RETAIL ENERGY CODE

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QUARTERLY SANDBOX AND DEROGATION UPDATE

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FOR INFORMATION 	Following action RECPAB_25_0930_08 from the September 2025 PAB meeting, the Code Manager will provide quarterly updates on all Sandbox and Derogation Applications, including those in progress and those which have closed. This paper comprises the first of these updates. The Code Manager recommends REC PAB to: • **NOTE** the update; and • **PROVIDE** any feedback on the information required.

1 SANDBOX AND DEROGATION REGISTER

REC Schedule 6 – Performance Assurance requires that Sandbox Applications are added to the Sandbox Register. The REC Portal holds the Sandbox and Derogation Register here - https://recportal.co.uk/group/guest/sandbox-and-derogation-2. This presents all complete Applications (i.e. where the applicant has provided the required information) which have been received and presented to the PAB for consideration and decision, including links to the relevant documentation, associated timescales and ongoing updates.

All Portal Users can access the Sandbox and Derogation Register. Additionally, new approved Sandbox and Derogation Applications are communicated in the Weekly Bulletin, following the issue of the relevant PAB meeting Headline Report at which they were discussed.

2 ONGOING SANDBOX TRIALS AND DEROGATIONS

The below table summarises the current live Sandbox and Derogation Applications that are in progress following submission and/or PAB approval. The Code Manager regularly engages with the responsible Party to receive relevant updates and understand any changes, for instance when it may close, whether an extension is required, or if an associated Change is being progressed. The latest updates are detailed below.

Reference	End of Sandbox/Derogation Period	Code Manager Comments
RECSANDBOX_02 – SGN H100	Two years from commencement of H100 trial (currently scheduled for late February/March 2026)	SGN confirmed in mid-November that the Project Team has scheduled a current Go-Live date of late March 2026, for a period of two years. At this point, the first connections will be made to properties. Then, in March 2028, the Project will commence the reversal process back to natural gas. As MAM and in accordance with their duties of the relevant REC Schedules and CoMCoP, thus far they have: • Deemed terms for the provision of meter services relating to the H100 Fife Hydrogen Project between SGN Commercial Services Limited and each gas Supplier at a H100 Supply Meter Point for each Supplier. • SGNCS and the Project have engaged with Suppliers during the project.

Reference	End of Sandbox/Derogation Period	Code Manager Comments
		• Suppliers have had access to hydrogen meters for testing against their systems. • The hydrogen meter is on the MDD. • Upgrades have been made to Bsmart to allow details to flow to Suppliers (hydrogen meters). • SGNCS has developed reports to identify, when the project goes live, Suppliers who do not appoint them as the MAM for the project. Suppliers are aware of this. • B Gas and the Project are currently trialling the smart functionality of the hydrogen meters in the demonstration homes in both credit and prepayment modes. At this time, the findings are positive. • The current plan is for the demonstration homes to be supplied in December 2025/January 2026.
RECSANDBOX_03 – OVO SDEP Robotics	From 30 November 2026, two years, or until the implementation or rejection of R0161 – Enabling Robotics for SDEP – whichever is sooner.	The PAB were provided with the further Impact Assessment on 28 October (RECPAB_25_1028_07). This contained indicative timescales (including for initial accession suspension prototyping and implementation of accession suspension and solution monitoring), which were endorsed.
RECSANDBOX_04 – EDF Robotics	PAB consideration ongoing	The PAB considered the Sandbox Application in October 2025 and deferred their decision until November. Please refer to RECPAB_25_1125_04 for an update.
RECDER_15 – GRDA Xoserve	Extension approved by PAB in October 2024 for it to continue until the REC issue is addressed and the necessary change is defined.	Xoserve is currently working with Change Team on Initial Assessment for I0219 Stranded RMPs in Defunct Suppliers. They confirmed in November 2025 that they have proposed the following options to the Gas Transporters: • Option 1: Allow Terminated Meter Points to be registered by alternative Suppliers.

Reference	End of Sandbox/Derogation Period	Code Manager Comments
		• Option 2: Allow CSS to manage these as exceptions and require Suppliers to raise tickets for CSS to manage specific RMPs to Switch. • Option 3: Allow Transporters to undertake 'Change of Supplier' events – and these flows could transfer Terminated MPs into new Suppliers • Option 4: Allow Transporters to undertake 'Deactivation' activities for Defunct Suppliers • Option 5: Extend the Derogation and put the ability to continue to do this in the REC/UNC. Whilst I0219 progresses through the Change Process, and once a determination has been made on the option to pursue, Xoserve will request an extension to the REC Derogation.
RECDER_22 – Theft Target DPI Adjustment	25 August 2026	Approved by the PAB to cover the 2025/26 TDIS Year from setting of Targets in February 2025 to calculation of Credits/Debits in July 2026.
RECDER_23 – MHHS Supplier Exemptions	25 February 2027	Approved by the PAB in February 2025. As of mid-November 2025, there have been no Suppliers that have completed MHHS Qualification with a relevant exemption. The Code Manager will update the PAB through the quarterly MHHS Qualification paper in the event a Supplier requires an exemption.
RECDER_30 – Next Gen – Transfer of Sealing Pliers	28 October 2027	Approved by the PAB, subject to conditions, on 28 October 2025.

3 CLOSED SANDBOXES AND DEROGATIONS

For this first report we have included all closed Sandbox trials and Derogations. For future Quarters we will only provide those closed within the period.

Reference	End of Sandbox/Derogation Period	Code Manager Comments
RECDER_19 – CoMCoP Revision	7 November 2025	Previously extended to 7 November 2025 to cover the implementation of R0152 which was implemented as planned.
RECDER_24 – Utilita – Transfer of Sealing Pliers	15 August 2025	The transfer of Sealing Pliers was completed successfully.
RECDER_25 – Morrison – Transfer of Sealing Pliers	1 September 2025	The transfer of Sealing Pliers was completed successfully.
RECDER_26 – MHHS Certificates Relating to Rebel Energy	The end of MHHS SIT (August 2025)	This Derogation closed when Market-Wide Half Hourly (MHHS) Systems Integration Testing (SIT) completed. RECCo Service Management are in the process of confirming that the Certificates have been revoked.
RECDER_27 – British Gas Theft Assessment Calculator	Withdrawn 30 September 2025	The PAB initially approved this subject to conditions, however, British Gas confirmed in September that the Derogation was no longer required as they had returned to using the REC Theft Assessment Calculator.
RECDER_28 – Opus Group and EDF Energy Customers – TDIS 2024-25	31 August 2025	The 2024-25 TDIS portfolio adjustment was completed in accordance with the sale as approved in the Derogation.
RECDER_29 – Code Manager – Delay to Gas	31 October 2025	The Code Manager completed the Gas Unallocatable Transaction Reconciliation as approved in the Derogation.

Unallocatable Transaction Reconciliation		

REC PAB DECISION



The Code Manager recommends REC PAB to

- **NOTE** the update; and
- **PROVIDE** any feedback on the information required.