Minutes

DCG Subgroup 3 Meeting 10 Minutes

Minutes of the tenth meeting of DCG Subgroup 3.	From	DCG_SG3_RC
	Date and time of Meeting	Tuesday 25 January 10am
	Location	Ofgem, Room 7

1. Present

Name	Company
Alan Knight-Scott	EDF Energy
Alex Travell	E.ON UK
Brian O'Shea	ElectraLink
David Fletcher	Ofgem
Dora Ianora	Ofgem
Elizabeth Lawlor	ElectraLink
James Nixon	Scottish Power
Jason Stevens	ERA
Jenny Boothe	Ofgem
Joanne Ferguson	Northern Gas Networks
Joe Hancock	Ofgem
John Stewart	Npower
Martin Brandt	SSE
Martin Hewitt	UK Power Networks
Rosie McGlynn	Centrica
Sajna Talukdar	Ofgem
Ysanne Hills	Elexon
David Thorne	Gemserv

2. Comments and review of the minutes for meeting 8 (21/12) and meeting 9 (11/01)

2.1. The minutes were revised a follows:

Comments from David Jones Elexon were accepted for both minutes

Meeting 8 Minutes revision:

Lorraine Kerr to be included as the a dial in participant and Ian Matthews removed

Include a paragraph at 6.8 that reference the significant code review relating to the impact of smart metering on other industry processes. Also at the end of paragraph 6.9 add a clarification sentence that states that should any changes be made to the settlement processes then any corresponding changes that may need to be made to the SEC or another code would be undertaken through the appropriate change procedures.

It was noted that a letter by Ofgem had been issued stating that the Authority will consider whether to undertake a SCR on the implication of smart metering alongside other priorities of the Corporate plan.

Meeting 9 minutes revisions:

At point 3.14 to note that a number of modifications have been approved to the UNC with regards to credit arrangements since the Guidelines were published. These modifications could be used to inform the structure of the credit section of the SEC.

At point 3.17 the group felt that the last sentence should be modified to reflect that the SEC Panel should be informed of the performance of the DCC and through the appropriate procedures recommend any necessary remedial action.

3. Security and Privacy Issues

3.1. David Fletcher and Joe Hancock gave a presentation on the work to date on privacy and security issues.

3.2. The group was informed that the programme has undertaken a security risk assessment to identify the threats and the threat actors and assign values to the likelihood of these threats. Part of this work is to ensure that any risk mitigation is proportionate to the level of risk. This risk assessment is to be repeated an regular intervals, another one of which will be in February.

3.3.   Ofgem informed the group that the development of the risk assessment included the involvement of stakeholders including CESG and CPNI.

3.4. It is hoped that the findings of the risk assessment would be made available more openly in 2011. The group noted that this would be very helpful to have sight of this to enable them to factor these requirements into their developing business plans and processes. Much of the work around this risk assessment takes place in STEG to ensure it is communicated with other stakeholders.

3.5. The subgroup was informed that the programme is focussing on two areas; technical security and security governance. The group were shown a proposed timeline for key outputs. It was noted that by April 2011 the detailed draft requirements for security governance and incident management standards should be available which then ultimately lead to an accreditation policy being developed between June and July 2011. Ultimately the programme will be proposing a set of rules (ISO27001 or equivalent) with respect to security and privacy that will be applied to all systems, organisations and equipment. These timelines are currently not finalised.

3.6. It was noted that security governance would be a continuous activity and currently the programme STEG meets every month to review any security risks and consider whether any new course of action needs to be taken as well as developing the requirements and other deliverables

3.7. A member of the group queried the nature of the accreditation policy and how that would be implemented. The group was informed that the Programme current view is that there needs to a be a body that signs-off on a system being fit for purpose and that ensures that a system/organisation is meeting the security requirements e.g. meeting appropriate levels of encryption. In addition, the notion of a Code of Connection to the DCC has been discussed which will set out the requirements of technical security relating the end-to-end metering system.

3.8. The group was also informed of a Security Panel that would be responsible for the accreditation and the security review cycle to ensure systems/ organisations remain fit for purpose. It is envisaged that this Panel would be self regulating.

3.9. It was noted that the composition of the panel has not been decided upon nor has the governance architecture for the Panel been defined.

3.10.   It was further noted that the expectation is that all pieces of equipment and interfaces need to be security tested and the entity undertaking the testing needs to meet the security standards also. Therefore the security team of the programme are considering how best to roll-out the final security specifications to the wider industry.

4. Consideration of changes to existing regulatory arrangements

4.1. The group were presented will a set of slides that set out the existing regulatory arrangements. The group noted that MOCOPA and MAMCOP should be added to the slides and that service contracts should be removed from the presentations.

4.2. However, the group felt that it would be very difficult to make any further progress in this area because until the scope and definition of the DCC services were fully approved. This would then provide a secure platform from which to assess the implications and the potential changes to the existing arrangements.

4.3. The group felt that their time would be better utilised working up more detail relating to the structure of the SEC. It was agreed that the central bodies would work-up a structure of the code which would be discussed at the next subgroup meeting.

ACTION: Central bodies will meet to consider the structure of the SEC and work up a document to be discussed at the next Subgroup meeting on Tuesday 8th February.

4.4. The group considered that further clarity is required with regards to the regulatory framework for rollout prior to the DCC i.e. the foundation phase. The group felt that there needs to be clarity as to

- what needs to be governed during the foundation phase

- when any governance regime will begin

- the impact on the existing regime.

4.5. The group was informed that the groups ToR allowed for consideration of the code contents and the potential changes to the existing regulatory regime. The issues around the regulatory regime for the foundation phase were a matter for the next phase of the programme and outside the group's current remit. The group acknowledge this point but remained of the view that governance of the foundation phase is paramount and that and work in this area should commence as soon as practicable.

5. Any other business

5.1. Framework/ Accession agreement Ofgem legal opinion.

5.2. The group noted the legal opinion provided by Ofgem legal. The group considered that there does not necessarily needs to be two separate document for the framework and as the accession agreement could be an integral part of the SEC.