PAB March 2026

Update following DEML Sandbox Decision

Key Risks post-approval of the DEML Sandbox Derogation

Governance & Precedent	-Future derogation requests risk establishing a parallel operating model outside REC governance. -Repeated approvals weaken the REC Change Process and bypass structured policy development. -Original Code Manager recommendation recognised the precedent risk - already evidenced by new requests.
Qualification & Assurance Integrity	-Data-only or hybrid models may operate without EMO/MOA accreditation. -No REC mechanism to monitor interactions between separate site and flow organisations. -Creates uncertainty over who validates SIP data and its safety implications, leading to an unmanaged transition toward new metering roles without safeguards. -Umbrella models avoid this, as one accredited Party controls the full end-to-end process.
CoMCoP Safety & Operational Controls	-Split responsibilities remove critical assurance checkpoints. -Safety issues may be mis-categorised (e.g., DNO hazard marked as a C-code when dangerous). -Risk of incorrect energisation/disconnection flows where information is incomplete or inaccurate. -These risks are less likely to arise when one accredited Party performs both site and flow activities.
Market Fairness & Competition	-Continued derogations could create a two-tier assurance environment, reducing consistency across SIPs. -Structural reform to support wider market entry should come through I0278, not case-by-case exceptions. -Repeated derogations will undermine transparency, predictability and confidence in REC governance.
Impact on I0278	-Concern now lies with the cumulative effect of future derogations, not the sandbox decision alone. -Each approval embeds elements of a data-only model before consultation and design conclude. -Risk that interim models diverge from the final I0278 outcome, making future alignment difficult.

Overview of I0278

Purpose and Intent of I0278: why change is needed	-I0278 aims to formally establish the Safe Isolation Provider (SIP) as a standalone REC Metering Party, creating a streamlined, safety-led framework with clear governance, Qualification, and Accreditation expectations. -Current SIP arrangements (bolted onto MEM Accreditation) are not fit for purpose. Market demand from LZCT installations is rising rapidly, and too much isolation work is happening outside regulated frameworks, presenting consumer and practitioner safety risks.
Key Problems Identified with the current SIP model	-Safety risks due to unaccredited practitioners and lack of oversight. -Inequity between independent and supplier-led installers. -Barriers to entry, limiting competition and slowing the market. -Decarbonisation delays because SIP capacity cannot scale.
Proposal - Introduce a fully standalone SIP role with:	-A direct REC accession pathway for qualified individuals/organisations. -Streamlined, centralised Accreditation (potential umbrella model). -Strengthened assurance, compliance and safety governance.
Approach: To build clear governance and a simplified pathway for SIPs to accede to the REC	-Engage with trade associations to assess industry views including on sealing requirements, recording and notification, record keeping and REC accession; -Establish working groups with relevant industry stakeholders to refine these requirements; and -Refine the solution needed following industry engagement and feedback received during these working groups.
Engagement Completed So Far	-Extensive engagement (trade bodies, ENA, INA, AMO, UKRPA, ESF, etc.) shows strong industry support. A targeted information request was issued on 13 February 2026; responses due mid-March will shape the working groups and solution refinement.