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SEC Panel Meeting 44

Meeting SECP_44_1205, 12th May 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 |
| | Alex Travell |
| Small Suppliers | Eric Graham |
| Electricity Networks | David Lane |
| Gas Networks | Hilary Chapman |
| Other SEC Parties | Mike Woodhall |
| | Hugh Mullens |
| Consumer Member | Morgan Wild (Observer) |
| DCC | Carmen Strickland |
| | Tom Rothery (Observer) |

| Representing | Other Participants |
|---|-------------------------|
| BEIS (Secretary of State) | Duncan Stone |
| | Patrick De Nijs |
| Ofgem (the Authority) | Michael Walls |
| | Raymond Elliot |
| | Victoria Boelman (part) |
| DCC | Angus Flett (part) |
| User Competent Independent Organisation (CIO) | Luke White |
| | James Leaton Gray |
| Meeting Secretary | Florence Ponle |

| | |
|-------|--------------------------|
| SECAS | Sarah Gratte |
| | Jill Ashby |
| | Alys Garrett |
| | David Barber |
| | Courtney O'Connor (part) |

Apologies:

| Category | SEC Panel Members |
|-----------------|-------------------|
| Large Suppliers | David Ross Scott |
| Small Suppliers | Mike Gibson |

1. Minutes and Actions Outstanding - SECP_44_1205_01

The minutes from the May 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. A brief update was provided on the following action:

| Action reference | Update |
|------------------|---|
| SECP43/02 | DCC confirmed that the revised approach to enduring maintenance for discussion will be brought back to the July 2017 Panel meeting. |

2. DCC R1.3 Governance Update

SECAS provided the Panel with an update from the Testing Advisory Group (TAG) meeting held on 10th May 2017, where an open discussion was held on the Severity 2 defects that remain in R1.2 E2E. Due to the success of the session, the TAG will hold another session to discuss the Severity 3 defects outstanding.

SECAS presented the DCC plan for the remaining Release 1.3 activities that had been presented at the Smart Metering Delivery Group (SMDG) meeting held on 11th May 2017. It was noted that the plan to go live with Release 1.3 on 21st July 2017 is based on the Systems Integration Testing Completion date on 2nd June 2017. It was noted that there were still risks related to that delivery date, with defect fixes outstanding. SECAS noted that the targeted meeting dates for the governance activities will be confirmed as further information becomes available through the tri-lateral meetings between BEIS, the DCC and SECAS held on a weekly basis.

The Panel questioned whether the Senior Responsible Officer (SRO) decision on Release 1.3 Live would be influenced by the number of defects found in the four-week E2E time-boxed window prior to Live. BEIS noted that the decision will be supported by the Live Services Criteria which will be produced by the DCC and should include any outstanding defects and work-off plans, similar to that provided for Release 1.2.

The Panel discussed whether a split by Communications Hub by Region would be considered, similar to Release 1.2, and it was noted that this approach would be considered if there was a significant gap in progress between each Communications Hub / Region.

The Panel **NOTED** the verbal update.

3. SMKI and Repository Testing (SRT) Approach Document - SECP_44_1205_03

The Panel were provided with an amended SRT Approach Document following consultation with Parties and review by the SMKI Policy Management Authority (SMKI PMA). A letter of recommendation had been provided by the SMKI PMA Chair to the Panel to approve the document, subject to a number of amendments being made to the document. SECAS noted that an omission had been identified which required inclusion prior to approval by the Panel.

The Panel therefore, deferred the decision and noted that the amended version would be provided to the June 2017 Panel meeting for approval.

The Panel:

- **NOTED** the contents of this paper; and
- **DEFERRED** the SRT Approach Document v4.0 as set out in Appendix A.

4. User Security Assessment Update - SECP_44_1205_04

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.

5. Privacy Assessment Process

The User Competent Independent Organisation (CIO) attended the Panel to present on a matter arising following the first Privacy Assessment being undertaken. The Party undertaking the Privacy Assessment, had noted that they only wished to operate in an Other User Role to gain access to tariff data rather than consumption data. And therefore, the Party had built their systems and processes in relation to the sub-set of 'Other User' Service Requests that they wish to use. However, it was noted that the Party could not be seen to have passed the Privacy Assessment due to not having demonstrated the systems and processes in place for all Service Requests available to the Other User Role.

It was noted that there were a number of options available on how to take this forward, including splitting out the obligations by Use Case or potentially placing reliance on the DCC to control access. The Panel discussed that the SEC obligations in Section I did not prevent this from occurring, rather it is the Privacy Controls Framework (PCF) that should be amended. It was noted that for a Party to update the systems to comply with the Code when they had no intention of using the services could have significant financial impact.

The Panel further discussed the consent provisions set out within the SEC and whether it was sufficient that consent was only required for access to consumption data and not tariff data. It was

noted that tariff data would not be classified as Personal Data, however this could potentially change as tariffs become more tailored and personalised.

The User CIO noted that the PCF did not currently make reference to the Party documenting the purpose for gaining access to the data they wish to, neither the retention policy for the data that they requested. It was noted that the User CIO would draft the appropriate amendments to the PCF to adjust the framework to allow for the scenario above, with the appropriate protections applied through requiring information on purpose for access and retention of data.

The Panel:

- **NOTED** the update; and
- **AGREED** that an update to the Privacy Controls Framework would be required which will be discussed at a future Panel meeting.

ACTION SECP44/01: User CIO to draft amendments to the Privacy Controls Framework to take account of Users only wishing to use a sub-set of Other User Role services.

6. SEC Panel Risk and Issue Register Update - SECP_44_1205_06

The Panel were presented with the proposed updates to the Risk and Issue Register, which included minor amendments to the mitigations for a number of risks. No new risks had been identified.

The Panel:

- **NOTED** the contents of this paper; and
- **AGREED** the amendments to the SEC Panel Risk Register and SEC Panel Issues Log.

7. Forward Work Plan

SECAS provided an update on the consolidated Forward Work Plan that is being developed across the Code-Administrators, to enable the Panel to feedback on the work undertaken to date and provide a steer for further development.

SECAS noted that subsequent to the publication of the Code Governance Review 3 (CGR3) final proposals from Ofgem, the Code Administrators met to take forward actions in a number of areas. The recommendation in relation to the Forward Work Plan, was for... "*individual code administrators, with support from their respective code panels, to initiate work to explore how to develop an effective forward work plan...*". The Code Administrators have taken this work forward through a series of joint workshops and are at the stage in development where input from the Code Panels needs to inform the direction of travel.

SECAS presented the Forward Work Plan and noted that in some areas it had become more detailed than initially envisaged e.g. within the Smart Metering Priority Area all live modification are currently listed and tracked, however these modifications do not all influence the Smart Metering Programme at a strategic level. The Panel noted that SECAS should focus on the high level strategic areas that impact the Code rather than at the individual change level. SECAS agreed to bring back a view of this to a future meeting and to provide the Panel's feedback to the next Code Administrator workshop scheduled for the end of May 2017. The Panel also noted that if Code Administrators wanted to ask individual Parties for feedback on the format and usefulness of the report then the Panel could not respond on their behalf and organisations should be asked.

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

ACTION SECP44/02: SECAS to produce a work plan for smart metering, including the high-level strategic areas impacting the policy area.

8. DCC Consideration on Supporting Release Management

Angus Flett (DCC) attended the Panel to provide an update on the work being undertaken within the DCC to devise and implement a systemic end-to-end process for new product development and service developments backed by the appropriate capacity and capability.

As part of the workstream, the DCC are looking to use a standardised Statement of Requirement process with the classification of a change determining the size, complexity, dependencies and sequencing. It was also noted that there needs to be a balanced delivery over time in order to manage in life releases and new product developments, alongside constant service fixes and maintenance releases.

The Panel clarified that the information they requested from the DCC was in relation to analysis on supporting the release frequency set out in the Panel Release Management Policy, to help inform and advise SEC Parties on any necessary changes. In response, the DCC noted that Release 2.0 will be delivered in 2018, in addition to this they are scaling for mass rollout for SMETS2, new product development, SMETS1 enrolment and looking at the Switching Programme. The DCC will also provide on-demand bug fixes and maintenance releases during the year. DCC is working on a cloud-based multi Release Strategy capability, which they are developing for deployment later in 2018. This should allow for modification releases to be deployed in 2019.

The DCC agreed to publish the analysis that have lead them to the above conclusion on current capability and to provide a clear date when they would be able to implement any approved modifications in 2019 in the one DCC Systems impacting release they can support. A Panel Member noted that industry had already compromised on the current release frequency approach of three releases a year set out in the Panel Release Management Policy, and that there was frustration amongst other industry code release schedules in relation to release frequency, therefore it is a concern that the DCC has indicated that they can only support one release a year from 2019, containing DCC System impacting changes. The DCC noted that the intent and vision is to implement an agile release strategy.

The Panel noted that there are a high volume of Modification Proposals currently in the process, many of which have DCC System impacts and clarity on when these can be delivered would be welcomed by industry to aid organisation planning.

The Panel **NOTED** the content of the presentation.

ACTION SECP44/03: DCC to publish analysis on current release frequency capability and provide a date on when the DCC System impacting release could be delivered in 2019.

9. DCC User Queries- Shared Service

Ofgem presented to the Panel on issues that have arisen in relation to Parties going through the User Entry Process when using a Shared Service. Specifically, in relation to the potential system restraints when an organisation has two separate legal entities for the Gas Supply Licence holder and Electricity Supply Licence holder. It was noted that discussions had continued to take place on the issues that

had been raised with the parties involved, Ofgem, the DCC and SECAS, and the issue had been raised to the Panel to gain an agreed approach for managing the issue.

Ofgem presented the advice that had been provided from a licensing perspective, noting that each licensed entity has the obligation to become a SEC Party and a DCC User. From a SEC perspective, the Panel agreed that the obligations and requirements are clear and fit-for-purpose and that any issues that are arising should be dealt with as a commercial matter between Suppliers and their Shared Service Provider.

SECAS noted that guidance would be prepared for Parties setting out the relationship between Licensed Entities, SEC Parties and DCC Users.

The Panel **NOTED** the content of the update.

ACTION SECP44/04: SECAS to produce guidance for Parties on the relationship between Licences, SEC Parties and DCC Users.

10. SEC Modification – DCC Assessments – SECP_44_1205_10

The DCC 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 and any revised timescales.

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

11. Modification Progression Timetable Review - SECP_44_1205_11

The Panel were provided with the updated version of the progression timetable for a number of Modification Proposals in light of the progress made with DCC Preliminary Assessments (PAs) and Impact Assessments (IAs) and other elements of the Refinement Process.

The Panel:

- **AGREED** the proposed revisions to the SECMP0002, SECMP0005, SECMP0007, SECMP0013, SECMP0018, SECMP0023 and SECMP0024 progression timetables.

12. Modification and Release Status Report – May 2017 – SECP_44_1205_12

The Panel were provided with an update on the status and progress of Modification Proposals going through the Modification Process. This month's report also included a full year's set of Code Administration Code of Practice metrics with additional explanatory notes.

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

13. Modification Proposals- Initial Modification Reports SECP_44_1205_13

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. The IMR was accepted, and the suggested progression Path and progression timescales were **AGREED**.

- SECMP0035 - Updates to SEC Appendix B – Organisation ARL expiration date to be aligned to DCC KI AR

14. Referral of Change Board Decision SECP_44_1205_14 – SECMP0021

The Panel considered a paper setting out a referral from a SEC Party of the Change Board decision to reject SECMP0021 'Increase the representation of the "Other SEC Party" category on the SSC and TABASC'. It was noted that the rationale for referral included biased materials presented at the Change Board meeting and the Change Board Members votes being influenced by the discussion in the room. The paper noted that the Change Board vote was undertaken in line with requirements set out within the SEC and that Change Board Members are entitled to consider other views when forming their own view on how to vote and are not solely bound by the views of party category consultation responses.

The Panel discussed and agreed that the Modification Process had been followed in accordance with the SEC requirements and it was noted that there was no element of the discussion at the Change Board that supported the rationale of the referral and that SECAS run the Change Board meetings in a clear and effective manner.

The Panel:

- **NOTED** the contents of the paper;
- **CONSIDERED** the views expressed by the referring party; and
- **AGREED** to uphold the Change Board decision due to there not being sufficient grounds to reverse the decision.

15. Cross-Code Administration Survey

Ofgem presented to the Panel the high-level findings from the Cross-Code Administration Survey, undertaken in support of the Code Governance Review 3 Final Proposals. The Panel were reminded of the objectives of the survey, which were to:

- Identify best practice in how the Code Administrators are carrying out their role;
- Collect data on the nature of the service, satisfaction levels, and ongoing issues; and
- Inform how Ofgem consider the appropriate roles and responsibilities for the Code Managers.

A number of conclusions were presented, with suggested improvements in five main areas, including improving information/guides/training, improving websites, improving timeliness, improving staff knowledge and improving user friendliness.

SECAS noted that only 34 responses were received in relation to the Smart Energy Code, with the majority of parties who had opted in to the survey being from the Small Supplier Category. The Panel discussed providing greater support to Small Supplier Parties, as they go through the various Code processes to become a supplier, noting that a number of organisations had built their business to support small and new entrants in the market. SECAS noted that they were looking at a number of

actions that could provide greater support to smaller Parties, noting that the Party Support Analyst function in place is currently receiving good feedback.

SECAS noted that they are currently developing an action plan to address each of the areas, as well as any additional actions to be taken based on the full data set from the survey which Ofgem will provide. SECAS agreed to provide a paper setting out the results from the survey in more detail plus the action plan at the June 2017 Panel meeting.

The Panel **NOTED** the update.

ACTION SECP44/05: SECAS to present a paper and action plan to the June Panel meeting resulting from the Cross-Code Administration Survey.

16. Smarter Markets Project Update

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

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

17. Technical Specification Maintenance Handover Update

SECAS provided an update to the Panel on the activities and progress made on the Technical Specification Maintenance Handover since January 2017, and set out the remaining activities to be complete prior to completion of the handover. It was noted that a further update would be provided in June 2017.

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

18. Revised Business Continuity and Disaster Recovery Testing Arrangements

The DCC provided the Panel with a revised approach and associated outage timescales for the Business Continuity and Disaster Recovery (BCDR) arrangements, based on a review of the approach and an opportunity to carry out more comprehensive testing.

The Panel **NOTED** the revised approach.

19. DCC Update

The Panel were provided with an update on the activities undertaken by the DCC since the last Panel meeting. It was noted that the DCC are currently re-planning the delivery plan for Release 1.4 due to the delay of the completion of R1.3 testing.

It was also noted that the DCC are aiming to publish the SMETS1 delivery plan and the Final Initial Enrolment Project Feasibility Report to accompany the plan by the end of the week.

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

20. 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 an update to the TABASC Terms of Reference would be made to include monitoring of the reports as discussed at the previous Panel meetings.

The Panel **NOTED** the contents of the paper and the subsequent publication of the reports.

ACTION SECP44/06: SECAS to update the TABASC Terms of Reference to undertake monitoring of DCC performance reports.

21. BEIS Update

The Panel were provided with an update on the forthcoming consultations and upcoming key milestones from BEIS, including an upcoming consultation on a number of Subsidiary Documents to support Release 2.0.

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

22. Operations Report – April 2017

The Panel were presented with the Operations Report for April 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.

23. 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. A brief overview of the SMDG meeting held on the 11th May 2017 was provided and will be captured in the update for the June Panel meeting.

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

24. 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.

25. SEC Party Update

SECAS informed the Panel of the Party that 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.

SECAS highlighted that the Party withdrawal listed in the paper had been incorrectly presented and will be discussed further at the June 2017 Panel meeting.

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:

- Logicor Energy Limited (Small Supplier); and
- Avro Energy Limited (Small Supplier).

26. Any Other business (AOB)

The Panel Chair raised an item of business in relation to an identified need to undertake a SMETS1 Security Risk Assessment. It was noted that the Security Sub-Committee (SSC) Chair had spoken to BEIS about options for taking this forward. The Panel agreed that the risk assessment should be taken forward through the SSC, who have responsibility to maintain the Security Risk Assessment in relation to the End-to-End Smart Metering System. SECAS undertook an action to draft the necessary updates to the SSC Terms of Reference.

The Panel Chair also raised that a number of discussions had taken place with the User CIO, the SSC Chair, BEIS and SECAS in relation to the security assessment process, specifically in relation to Small Suppliers and shared service providers. A number of actions and points of clarification had resulted from these discussions, and SECAS noted that they will be documented in a paper to be discussed at the June Panel meeting.

ACTION SECP44/07: SECAS to amend the SSC Terms of Reference to include a duty to undertake a SMETS1 Security Risk Assessment.

ACTION SECP44/08: SECAS to produce a paper for the June Panel meeting documenting the actions and discussions arising relating to the Security Assessment process, specifically in relation to Small Suppliers and shared service providers.

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