed to consider the decision ex-committee.

### **4. Operations Group Establishment**

Following the establishment of an Operations Group at the July 2017 Panel meeting, the Panel were presented with a final draft Terms of Reference (ToR), resource requirements to support the group and timescales for the elections process.

The Panel noted an estimation of monthly effort required by SECAS, based on the current run-rate for running other Sub-Committees, and workload expectation based on the operational nature of the group.

The Chair proposed Dave Warner as an interim Chair for the Operations Group. It was noted that he has been part of the BEIS project team which had put together the initial proposal for the Operations Group and would provide a good level of continuity for the group. It was also noted that he also has

extensive knowledge of the industry and competitive markets which would equally be beneficial to the group.

The Panel **APPROVED** the appointment of Dave Warner as the initial Chair for the Operations Group, noting any extension would be subject to Board approval.

There was discussion around membership of the group. The Panel noted the view raised by Technical Architecture and Business Architecture Sub-Committee (TABASC) members that defining membership may not allow the group to act as a forum as envisaged. The Panel agreed that there was a need to encourage as many people as possible to get involved, and that the Group should be pragmatic and flexible about inviting wider industry members along when discussion is required. However, the Panel believed that during the setting up phase of the Operations Group that the same principles that govern other Panel Sub-committees should apply in relation to membership structures, noting that the membership situation could be reviewed at a later date.

The Panel:

- **NOTED** the contents of the paper;
- **NOTED** the estimated SECAS effort required to support the Sub-Committee; and
- **APPROVED** the ToR and noted that an invitation for nominations for membership will be circulated on Wednesday 16<sup>th</sup> August 2017.

## 5. Updated Demand Profile for Security Assurance Services to the Security Sub-Committee

At the July 2017 Panel meeting, SECAS were requested to work with the User Competent Independent Organisation (User CIO) to provide a full year assessment demand estimate for the User CIO contract. SECAS provided the Panel with a confidential update on information that will be provided to the User CIO to ensure sufficient resource is available. Further information can be found within the Confidential Minutes from this SEC Panel meeting.

## 6. Proposal to Delegate Authority to the Security Sub-Committee

SECAS presented the Panel with details of a proposal to delegate decision making responsibility on a number of areas to the Security Sub-Committee (SSC) and for the creation of a Delegations Register to track the delegation of any such responsibilities.

SECAS presented the details of three potential candidates for delegation in the form of: appropriate transitional periods for compliance with Standards, setting an assurance status for a Party in regard to User Security Assessments, and the scope and frequency of the DCC's Total System Assessments.

### Appropriate transitional periods for compliance with Standards

SECAS proposed that the Panel delegate its responsibility set out in SEC Sections G1.2-G1.4 to determine an appropriate transitional period for the DCC and its Users to become compliant with new, replaced or updated standards, procedures and guidelines within SEC Section G. It was noted that the SSC would take on the management of the setting of the time periods and compiling a valid table of standards. The Panel **AGREED** to delegate this activity to the SSC.

### Setting an assurance status for a Party in regard to User Security Assessments

SECAS requested the Panel to consider delegating the ability to set assurance status' to the SSC on its behalf. It was noted that this would reduce the amount of time SEC Parties would have to wait between the SSC review and the Panel setting the assurance for the Party, and that the Panel have thus far agreed with the recommendations submitted by the SSC for each Party reviewed in the last year.

It was noted that that a dispute route would be available in the event of there not being agreement or concern around the assurance setting decision made by the SSC, which would then be brought to the panel for determination.

A Panel member observed that a clause in relation to the setting of the assurance status had been missed from the details of the delegated activity. SECAS agreed to correct this referencing as part of finalising the delegations table. The Panel requested the SSC Secretary to report to the Panel with decisions made on behalf of the Panel, and extended this request to equally apply to any decisions relating to the delegated standards compliance timescales setting activity.

### Scope and frequency of the DCC's Total System Assessments

SECAS proposed the Panel delegate the ability to determine the scope and frequency of the Service Organisation Control (SOC) 2 assessment undertaken by the DCC on an annual basis, to the SSC.

The Panel observed that the details and specifics associated with the proposed delegation was not clear and members raised concerns about the risk of delegating this responsibility without being clear on the full details. The Panel therefore requested that SECAS to provide further information to be considered at the September 2017 Panel meeting, in order for an informed decision to be made on the delegation of this activity.

When considering the delegations register the Panel requested that the referral or appeal routes were clearly set out within the register.

The Panel **APPROVED** the delegations register and the delegation of the following two activities to the SSC:

- Appropriate transitional periods for compliance with Standards; and
- Setting an assurance status for a Party in regard to User Security Assessments.

The Panel **DEFERRED** the decision on delegating responsibility for the scope and frequency of the DCC's Total System Assessments pending further information that will be considered at the September 2017 Panel meeting.

**ACTION SECP47/02:** SECAS to provide a paper clarifying the activities and processes associated with the delegation of the setting of the scope and frequency of the DCC's Total System Assessment to enable a decision to be made on the delegation of this activity, to the SSC.

**ACTION: SECP47/03:** SECAS to publish the Delegation register on the SEC Website, including details of dispute and referral routes.

## 7. User Security Assessment Update

A confidential agenda item whereby the SEC Panel discussed and agreed the assurance status for a number of Parties going through the Security Assessment Process. Further information can be found within the Confidential Minutes from this SEC Panel meeting.

## 8. SEC Panel Risk and Issue Register Update

SECAS undertook a full review of the risk register following Release 1.3 (R1.3) Live to ensure that the risks remained appropriate, and mitigations were in place.

It was noted that a number of similar risks had be amalgamated into single risks when appropriate. A Panel member queried whether the proposed new risk 1 was clear enough in its intention. SECAS agree to clarify the intent of the risk in light of the feedback.

The Panel were presented with a new proposed risk raised by the SSC, that there is a risk that a Shared Resource (Provider) could exit the market or go out of business in a manner, which would have a significant impact for Suppliers using said Shared Resource. There was discussion surrounding obligations and it was noted that the responsibilities for managing this matter sits with the Supplier and therefore the Panel agreed to not add this new proposed risk to the register. In making this decision the Panel noted that it was a matter that they do not have influence over the matter so could not take action to mitigate against them.

A Panel Member raised concern regarding Risk 2, which relates to the progression of Modification Proposals not meeting required timescales. There was discussion about whether it was actually a risk, or more of an issue, and it was agreed that Risk 2 should be added to the SEC Panel Issues Register.

SECAS also provided the Panel with potential areas that had not been included as part of the Risk Register. The Panel discussed the potential areas and agreed not to take them forward as risks at this time.

The Panel:

- **NOTED** the contents of the paper;
- **DISCUSSED** additional risks to be added to the SEC Panel Risk Register; and
- **AGREED** to the updates to the SEC Panel Risk Register and SEC Panel Issues Register.

## 9. SEC Panel Process – Service Request Forecasting

Following Working Group discussions on SECMP0027 'Amending Service Request Forecasting', concerns were raised around how the Panel process and consider the Service Request (SR) Forecasting Report, and the redaction of the detail of any Parties that are outside of the permissible tolerances for SR request forecasts. SECAS following discussions with the Proposer of SECMP0027, requested the Panel discuss introducing guidelines on how the Panel consider the report, and also to consider permanently redacting elements of the report set out in Section H3.24 (c) that would be automatically redacted if SECMP0027 was approved, without Panel involvement.

The Panel noted that the arrangements within the SEC are the arrangements by which the Panel will undertake the activity, and did not see the need to change the approach of reviewing the matter



monthly (noting the current blanket redaction in place). The also did not see the need to document or provide guidance on how this activity is undertaken.

Therefore the Panel **AGREED** that no formal guidance was necessary on the SR report process and that the minutes for the meeting could be referred to if required on decisions relating to this. The Panel also did not agree to redact any further information from the report at this time and believed that the modification should progress.

The Panel also noted that the current 'blanket' redaction in place, would end in January 2018 and they agreed that they should review the redaction in December 2017, to inform a decision on whether it should be extended or not.

## 10. Modification and Release Status Report – August 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 several proposed extensions to Modification progression timetables.

The Panel raised concerns around the revised timetables for certain Modifications Proposals and that the timescales should be realistic, so that further extensions are not required in the future. The Panel also requested that the DCC provide assurance that the revised timescales were credible and can be met, considering a number of the extensions being linked to the expected delivery dates of Preliminary Assessments (PAs) or Impact Assessment (IAs) by the DCC.

The Panel **AGREED** the following extensions:

- SECMP0010, SECMP0012 and SECMP0015 – seven month extension;
- SECMP0013 – six month extension; and
- SECMP0019 – two month extension.

**ACTION SECP47/04:** SECAS to provide a paper, following DCC input, that gives greater clarity and certainty about potential DCC impacts on the Modification Proposals timetables. Specially SECMP0010, SECMP0012, SECMP0013 and SECMP0015.

## 11. SEC Modification – DCC Assessments

The DCC provided an update on the current progression of SEC Modification Proposals as they undergo requested PAs and IAs, including when they are due to be delivered along with any revisions to expected delivery timescales.

The Panel observed that this report should align with the Modification and Release Status Report and questioned whether the two could be combined.

## 12. Modification Proposals – Initial Modification Report SECMP0040

SECAS presented the Panel with an Initial Modification Report (IMR) to discuss and determine whether and how it should be progressed through the Modification Process. The Modification Proposal raised is listed below:

- [SECMP0040 – User Security Assessment Scheduling](#)

The Panel:

- **AGREED** that SECMP0040 should be progressed as a Path 3: Modification Proposal;
- **AGREED** the progression timetable;
- **AGREED** that the modification be submitted to Modification Report Consultation;
- **AGREED** that the draft legal text delivers the intention of the modification;
- **AGREED** that all Parties subject to Security Assessments were impacted; and
- **AGREED** the recommended implementation date of 10 WDs following the end of the 10 WD referral period, which commences after the Change Board vote.

### 13. Modification Proposals – Initial Modification Report SECMP0041

SECAS presented the Panel with an IMR to discuss and determine whether and how it should be progressed through the Modification Process. The Modification Proposal raised is listed below.

- [SECMP0041 – Amending the Change Board decision making rules for Modification proposals](#)

The Proposer of SECMP0041 dialled in to the meeting to answer questions about the modification. It was stated by the Proposer that the justification for raising the Modification was to ensure greater consistency with other code Modification Proposal approval mechanisms, with the Distribution Connection and Use of System Agreement (DCUSA) and Master Registration Agreement (MRA) arrangements being referenced.

It was suggested that the progression of the modification be deferred so that it could be referred for discussion at the next Code Administration Code of Practice (CaCOP), meeting in September 2017 to discuss whether the proposed solution would be consistent with other industry code Modification Decision arrangements. However, the Proposer did not want to defer, and expressed the view that it should be able to proceed. It was agreed though that the details of the Modification Proposal would be raised at the next CaCOP meeting to highlight that a SEC Modification Proposal is seeking to align the SEC Modification Proposal decision processes with others, while noting that there are a lot of different approaches in place.

The Panel also suggested that an exercise be undertaken in advance of the first Working Group to identify the different voting and decision making arrangements, so that all existing approaches can be considered as part of the progression of this Modification Proposal.

The majority of the Panel **AGREED** the Modification should go into refinement to be developed and assessed by a Working Group, however two Panel Members did not agree the Modification Proposal should be accepted into the process.

### 14. BEIS Update

The Panel were provided with an update on the forthcoming consultations and upcoming key milestones from BEIS, including upcoming proposed changes to the DCC licence and the quarterly statistical licence.

The Panel **NOTED** the update.



## **15. 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 the recently completed Release 1.3 (R1.3) uplift, the Major Incident, the DCC Release Management Policy and SMETS2 R1.3, Data Service Provider (DSP) Development and Smart Meter Key Infrastructure (SMKI) Recovery Testing.

### **Release 1.3 uplift**

The Panel discussed the Release 1.3 uplift into live outage and that it completed 24 hours later than agreed 60 hours outage period. It was noted that this additional period would be treated as an unplanned maintenance outage, with a report being provided on the cause to the Panel and SEC Parties.

### **Major Incident in the Northern Region**

The DCC also provide details on the Major Incident that had taken place within the Northern Communication Service Provider (CSP) Region. The DCC informed the Panel that the incident occurred as there was an additional activity that had not been completed properly in relation to Communications Hubs (CHs) in the Northern region. As a result, when firmware updates were applied to Release 1.2 CHs to update them to Release 1.3 Communications Hubs, the update failed causing them to stop functioning. The DCC noted that the impact on DCC Users was relatively limited, and that the DCC are currently working to resolve the issue. The Panel were informed that the issue should be resolved by 31<sup>st</sup> August 2017, and that DCC Users as well as the Authority and the Secretary of State (SoS) have been informed, and will continue to be updated. A Panel Member questioned why the issue was not initially picked up in the testing phase and asked what the DCCs approach to testing is to avoid future occurrences. It was agreed that the DCC would investigate this and take it into account for future releases, further this would also be reviewed by auditors in order to understand how the incident came about and prevent from happening again.

### **DCC support and input into the Panel Release Management Policy**

The DCC presented the Panel with several improvements that were being developed through its ongoing work on the new Delivery Hub Programme Work Packages, and how this would help inform the Panel on changes to the Panel Release Management Policy. The DCC indicated that a session between the DCC and SECAS had been scheduled for 30<sup>th</sup> August 2017, to talk though the Delivery Hub and proposed approaches to help inform development going forwards

The Panel questioned when the DCC would be able to provide and idea of when modifications could be deliverable. It was agreed that the DCC needed to provide clarity and certainty around modifications to manage the expectations of the people that raised those modifications. It was also noted that DCC will provide the Panel with monthly updates on their efforts to upscale their capacity to deliver.

### **SMETS2 R1.3, DSP Development and SMKI Recovery Testing**

Following the changes to the R1.3 Plan, the DCC presented the Panel with their new development approach to R1.4, which entails moving away from independent releases towards a single stream of production and utilising 'switches' to toggle functionality. The DCC plan to consult with Users in regard

to the 'switch' functionality, and aim to deliver this functionality by November 2017 as part of Release 1.4, and would be utilised in subsequent releases going forwards.

It was also noted that the changes to SMKI Recovery procedure (DCC Change Request (CR)183) functionality was removed from the scope of Release 1.4, and would not be implemented until after November 2017 due to the need for extended testing. The DCC informed the Panel that they have developed a separate stream for SMKI procedures and aim to reset functionality and integrate once Release 1.4 has gone live. The DCC also reiterated the apologies provided in formal letters to the SEC Panel Chair and SMKI PMA Chair for the lack of transparency and engagement on the decision to move CR183 out of the scope of Release 1.4 without appropriate dialogue and consultation with the Policy Management Authority (PMA) to secure agreement of the proposed change and associated operational risk.

The Panel **NOTED** the update.

## 16. 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 Operations group would review the content of these reports going forward and would highlight anything of note or concern to the panel for consideration.

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

## 17. Business Continuity and Disaster Recovery Testing – DCC arrangements for 2017

The DCC presented the Panel with an overview of the arrangements regarding the Business Continuity and Disaster Recovery (BCDR) Plans covering DCC Systems. The Panel were provided with the DCC's conditions for invocation, and the roles, responsibilities and activities for the end-to-end Crisis Management Team.

It was noted that the DCC would carry out BCDR Testing of the DCC live environment as soon as possible after R1.3 is stable to minimise the impact on Services. The Panel discussed outage times and were of the view that the durations and sequential nature of outages by each Service provider did not comply with the intent of the BCDR requirements are set out in SEC Section H10.9. The Panel agreed the DCC need to consider the impacts on Users in order to minimise them as much as possible.

The DCC were asked to provide a view on the BCDR timescales alongside outage timescales. It was also observed that while the timescales indicated for 2017 may be acceptable, due to the limited number of installed meters, the same approach may not be appropriate in 2018 once installed meter volumes are higher.

The Panel **NOTED** the update.

## 18. Operations Report – July 2017

The Panel were presented with the Operations Report for July 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.

## 19. Smarter Markets Project Update

SECAS provided an overview of the developments and work undertaken in July 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 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:

- Vattenfall Energy Trading GmbH (Small Supplier)
- Utility Point UK Limited (Small Supplier)
- Delta Gas and Power Limited (Small Supplier)
- DONG Energy Power Sales UK Limited (Small Supplier)
- One Wales Energy - Un Ynni Cymru Ltd (Small Supplier)
- Cloud KB Limited (Other SEC Party)
- Gilmond Consulting Limited (Other SEC Party)

## 23. Any Other Business

A Panel Member raised concerns about the proposed DCC costs for Release 2.0 (R2.0). There was discussion about where the costs were derived from and whether the costs had been accounted for previously. It was noted that the DCC needed to be more transparent in its communication and have more interaction with Users. The Panel discussed a number of observations around how the DCC needs to see beyond the licence required price control. The DCC observed that they do ask individual Users on what information they need in relation to costs, however the Panel observed that it needs to be wider and beyond one to one discussions. It was noted that a revised Delivery Plan and Business Plan would be produced in the Autumn 2017, but there was a need to increase or introduce greater User engagement in relation to costs. For example, the additional costs associated with Dual Band Communications Hubs on top of the cost of Single Band Communications Hubs has not been explained and how that decision was reached.

Another Panel member noted that the dates of the 2018 Balancing and Settlement Code (BSC) panel meetings had been set, and requested that SECAS look into setting the dates for the 2018 SEC Panel meetings for consideration at the next Panel meeting in September.

**ACTION SECP47/05:** SECAS to provide the Panel with proposed SEC Panel meeting dates for 2018, for discussion at the September 2017 meeting.

SECAS also provided an update on the response from BEIS and Ofgem on the Panel's request in April 2017 for a view on the considerations around additional decision or pause points in relation to Modifications that lacked support or would take too much time, and be too costly to take through the entire process. It was noted that BEIS and Ofgem would need to see full details of a proposal to enable a full view to be provided. In addition, it was noted that the utilisation of Issue process could be used to aid with this matter. SECAS did note that Issue processes are optional and a potential Proposer are not beholden to the outcomes of an issue when they consider raising a Modification Proposal. In light of the letter the Panel agreed for SECAS to look at options for taking the matter forward and provide an update at a subsequent Panel meeting, which the Panel agreed to.

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