RETAIL ENERGY CODE

APPLICATION FOR DEROGATION OR SANDBOX

1 PROCESS GUIDANCE AND SUPPORT

WHAT IS A DEROGATION OR SANDBOX?

A Derogation is an exemption from or relaxation of one or more REC obligations. A Derogation can be applied for directly or an applicant can enter the process via a Sandbox application. A Sandbox trial enables organisations to trial new products, services, or business models without being subject to the usual rules that might apply under the REC. Sandbox trials are intended to help inform decisions about improvements or changes that might be beneficial and can be a precursor to changes to the REC arrangements.

Derogations should not be used to relax obligations because an organisation does not agree with the obligation. If Parties wish to change obligations set out in the Code, this should be picked up as part of the REC Change Management process.

EXAMPLES

An example of a valid Derogation application would be seeking a three-month derogation from a REC obligation whilst a new internal system was being implemented, which the Party is able to evidence would impact their ability to meet the obligation.

An example of a Sandbox application would be a Party conducting a trial to help facilitate an industry initiative such as hydrogen powered projects. For instance, in order to fulfil their actions for the purpose of the trial, the applicant is required to be derogated from a specific REC obligation.

USEFUL LINKS			
Sandbox and Derogation User Guide	Sandbox and Derogation Podcast Episode 2025	Derogation and Sandbox Wiki Article	Previous and open Sandbox and Derogation applications

FURTHER SUPPORT

Please contact the Service Desk via enquiries@recmanager.co.uk or your Operational Account Manager (OAM) for help in completing the below Application Form.

Once completed, please submit the Form to your OAM or the Service Desk, where it will be processed by the Code Manager.

RETAIL ENERGY CODE

2 APPLICATION FORM

DEROGATION OR SANDBOX	Derogation
DEROGATION / SANDBOX TITLE	Transfer of Sealing Pliers
APPLICANT NAME	James Murphy
APPLICANT EMAIL	jmurphy@stark.co.uk
ORGANISATION	Stark Energy Services Ltd & Siemens PLC
REC PARTY CATEGORY / ROLE	Metering Equipment Manager
DATE OF APPLICATION	13/11/2025
IMPACTED REC OBLIGATION(S)	CoMCoP appendix 19, section 25
REQUESTED LENGTH	One-off action to coincide with the completion of the asset purchase

SUMMARY OF THE ISSUE AND BACKGROUND INFORMATION
Please provide information including but not limited to: • *Background and summary of the issue including any internal or external factors; and* • *Rationale for requiring the proposed Derogation or Sandbox trial.*
Stark Energy Services Ltd (Company No. 16588782) are purchasing the Metering arm of Siemens PLC (Company No. 00727817). The purchase will see the entire Metering operation transfer from Siemens to Stark, including all contracts, equipment, people and processes. The sale is expected to complete on 2nd February 2026 Siemens retains possession of a significant quantity of sealing pliers coded "SES." These tools remain in usable condition and are essential for continued operational efficiency. Full records of the remaining stock can be provided upon request. To avoid unnecessary financial and environmental costs associated with the destruction and replacement of these tools, we propose transferring the use and ownership of the sealing pliers from Siemens to Stark. This approach ensures continuity of service and maximizes the value of existing assets within the group.

RETAIL ENERGY CODE

SUMMARY OF PROPOSED DEROGATION OR SANDBOX TRIAL
Please provide detail on the proposed Derogation or Sandbox trial.
A one-off derogation to transfer all Sealing Pliers with the brand SES from Siemens PLC (Company No. 00727817) to Stark Energy Services Ltd (Company No. 16588782). No pliers will be transferred between operatives.

REQUESTED LENGTH OF DEROGRATION PERIOD (TWO YEAR MAXIMUM) INCLUDING ACTIONS/ACTIVITIES PLANNED
Please provide rationale for requested timescales, including key activities and milestones planned as part of the Derogation or Sandbox trial.
A one-off derogation to enable a transfer of sealing pliers.

IMPACTED REC PARTIES, SERVICE PROVIDERS OR REC PROCESSES
Please list the REC stakeholders and/or processes which will be impacted by the proposed Derogation or Sandbox trial, including whether any engagement has taken place to consult on this.
Stark Energy Services Ltd and Siemens PLC

PROPOSED CONTROLS / MEASURES OF DEROGATION OR SANDBOX TRIAL

Please explain how you propose to: • *assess the success of the Derogation or Sandbox trial,* • *mitigate the impacts against other Stakeholders,* • *how frequently you would suggest reporting these to the REC Performance Assurance Board (PAB).*
As this is a one-off asset transfer that only affects the two Parties listed it is not envisaged that any further controls/measures be required.

RELATED DEROGATIONS, SANDBOX TRIALS OR CHANGE PROPOSALS
Please provide detail of: • *Related Derogations, Sandbox trials or Change Proposals (CPs) this application is linked to within the REC and/or other relevant Codes; or* • *Whether there is precedent from previous Derogations or Sandbox trials.*
RECDER_24 allowed temporary (2 months) transfer of sealing pliers to allow agents to use pliers whilst new ones were purchased following a TUPE of staff. RECDER_25 allowed transfer of sealing pliers between Parties that were undergoing organisational restructuring. RECDER_30 allowed transfer of sealing pliers between Parties that were transferring assets from one to the other.

ANY OTHER INFORMATION OR DOCUMENTATION TO SUPPORT APPLICATION
Please provide any supporting information to explain the detail, rationale and/or context of the proposed Derogation or Sandbox trial, either here or listing the attached appendices.

N/A