RETAIL ENERGY CODE

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REFERENCE	**RECPAB_26_0825_05**
STATUS	**FOR DECISION**
PAGES	**2**

PAB DEROGATION REPORT – CHANGE PANEL MEMBER TERM EXTENSIONS AHEAD OF SAF ESTABLISHMENT

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FOR DECISION	This paper sets out a request to the Performance Assurance Board (PAB) on a Derogation Application received on 27 July 2026 from the REC Code Manager. The Derogation relates to waiving the maximum term of two years for appointed REC Change Panel Members, until the dissolution of the Change Panel (scheduled for 17 November 2026), to enable appointment to remain in place until the official establishment of the REC Stakeholder Advisory Forum (SAF). Notably, the second bullet of paragraph 2.7 of the Change Panel Terms of Reference will no longer apply. The Code Manager requests the PAB to: • **APPROVE** the aspects of the Derogation as set out below, including the timescales and recommended conditions.
APPENDICES	• RECPAB_26_0825_05A - REC Change Panel Terms of Reference (V1.5)

BACKGROUND

The Code Manager raised this Derogation on 27 July 2026. The REC Change Panel has its final meeting scheduled for 18 November 2026, and two members (one Supplier representative, one Network Operator representative) within the Change Panel will reach the two-year tenure for remaining in this Panel as of 31 August 2026. Due to the establishment of Stakeholder Advisory Forum (SAF) under new Governance arrangements and limited existence of the Change Panel, this Derogation is to allow these members to remain in office until the Change Panel ceases. Ordinarily, appointed Member terms on the Change Panel (and most other REC Committees) are to last no longer than two years.

SUMMARY OF THE PROPOSED DEROGATION AND IMPACTED REC OBLIGATIONS

The Code Manager is proposing that the two-year maximum term be waived for the remainder of the lifecycle of the Change Panel meaning *the second bullet of paragraph 2.7 of the Change Panel Terms of Reference.*

“Any Change Panel member appointed as an REC Party nominee shall remain in office until:

- Their resignation has been submitted in writing to the Change Panel Secretary;
- **They have reached the end of their tenure, being no longer than two years from initial appointment**; or
- They are removed by the RECCo Board in accordance with 2.11. “

Impact is minimal to none for REC Parties or REC Service Providers. The derogation removes the potential efforts to appoint new members for the remaining three months of the Change Panel. Further, the Code Manager has not identified any technical or assurance impacts of this decision and does not consider it requires referral to Ofgem.

PAB DECISION

The Code Manager requests PAB to:

- **APPROVE** the aspects of the Derogation as set out above, including the timescales and recommended conditions.