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20 March 2026

Sent by email to AIPolicy@ofgem.gov.uk

Ref: AI Technical Sandbox Consultation

Dear Jonathan,

We welcome the proposals set out in Ofgem's AI Technical Sandbox consultation and support the direction of travel towards enabling responsible AI innovation with proportionate regulatory oversight. Our response reflects the themes raised in our joint submission to Ofgem's September 2025 Call for Input, many of which we are pleased to see incorporated.

Our responses to the questions follow in the appendix to this letter.

If you wish to discuss any of the points raised then please do get in contact with us.

Yours faithfully,

Tom Selby
Regulation Manager



Appendix: responses to consultation questions

Q1. Eligibility & participation

We agree with the proposed eligibility model. Limiting lead applicants to licensees, market participants and operators of essential services, while encouraging partnerships, provides appropriate accountability and supports cross-industry collaboration.

We would like to see:

- The publishing of expected cohort sizes, application windows and decision timelines.
- Sandbox agreements which clearly set out obligations for non-licensee participants (e.g., data protection, reporting, oversight).

Q2. Use-case selection criteria

We broadly agree with the criteria. The focus on sector value, regulatory uncertainty, commercial neutrality, and testability is appropriate and consistent with our previous recommendations.

We would like to see:

- “Testing lanes” (such as consumer-facing AI, network operations, market/forecasting) to balance the portfolio.
- A reference dataset pack (with metadata, version control, and edge-case examples).
- A tool agnostic assurance baseline (minimum logging, standard fairness/bias tests, and evaluation metrics).

Q3. Alignment with other initiatives

We agree the sandbox is appropriately positioned relative to the AI Reg Lab, Energy Regulation Sandbox, Future Regulation Sandbox and wider UKRI/NESO activity.

We would like to see:

- Explicit pathways for use cases moving from technical testing to live trials or rulebook experimentation.
- Encouragement of the reuse of datasets, metrics and ethics frameworks across the AI Technical Sandbox and UKRI/SIF/NIA portfolios.

Q4. Engagement & governance

We support the proposed governance model. A Steering Group, supported by working groups and open forums, provides suitable transparency and oversight.

We would like to see:

- Publishing of conflict-of-interest guidance for Steering Group members.
- Standardised templates for public summaries to promote comparability.
- The hosting of periodic technical sessions to share emerging learning across participants.

Q5. Timelines & next steps

We agree with the proposed timeline. The structured progression from consultation to pilot launch and evaluation is clear.

We look forward to further clarity on:

- Application windows, selection cadence and decision timeframes.
- The anticipated number of concurrent use cases and prioritisation where oversubscription occurs.
- The feedback process for unsuccessful applicants, including re submission guidance.

Q6. Ethics & responsible AI

We are strongly supportive of the ethics and safety approach. Pre- and post-test reviews, fairness assessments, and the link to the AI Reg Lab represent strong foundations.

We would also like to see:

- Defining of a minimum fairness/bias test suite with interpretation guidance.
- Requiring model cards and data cards to enhance transparency and traceability.
- Specifying minimum trace logging and explainability artefacts to support auditability.

Q7. Stakeholder support

To support participants, we would like to see:

- Publishing comprehensive “How-To” participation guidance, including example DPIAs, ethics checkpoints and reporting templates.
- Maintaining a dataset catalogue and version/change logs.
- Providing regular open office hours with the Ofgem team.
- Hosting a central knowledge hub for metrics, findings and interoperability artefacts.

Q8. General feedback

We endorse Ofgem's commitment to commercial neutrality, including free participation and publication of high-level findings with IP/confidentiality safeguards. We also support the clear statement that sandbox participation does not constitute regulatory approval or endorsement.

To maximise comparability and reproducibility across trials, we recommend early publication of the testing lanes, reference dataset pack and assurance baseline. We also encourage a stronger emphasis on interoperability, including optional reference cloud patterns and standard API/message schemas.

We support the plan to translate sandbox findings into regulatory guidance and, where appropriate, future rule changes via Ofgem's other sandbox mechanisms.