

# **ENA Response to Ofgem Consultation on AI Technical Sandbox**

**March 2026**

## Introduction

Energy Networks Association (ENA) represents the companies that operate and maintain the electricity network infrastructure in the UK and Ireland. Serving over 30 million homes and businesses in every part of the country, they are responsible for the transmission (long-distance, high voltage) and distribution (shorter-distance, lower voltage) network of overhead lines and underground cables that keep our lights on, our homes warm and our businesses running. ENA welcomes the opportunity to respond on behalf of its electricity transmission and distribution network operator members to Ofgem's Consultation on the AI Technical Sandbox. For reference, the full list of ENA members can be found at <https://www.energynetworks.org/about/members>.

## Eligibility and participation

**Q1. Do you agree with the proposed eligibility criteria for lead Participants (licensees, market participants, and operators of essential services) and the encouragement of partnerships with technology providers, academia, and other innovators? Please explain your reasoning.**

Networks broadly support the proposed eligibility criteria focusing on licensees, market participants, and operators of essential services, as this ensures regulatory accountability and access to operational data.

- It would be helpful for Ofgem to explicitly recognise iDNOs and other network operators as eligible lead participants.
- Partnerships with technology providers, academia, and innovators are strongly supported, but clear accountability frameworks are required where multiple parties are involved.
- Networks emphasise the importance of establishing structured and curated datasets, with data-owning organisations playing a key role in enabling AI use cases.
- Consideration should be given to ensuring the model does not inadvertently restrict innovation or participation.

## Use case selection

**Q2. Are the proposed use case selection criteria (including commercial neutrality, innovation, sector impact, regulatory uncertainty, testability, governance, and data access) appropriate and sufficient to ensure a fair and transparent process? Are there other criteria, safeguards, or considerations we should include?**

Networks agree that the proposed criteria provide a strong foundation, with the following enhancements:

- Greater emphasis on whole-system value and cross-network use cases.
- Clearer focus on consumer outcomes and system resilience.
- Explicit requirements around data readiness, governance, and cyber security by design.
- Inclusion of standards-based frameworks (interfaces, governance, metrics, tooling) to support scalable solutions.
- Consideration of agentic AI approaches, including governed orchestration of multiple AI agents and the need for interoperability.

## Alignment with other initiatives

**Q3. Is the proposed approach for the AI Technical Sandbox clearly distinct and complementary to other initiatives such as Ofgem's AI Reg Lab, Energy Regulation Sandbox, Future Regulation Sandbox, UKRI-funded and SIF/NIA initiatives, NESO, FCA regulatory sandbox experience, and DSIT AI Growth Lab? Are there other relevant initiatives or examples of best practice that Ofgem should consider, and if so, which ones?**

Networks support alignment with existing initiatives but highlight the need for clearer positioning:

- Greater clarity on how the sandbox interacts with SIF, NIA, and other innovation routes, avoiding duplication.
- Clear pathways for sandbox outputs to feed into other programmes and support scaling.
- Recognition that programmes such as SIF/NIA could provide curated datasets and support technical delivery of use cases.
- Stronger linkage to NESO-led work and wider sector digitalisation initiatives.
- Consideration of best practice from other sectors, including cohort-based approaches and structured delivery models.

## Engagement and governance

**Q4. Does the proposed governance structure (steering group, working groups, open forums) provide sufficient oversight, transparency, and opportunities for stakeholder engagement? Are there other mechanisms or safeguards that should be included to ensure effective governance and knowledge sharing?**

Networks are supportive of the proposed governance structure, with the following considerations:

- Further clarity is required on Steering Group composition to assess whether it is balanced.
- Networks should have appropriate representation, with recruitment undertaken in a fair and transparent manner.
- Greater clarity on decision-making processes and use case selection in practice is needed.
- Clear mechanisms for managing conflicts of interest.
- Strong emphasis on transparent knowledge sharing across the sector.
- Additional clarity on the purpose and scope of the sandbox would support more detailed input on governance and use case selection.

## Timelines and next steps

**Q5. Are the proposed next steps for developing and launching the pilot clear, and is there anything further we should consider as we refine the timeline?**

The proposed timeline is broadly achievable, subject to early clarity:

- Early publication of application guidance and evaluation criteria would be beneficial.
- Consideration of pre-application engagement sessions or clinics.
- Clear articulation of data access pathways and requirements.
- The 12-month pilot is appropriate, but risks around setup time and onboarding should be considered.

## Ethics and responsible AI

**Q6. Does the consultation and proposed pilot sufficiently address ethical considerations (fairness, transparency, responsible use, consumer trust) in line Ofgem’s AI guidance? Are there further steps we should take to embed ethics and safety in the sandbox?**

Networks support the proposed ethical approach, with further strengthening suggested:

- Introduction of risk-based safety tiers for different use cases.
- Stronger emphasis on human-in-the-loop oversight, particularly for operational decisions.
- Clear expectations for fairness testing, particularly in areas such as connections and curtailment.
- Further clarity on data protection, cyber security, and operational system risks.

## Stakeholder support

**Q7. Do you have suggestions for how Ofgem can best support stakeholders throughout the pilot and beyond?**

To support effective participation, networks suggest:

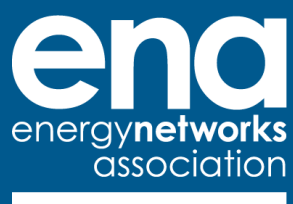
- Provision of curated datasets and standardised testing environments, where appropriate.
- Clear evaluation frameworks and KPIs.
- Development of template legal and governance documentation.
- Support for shared tools, components, and knowledge libraries.
- Use of existing engagement forums, with the role of testing environments aligned to the sandbox’s purpose.

## General Feedback

**Q8. Do you have any other comments, suggestions, or concerns regarding the proposed pilot, the consultation process, or the expected outcomes? Please provide evidence, examples, or reasoning to support your responses wherever possible.**

Networks are supportive of the sandbox concept and its potential to drive innovation, with the following points noted:

- The sandbox provides a valuable mechanism to test AI safely before deployment.
- Care should be taken to manage risks around data use, unintended system impacts, and uneven participation.
- The sandbox offers an opportunity to demonstrate the value of improved data maturity, without full system complexity.
- There is strong potential to explore reuse and interoperability principles, particularly for agentic AI.
- Priority use cases of interest include:
  - AI-assisted connections and queue management
  - LV hosting capacity forecasting under uncertainty
  - Proactive outage planning and customer communications



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