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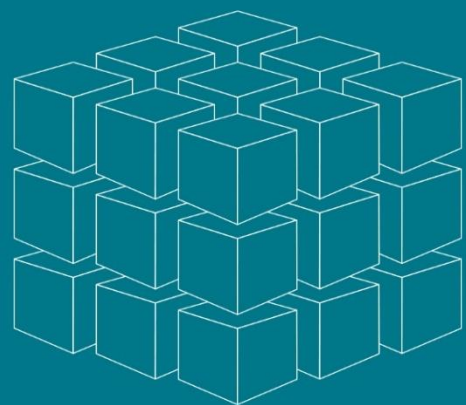
Making a positive difference
for energy consumers

Energy Regulation Sandbox

frequently asked questions

Energy Regulation Sandbox: FAQs

Introduction

❖ We launched the refreshed Energy Regulation Sandbox on 20 July 2020.

❖ As explained in the Guidance, we'll publish answers to frequently asked questions on at least a quarterly basis.

❖ Rather than publishing a new list we'll update this version so all questions and answers are hosted in one place.

❖ New content in the next version will be in orange before reverting to black in the subsequent edition.

❖ We'll group the FAQs as themes start to emerge.

❖ You can submit a question to sandbox@ofgem.gov.uk.

A.	General	
1.	**Question**	**Can I submit more than one sandbox application at a time?**
	Answer	• You can make more than one application at the same time, but they have to be for different things. • We want access to the Sandbox to be open and fair, so if demand is high we may ask you to prioritise which application you want assessed first.
2.	**Question**	**I've applied for funding for my trial but haven't had approval yet. Does this mean that I can't apply for sandbox support?**
	Answer	• Our preference is for trials where the partners are confident of progressing and reasonably close to being ready to go. • Under the first two sandbox windows a number of trials didn't get funding so they didn't proceed. • We're not going to be absolutely rigid, but we may pause an assessment until such time as funding certainty improves.
3.	**Question**	**When's the application deadline?**
	Answer	• There is no deadline. • Unlike the original Sandbox where we used 'window application rounds' this Sandbox is an open on-demand service. • Innovators can apply when they're ready, when they've got a sufficiently well-developed proposition.

A.	**General**	
4.	**Question**	**I applied to the last sandbox and it took a long time for Ofgem to figure out whether we could do what we wanted to. Is this service going to be quicker?**
	Answer	• Many of the issues innovators bring to our door are ones that we've not encountered before and / or for which there aren't established answers. • This inevitably means that it takes time to work through issues and reach conclusions. • We understand that innovators are hungry to deliver new products and services, but it's important that everyone understands that at its heart the sandbox is a process of enquiry and not a conveyor belt to ready-made off-the-shelf solutions. • We've learned a lot about innovators' needs, emerging use-cases, where regulatory blockers reside and we think the new Sandbox will better meet innovators needs. • But, while they may explore similar themes, each sandbox application will be unique, requiring bespoke assessment and solutions, which will take time. • In the Guidance we set out the KPI ranges we're aiming for, but over time will refresh and update these.
5.	**Question**	**I advise innovators day-in, day-out and the last thing they want to do is to wade through a 76 page Guidance document to figure out if the Sandbox is for them. Can you produce a more user-friendly summary?**
	Answer	• Alongside these FAQs we've published a shorter, more direct guide that will allow innovators to make a quick call on whether the Sandbox might be for them. • We know that the core Guidance document and application form are lengthy and demanding, but they have been developed in response to feedback from innovators that they want much more clarity about what is / isn't in scope. • They also reflect our experience of the previous sandbox where our guidance and application forms didn't solicit the information we needed to effectively and fully assess an application.

B.	**Sandbox tools**	
1.	**Question**	**I was thinking of applying for a confirmation, but the guidance says that you plan to publish information about this which my competitors will be able to access. I'm struggling to understand why I'd want to use the Sandbox?**

B.	Sandbox tools	
	Answer	- You're right, part of our mission is to spread awareness of innovation more widely because we think this has greater potential benefit for consumers. - When we provide confirmation to an innovator that a type of activity is permissible, we plan to 'broadcast' this more widely so that investors, industry, trade associations, consumer advocates and other innovators are aware. - We do understand that some innovators might be nervous of this and are concerned about commercial confidentiality. - We know that getting this right requires very careful judgement on our part and we'll be sensitive to innovator's concerns. - To mitigate risks, we intend to anonymise the broadcast and won't publish anything that's commercially confidential. - We could also delay the publication of a broadcast confirmation for a period of time, or only publish it when we've seen a few examples of a particular type of activity. - As the Guidance explains, please do raise any concerns you have in your sandbox application.
2.	**Question**	**Is the Sandbox a real physical test environment where new things can be tried-out without 'breaking' the existing system?**
	Answer	- No, all activities supported through the Sandbox happen in live energy markets. - There are facilities that industry and academia operate that allow you to test kit in a controlled environment, but that's not what the Sandbox is intended for. - The Sandbox is for innovations that are past their R&D phase and are now looking to demonstrate or deploy their product, service or methodology in a live environment.
3.	**Question**	**The Sandbox Guidance says you're planning on publishing more information about common 'use-cases' and 'how-to' guides. Can you tell us what these are? Will they cover issues that might come up in confirmations?**
	Answer	- Yes, we plan to enhance our broadcast capabilities and focus resource on spreading practical 'how-to' information. - Our Feedback and Sandbox services are by their nature bilateral, responding to specific innovator's issues and needs. - Through broadcasts we can reach more innovators, their support providers and ultimately have greater consumer impact. - We haven't yet decided what areas we'll prioritise but some candidates are: exotic EV use-cases (following on from our guide on selling power to EV users), local energy models, and on-premises energy services.

B.	Sandbox tools	
		• There's a likelihood that some of the broadcast products might cover similar ground as issues arising in confirmation requests. • It's important to understand that while an innovator may be the first to seek a confirmation, it does not mean that we have not already explored related themes / issues with innovators through the Feedback service and can see benefit in broadcasting these.

C.	Policy	
1.	**Question**	**If my trial is successful and clearly beneficial for consumers will you change regulatory policy?**
	Answer	• No, permanently changing policy can't happen this way. • We definitely want to learn from all sandboxes (trials or market entry) and will look to feed the insights we glean from working with you into policy making. • But, changing policy can only be done through legally established procedures involving evidence gathering, assessment and consultation. • Where your trial ends, it could be that you've learned enough about your product / service, consumers and risk exposure that you're ready to progress to market. • If a temporary derogation is awarded under the BSC or DCUSA, the innovator (or partner) could raise a modification to change the code's rules, thereby allowing the activity to continue.