

Comments of Rhizome Data, Inc., in Response to AI Technical Sandbox Consultation

Rhizome Data, Inc. (Rhizome) responds herein to the request for views on options to develop a safe regulatory environment where energy sector participants can test and trial AI solutions under regulatory oversight.

About Rhizome

[Rhizome](#) is a software-as-a-service (“SaaS”) provider that has developed climate resilience planning tools for electrical distribution systems. Rhizome’s proprietary platform, Aspen, can quantify the vulnerability of transmission and distribution assets from climate threats and help understand the economic and social benefits of infrastructure investments for optimised resilience planning. This technology has been deployed across diverse geographies in the UK, United States, Canada, and New Zealand.

Rhizome’s two core software products for distribution network operators are:

- gridADAPT: a reliability and resilience planning application which can predict asset failures, forecast reliability metrics, and create asset plans and examine alternative interventions to improve resilience, using advanced modeling to build on a combination of downscaled weather and climate data and granular utility system and historical information.
- gridFIRM: a long-term wildfire risk planning tool that helps utilities examine asset-related wildfire risk across its system. Rhizome’s platforms can project changes in fire-weather conditions decades into the future, simulate its impact on utility T&D infrastructure, and understand the potential for ignition across the system and which communities could be impacted by fire spread.

Rhizome Responses to Consultation Questions

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.

Response: Fostering partnerships with technology providers, academia, and other relevant stakeholders presents a valuable opportunity to broaden participation and bring diverse expertise to the table. Such collaboration would enrich the sandbox environment by incorporating a wider range of emerging technologies and novel hypotheses, including early-stage ideas being developed in academic settings.

To fully realize the potential of these partnerships, it will be important to establish clear and transparent frameworks governing data protection, intellectual property, and confidentiality, as well as to articulate how commercial neutrality will be upheld. Providing prospective partners with this clarity from the outset will help build the trust necessary for them to engage openly and contribute their most innovative thinking.

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?

Response: The existing criteria provide a strong foundation, and one potential addition worth considering is a criterion around **reproducibility** or **feasibility**. Among the most valuable outcomes of the Sandbox would be empowering participants to evaluate new technologies with a view toward broader adoption or in-house implementation. With this in mind, it may be worth acknowledging early on that the path from a prototype to a production deployment can involve significant complexity, and that some technologies may lend themselves more readily to real-world implementation than others.

Proactively identifying key challenges or gaps that participants might encounter in translating Sandbox findings into operational deployments, and incorporating this lens into the evaluation process from the outset could prove particularly beneficial. Doing so would help ensure that participants are well-positioned to make informed decisions and that the Sandbox delivers lasting, practical value beyond the testing environment itself.

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?

Response: The proposed governance structure provides a strong foundation for oversight, transparency, and stakeholder engagement within the AI Technical Sandbox. Drawing on experience from U.S. energy-sector initiatives, the structure is directionally aligned with best practices, and can be strengthened to better address the specific challenges of AI governance.

1. **Enhanced technical oversight:** AI and energy pilots often include independent technical sub-experts or advisory panels to assess model performance, safety, and transparency. Establishing a dedicated technical subcommittee or independent review function would strengthen scrutiny of AI-specific risks.
2. **Formalized feedback loops:** Steering groups should typically include structured feedback cycles and documented responses to input. Introducing defined consultation

checkpoints and requiring responses to stakeholder feedback would improve transparency and trust.

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?

Response: Potential applicants would benefit from an indicative timeline of when the applications will be live, the stages and timelines (if any) in the selection process, and when the final results will be out. This will help applicants gain enough lead time to plan for resources to allocate for participating in the AI Sandbox.

Ethics and responsible AI

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

Establishing robust privacy protections for individual users within the Sandbox would offer meaningful advantages for all parties involved. For **participating organizations**, strong anonymization measures, such as aggregating activity into broader user profile groups, would provide the confidence needed to experiment freely, knowing that proprietary strategies, workflows, or areas of interest cannot be attributed back to them. This freedom to explore without risk of exposure is likely to drive deeper, more meaningful engagement with the Sandbox.

If these protections are already planned or documented elsewhere, ensuring they are clearly communicated to all prospective participants would itself be a valuable step, as transparency around privacy measures is often as important as the measures themselves

Stakeholder support

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

Response: Ofgem can best support stakeholders throughout the pilot and beyond by also focusing on sustained engagement pathways. Ofgem should consider articulating how insights and evidence generated through the sandbox will be translated into future regulatory guidance, policy development, or potential rule changes, if applicable. This includes outlining how findings will feed into related initiatives (such as other sandboxes or regulatory programs), and how successful use cases may be supported in moving from testing to real-world deployment.