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 is the second such quarterly update provided to PAB. The next update will be provided in May 2026. The Code Manager recommends REC PAB to: • **NOTE** the update.

1 OVERVIEW OF 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	Title	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)	
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.	Following the January PAB RECCO and the Code Manager took an action to provide a further update on the Robotics Sandbox Applications previously approved by the PAB, insofar as these are impacted by the Digitalisation Strategy. In the weeks since the Code Manager has met with both applicant Parties and RECCo to discuss what the best next steps are. Consideration was given to the Digitalisation Strategy, the timeline for the procurement and delivery of new Enquiry Services, and the previously approved costs associated with the C&C works to be completed as part of the trials.

Reference	Title	End of Sandbox/Derogation Period	Code Manager Comments
			RECCo confirmed that the Digitalisation Strategy will not benefit SDEP users for some time, although they highlighted that part of the strategy would be to improve the machine-to-machine capabilities of the system. They welcomed the trials continuing as planned, citing the learnings from the trials would be useful in steering the development of the enduring Solution. RECCo is comfortable with the development costs in the C&C impact assessment. Based on this, and their own desires to further enhance and improve exceptions management processes, and Consumer experience, both in the short to medium term, and into the future with the enduring solution, both OVO and EDF would like to proceed with their trials as planned.
RECSANDBOX_04	EDF Robotics	From 30 November 2026, two years, or until the implementation or rejection of R0161 – Enabling Robotics for SDEP – whichever is sooner.	As above.
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 Shippers who have a number of Supply Meter Points within their portfolio to understand the business reason for these remaining within their portfolio for an extended period after the SMP Status is changed from Live. The change of SMP Status updates the RMP Status to Terminated, and they would expect that Suppliers then deactivate the Registration.

Reference	Title	End of Sandbox/Derogation Period	Code Manager Comments
			By understanding the Shipper processes, they are hoping to optimise reporting so that they can minimise the SMPs that remain in this state, so that any solution options considered take account of this revised volume and any business case can be assessed accordingly.
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. As the DPI is now populated, no further adjustments will be required under this Derogation and as such, the Code Manager will remove this from the Quarterly Update going forward.
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 requests an exemption.
RECDER_30	Next Gen – Transfer of Sealing Pliers	28 October 2027	Approved by the PAB, subject to conditions, on 28 October 2025. As this progresses to the end date, the Code Manager proposes to only update the PAB if necessary.
RECDER_31	Stark Energy Services Ltd – Transfer of Sealing Pliers	25 November 2027	Approved by the PAB, subject to conditions, on 25 November 2025. As this progresses to the end date, the Code Manager proposes to only update the PAB if necessary.
RECDER_32	OVO Energy – 2025-26 TDIS Adjustment	31 July 2026	Approved by the PAB on 16 December 2025. This Derogation applies to the 2025-26 TDIS Scheme Year only.

REC PAB INFORMATION

The Code Manager invites the PAB to **NOTE** the update.