PolicyPulse

Necessities For AI Success In Policy, Regulation, and Law

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Artificial Intelligence ("AI")[1] will be part of the regulatory and legal frameworks which will dictate California's energy future. The energy industry is already well past the question of whether or not this should be done, since AI tools are already embedded in everything from grid management to energy pricing to forecast modeling. The imperative at this moment is to ensure that these tools are developed in a responsible, human-first manner. This is especially true for the development of laws that govern human endeavors, including the regulation of the energy sector.

Without wading too far into legal theory, jurisprudence is a human construct based on lived and observed experience, history, optimal outcome, and, perhaps somewhat controversial but integral, emotion.[2] As good as AI is at data organization, it does not meet the definitive requirements for consciousness. Therefore, legal and regulatory practitioners should ensure that the AI tools they are using remain just that – tools that allow humans to do their jobs better and achieve better societal outcomes.

Below is a proposed framework for the adoption of future AI tools by legal and regulatory actors to ensure that it is applied appropriately:

- **The tool must be purpose driven**
- **The tool must be able to maintain trust**
- **The tool must demonstrably improve outcomes**

Unfortunately, many businesses developing AI tools are still following the "move fast and break things" ethos older software development companies espoused.[3] What many of these companies fail to understand is that developing a tool that assists human decision making is vastly different than developing a tool that organizes your photos and

[1] Merriam-Webster defines "artificial intelligence" as "the capability of computer systems or algorithms to imitate intelligent human behavior." "Artificial intelligence." *Merriam-Webster.com Dictionary*. Merriam-Webster, https://www.merriam-webster.com/dictionary/artificial%20intelligence. Accessed 8 May 2025. While this definition is sufficient for this paper, AI developers, investors, and users intend for AI to extend beyond human intelligence capabilities. Additionally, AI can mean different things to different people depending on context.

[2] *See* Bandes, Susan A. and Blumenthal, Jeremy A. "Emotion and the Law," *Annual Review of Law and Social Sciences*, 2012, pp. 161-181, susanbandes.com/wp-content/uploads/2017/03/annualreview-emotions-and-the-law.pdf.

[3] "'Move Fast and Break Things': Pros and Cons of the Concept." *MasterClass*, https://www.masterclass.com/articles/move-fast-and-break-things. Accessed 13 August 2025.

friends. This is even more true when these tools are meant to augment human decision making for critical infrastructure or legal outcomes.

Policy Pulse is an AI-powered platform that was developed specifically with this framework in mind. The platform helps California energy practitioners manage their policy and regulatory caseloads. Policy Pulse was created by energy professionals working hand in hand with legal, regulatory, and consulting groups who appear regularly before California agencies in the energy space, including the California Public Utilities Commission ("CPUC"), the California Energy Commission ("CEC"), the California Air Resources Board ("CARB"), and the California Independent System Operator ("CAISO"). By incorporating the purpose driven, maintaining trust, and outcome improvement framework, Policy Pulse is differentiating itself from competitors by ensuring that users remain in control of outcomes while allowing for faster document recall, better organization, and quicker summarization capabilities. Ultimately, it lets practitioners spend less time searching and more time strategizing. Experts can focus on critical needs, leading to better outcomes.

PURPOSE DRIVEN

AI is already here. While discourse surrounding AI feels like a modern, 21st century construct, initial research into AI began in earnest over seventy years ago, not long after the creation of ENIAC, the first electronic computer. The development of AI tools and products remained largely in the background for most of the general public. Whether as an announcement that Deep Blue defeated reigning world chess champion Garry Kasparov in 1997, or that IBM's Watson beat Ken Jennings in Jeopardy 2011, most public-facing applications were demonstrations of computers beating humans at games.[4]

The catalyst of AI discourse in the general public can be directly linked to OpenAI's initial release of ChatGPT on November 30, 2022, giving anyone with internet access the ability to use generative AI ("GenAI").[5] This disruptive release has led to a sharp pivot to AI in every major computing company, and has upended the way many people think about the future of work and their place in it.

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[4] Thompson, Clive. "Artificial Intelligence: What the History of AI Tells Us About Its Future," *MIT Technology Review*, 18 Feb. 2022, https://www.technologyreview.com/2022/02/18/1044709/ibm-deep-blue-ai-history/.

[5] K, Siddharth. "Explainer: ChatGPT – What Is Open AI's Chatbot And What Is It Used For?" *Reuters*, 5 Dec. 2022, https://www.reuters.com/technology/chatgpt-what-is-openais-chatbot-what-is-it-used-2022-12-05/.

As of October 2025, AI exists in multiple facets of modern life: from serious use cases such as the complex development of new drugs and being the first point of contact for troubleshooting banking issues, to more frivolous pursuits such creating new Emojis to send to friends through a text message or generating absurdist videos. In many ways, this era of AI feels very much like the early years of public access to the internet with few rules and regulations and a seemingly limitless potential. Many people currently think of AI as primarily a chatbot where a user can input a question or desired outcome and get a full response based on essentially the entirety of the published Internet, whether from an image, word, or video-based source. While this is fine in theory, the current output is very much like using the first response from a search engine to determine a final answer. Policy Pulse and other platforms are starting to take an unwieldy amount of potential information and laser-focusing on specific problems such as regulatory proceedings.

Take the CPUC Integrated Resource Plan ("IRP") and Long Term Procurement Plan ("LTPP") Proceeding Rulemaking ("R.") 20-05-003 as an example.[6] R.20-05-003 is a cornerstone Rulemaking within the CPUC which relates to the Integrated Resource Planning and Related Procurement Processes to broadly determine the energy procurement portfolio targets for load serving entities within California to meet grid reliability, Greenhouse Gas ("GHG") reduction, and least-cost requirements.[7] Using Microsoft's Copilot, a GenAI product that itself currently utilizes different variants of OpenAI's GPT-5, it is possible to find out pertinent information about the Rulemaking, along with relevant links to documents within the docket, including Decisions, filing requirement instructions, and fact sheets, all originally supplied by the CPUC.[8]

While these docketed documents and associated files can prove to be useful and accurate, there is a lack of cohesion that exists within the answers. For example, one of the links is to a Proposed Decision for 2021's Preferred System Plan, while other links refer to the Proposed Decision for 2023's Preferred System Plan.[9] Another link is to a

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[6] *See* "Integrated Resource Plan and Long Term Procurement Plan (IRP-LTPP)." *California Public Utilities Commission*, https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning.
[7] *See* CPUC D.22-02-004, *Decision Adopting 2021 Preferred System Plan*, p. 4.
[8] "What are the cost implications of CPUC Rulemaking 20-05-003 to consumers and businesses" multi-part prompt. Copilot, Microsoft, 8 May 2025, Copilot Desktop Application.
[9] CPUC D.22-02-004, *Decision Adopting 2021 Preferred System Plan*, p. 4.

Fact Sheet, which is not directly related to the Rulemaking itself, since it is not part of the official record.[10]

The most glaring issue is that none of this information is current. Under current practice, ChatGPT 5 utilizes a data training cutoff date, thereby limiting the tool's ability to reference current information.[11] This is a particularly important issue for an area such as current proceeding purposes, since relaying two-year-old information is not sufficient for keeping informed about active proceedings. As slow as regulatory actions are, information speed is key; especially in situations where there is a short time frame, like CPUC Reply Comments that only have a five-day window from notice to filing.

In these cases, tools like Policy Pulse are purpose-built for fast and accurate information. Policy Pulse removes guesswork and repeat prompting required to use tools like OpenAI's ChatGPT or Google's Gemini. While general tools can provide quick results that cover key points and issues, the results are often not specific enough to be useful to policy practitioners. Policy Pulse can organize, categorize, and summarize the most up-to-date agency filings for a particular matter on a daily basis. Because Policy Pulse was built by practicing experts, it can control for some of the broader issues that appear when using out-of-the-box solutions.

MAINTAIN TRUST

Most regulatory, political, and legal professionals are deeply concerned about AI's ability and propensity to hallucinate. A "hallucination" is what AI researchers call the act of an AI making something up or giving a demonstrably wrong answer.[12] This can be caused by multiple factors, including mis-reading patterns from incomplete training data (an example image search tools incorrectly identifying plant species based on similar yet distinct characteristics), being poorly trained on data ("garbage in, garbage out"), or improper grounding (additional inputs that incorporate real-world knowledge, physical properties, or factual information to derive proper responses).[13]

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[10] *Fact Sheet: Proposed Decision Adopting 2023 Preferred System Plan (R.20-05-003)*. CPUC, 17 Jan. 2024, https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2022-2023psp_pd_2pager_ver2.pdf.

[11] "Open AI Platform, Models, gpt-5." *Open AI*, https://platform.openai.com/docs/models/gpt-5. Accessed August 8, 2025.

[12] *See* "What Are AI Hallucinations?" *Alphabet, Google Cloud*, https://cloud.google.com/discover/what-are-ai-hallucinations. Accessed 9 May 2025.

[13] *Id*.

While a misquoted book in a high school student's paper written by AI at the last minute might be a minor issue, replicating a similar result by having an AI invent case law wholesale for use in a trial is extremely serious. In fact, there have been multiple instances of wildly improper use of AI in real legal cases – from the exact example described above,[14] to individuals creating AI legal representation through video,[15] and even using an AI version of a deceased individual to create a video to directly address their accused killer.[16] Unfortunately, as of the publication of this paper, hallucinations seem to be increasing as AI tools develop.[17]

There are two related issues that lead to trust erosion: 1. The data an AI sources its answer from is not always trustworthy; and 2. As more information that originates from AI sources is posted online, the more that AI-generated information is used as a source to then re-inform AI.

Google searches now incorporate Gemini, Google's AI product, directly into search results. Similar to Copilot, Gemini recently added citations to support AI-derived answers. Due to the way these platforms currently catalog answers, the citations themselves are not trustworthy, or the answers are just wrong. The majority are not primary sources that are well-cited and peer reviewed for accuracy.[18]

In the case of asking Gemini "Can AI feel emotions?" [19] the citations to the answer included a YouTube videos from a channel called "AI Uncovered," which uses an unattributed voice speaking about AI's ability to feel with no additional citations,[20] a Reddit.com thread in the subreddit r/Futurology with anonymous users answering the posted question "Would the most sentient ai [*sic*] ever actually experience emotion or

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[14] Artiliere, Ralph, "AI Hallucinations In Court: A Wake-Up Call For The Legal Profession," *JD Supra*, 22 Jan. 2025, https://www.jdsupra.com/legalnews/ai-hallucinations-in-court-a-wake-up-4503661/.
[15] Weatherbed, Jess. "Judge Berates AI Entrepreneur For Using A Generated 'Lawyer' In Court." *The Verge*, 10 Apr. 2025, https://www.theverge.com/news/646372/ai-lawyer-artificial-avatar-new-york-court-case-video.
[16] Kim, Juliana. "After An Arizona Man Was Shot, An AI Video Of Him Addresses His Killer In Court." *NPR*, 7 May 2025, https://www.npr.org/2025/05/07/g-s1-64640/ai-impact-statement-murder-victim.
[17] Metz, Cade and Weise, Karen. "A.I. Is Getting More Powerful, But Its Hallucinations Are Getting Worse." *The New York Times*, 5 May 2025, https://www.nytimes.com/2025/05/05/technology/ai-hallucinations-chatgpt-google.html.
[18] Jaźwińska, Klaudia and Chandrasekar, Aisvarya. "AI Search Has A Citation Problem." *Colombia Journalism Review*, 6 Mar. 2025, https://www.cjr.org/tow_center/we-compared-eight-ai-search-engines-theyre-all-bad-at-citing-news.php.
[19] "Can AI feel emotions?" prompt. Gemini 2.5, 8 May 2025, Google.
[20] AI Uncovered. "Can AI Ever Truly Understand Human Emotions? (This is INSANE)." YouTube, uploaded by AI Uncovered, 28 Apr. 2023, https://www.youtube.com/watch?v=oT2j3J3is-A.

does it just think it is? Is the thinking strong enough to effectively be emotion?",[21] and two separate blogs associated with the company Eficode, a software development company.[22] Essentially, if someone were looking for a reputable source to derive an answer to the question "Can AI feel emotions?", they would be mostly unable to justify using these sources as citations.

The second problem is demonstrated by the most egregious citation Gemini utilized: a citation from an AI answer. The very first citation was to a website called Consensus, with an article titled "Can AIs Feel Emotions?" authored by Census AI.[23] Consensus describes itself as "… an academic search engine powered by AI […] on a mission to make the world's best knowledge more accessible."[24] Essentially, Census AI utilizes answers directly from another website, metafact.io.[25] In this case, metafactio.io's AI answer given to the question "Can AIs feel emotions?" is "unlikely."[26] However, the actual answer says "No […] robots will never feel emotions like we do,"[27] which is in clear conflict with the "unlikely" summarization.

Current problems with general-use AI become more apparent when the AI is asked to perform tasks in technical areas. For example, Gemini's response to the prompt "cpuc irp for pacificorp"[28] made a summarization of PacifiCorp's two volume, 886-page 2025 IRP filing[29] at a very high level. In this case, the majority of the citations were reasonable, either linking directly to PacifiCorp or CPUC documents. However, there were also questionable links, including one that referred to Long Island Power Authority's IRP, and another that linked to Energy Alabama, a non-profit organization that is trying to get the Alabama Public Service Commission to run more open and

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[21] u/wondreingandthinking. "Would the most sentient ai [*sic*] ever actually experience emotion or does it just think it is? Is the thinking strong enough to effectively be emotion?" Reddit, r/Futurology. https://www.reddit.com/r/Futurology/comments/1180j5y/would_the_most_sentient_ai_ever_actually/. Accessed 8 May 2025.

[22] Parkkinen, Jan and Wan, Maria. "The Emotional Intelligence of AI." Eficode, 8 Jul. 2024, updated 5 May 2025, https://www.eficode.com/blog/the-emotional-intelligence-of-ai; Aalto, Julia. "Emotional Intelligence In The Age of AI." Eficode, 22 Sept. 2023, updated 30 Jan. 2024, https://www.eficode.com/blog/emotional-intelligence-in-the-age-of-ai.

[23] AI, Census. "Can AIs Feel Emotions?" *Census*, https://consensus.app/home/blog/can-ais-feel-emotions/. Accessed 9 May 2025.

[24] "Learn About Consensus." *Consensus*, https://consensus.app/home/about-us/. Accessed 9 May 2025.

[25] Lee, Mark. "Can AIs Feel Emotions?" *Metafact*. https://metafact.io/users/mark-lee. Accessed 9 May 2025.

[26] AI, Census. "Can AIs Feel Emotions?" *Census*, https://consensus.app/home/blog/can-ais-feel-emotions/. Accessed 9 May 2025.

[27] *Id*.

[28] "cpuc irp for pacificorp." prompt. Gemini 2.5, 11 May 2025, Google.

[29] "Integrated Resource Plan." *PacifiCorp*, https://www.pacificorp.com/energy/integrated-resource-plan.html. Accessed 12 May 2025.

mandatory IRP processes.[30] Even worse, Gemini also decided to include information related to the location of the computer the search was made on. Here, Gemini provided a demonstrably wrong answer, saying that a city located in the San Francisco Bay Area, hundreds of miles outside of PacifiCorp's service territory near the California-Oregon border, was in fact within its service area.

The issues here are obvious, and demonstrate that AI derived answers are not currently reliable. In the first example, a GenAI tool took an answer from an AI-generated blog post that was parroting another website with an unverified statement that contained a contradictory answer. This is part of the larger Dead Internet Theory. The theory posits that the majority of modern Internet content and interactions are derived from non-human activities.[31] If AI creates a circular path of AI-attributed citations, it becomes impossible to verify the truth of a statement.

In the second example, there were two issues: the citation to links that identify the right sort of documents but are not ultimately responsive to the prompt; and a more egregious inclusion of a hallucination about what cities are included in a particular utilities' territory. This second issue would be akin to asking Gemini where the Empire State Building is located, and receiving Paris, France as the answer. In this case, since PacifiCorp is not a famous landmark, there is a much higher likelihood that someone not familiar with its services would know to even question the answer's truthfulness. Taking a demonstrably wrong answer at face value would inevitably lead to incorrect conclusions, and relying on the answer could potentially cause real harm.

It is clear that general off-the-shelf versions of GenAI are not able to perform at a high enough trust level yet for legal work. Veracity and trust are an absolute necessity to the legal process. A practitioner must know that the item they are referencing actually is what it purports to be.[32] That is why Policy Pulse limits its library solely to items provided by service lists or published directly on agency websites. Policy Pulse will also show direct page references to the summarized item. Finally, Policy Pulse provides the original document within the platform itself, so a user can see the source document

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[30] "About PSEG Long Island / LIPA's 2023 Integrated Resource Plan, Frequently Asked Questions." *PSEG Long Island*, https://www.psegliny.com/aboutpseglongisland/2023irp/faq. Accessed May 12, 2025; "What Is An Integrated Resource Plan?" *Energy Alabama*, https://energyalabama.org/what-is-an-integrated-resource-plan/. Accessed May 12, 2025.

[31] Muzumdar, Prathamesh et al. "The Dead Internet Theory: A Survey on Artificial Interactions And The Future Of Social Media" *Asian Journal of Research In Computer Science*, vol. 18, no. 1, 1 Jun. 2025, Abstract. https://papers.ssrn.com/sol3/Delivery.cfm/5085878.pdf?abstractid=5085878&mirid=1&type=2.

[32] "Westlaw Precision with CoCounsel." *Thomson Reuters*, https://web.archive.org/web/20250708182119/https://legal.thomsonreuters.com/en/c/westlaw/westlaw-precision-generative-ai. Accessed 12 Nov. 2025.

while they are making a query or reading a summary. This allows for users to have absolute trust and verification abilities from the outset, so that the issues described do not have to be an ongoing concern.

Demonstrably Improve Outcomes

The single goal of a successful tool is that it improves a process. In the case of AI, it should enable a team to do their job with more accuracy and at a quicker pace. AI development in the legal field so far has found the most success in areas that are high cost, labor and time-intensive pursuits that do not directly involve analysis of the law itself. Legal research has come a long way in a short amount of time – moving from spending countless days and nights wandering library stacks to quickly being able to calculate the potential for success for a particular motion in front of a specific judge using data visualization.

The two primary giants in legal research databases are LexisNexis and Westlaw, which both were formed in the early 1970s. It is helpful to think of them as online law libraries, providing access to case law, statutes at the federal and state level, and legal journals. Starting in the late 2010s these services began offering machine learning tools for lawyers. For example, one of the first successful AI tools for lawyers was Ravel Law, an early metadata-focused legal AI startup that was acquired by LexisNexis in 2017.[33]

At this point in time, both Westlaw and LexisNexis offer full AI services, although lawyers have been slow to adopt them.[34] This is primarily due to the issues discussed above, and the resulting belief that AI is not totally accurate.[35] Accordingly, just over half of lawyers who answered a poll regarding AI use admit to using AI or are thinking about using AI of any sort, and just under half think AI will be a widely used tool by lawyers in three years.[36] However, a more recent study by Thomson Reuters also found that 95% of respondents believe that GenAI will be a core part of their organization's work within

[33] Jefferson, Ashley. "LexisNexis Announces Acquisition of Ravel Law." *LexisNexis*, 8 Jun. 2017, https://www.lexisnexis.com/community/pressroom/b/news/posts/lexisnexis-announces-acquisition-of-ravel-law.
[34] Braff, Danielle. "AI Adoption Is Growing, But Some Are Hesitant, New ABA Tech Survey Finds." *ABA Journal*, 7 Mar. 2025, https://www.abajournal.com/web/article/aba-tech-report-finds-that-ai-adoption-is-growing-but-some-are-hesitant.
[35] *Id*.
[36] *Id*.

five years.[37] As of late 2025, lawyers are not yet seeing enough benefit to their businesses, and ultimately their clients, to widely adopt AI tools.

Additionally, lawyers, along with other white-collar workers, have a mostly unspoken fear that AI is coming for their jobs.[38] Many lawyers are aware enough to understand that AI could undo their entire livelihood if it is adopted in a way that replaces their value. This is an issue white-collar workers have not had to worry about during previous industrial and technological leaps, since previous technologies mostly replaced human brawn or endurance. While not a given outcome, there is still enough trepidation to at least slow firms' adoption of AI, at least wholesale.

Recent law-focused AI products that have found success are services like Everlaw, which assists with document review processes.[39] Historically, document review consisted of putting multiple lawyers and paralegals in a room full of boxes of printed documents and having them sort, read, and analyze them all by hand for days on end. Depending on the case, this process could last months, all the while costing clients inordinate amounts of money. Processes like these are great for AI applications, since AI can quickly and efficiently narrow down large document libraries. This allows lawyers to review only documents that are highly likely to be responsive.

The current focus on AI tools is the development of "agentic" AI, or an AI system that can autonomously accomplish a specific task or goal with limited human intervention or supervision.[40] Organizations are quickly deploying Agentic AI solutions as a means to supercharge workflows. For example, Westlaw updated its CoCounsel Legal product to execute legal workflows like analysis and document creation through prompts, as well as allow legal professionals to create their own workflows within the system itself.[41] It is still too early to determine exactly how firms will utilize these new capabilities, but they demonstrate that the legal field is quickly shifting in new directions.

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[37] Warren, Zach et al. "2025 Generative AI in Professional Services Report." *Thomson Reuters Institute*. https://www.thomsonreuters.com/content/dam/ewp-m/documents/thomsonreuters/en/pdf/reports/2025-generative-ai-in-professional-services-report-tr5433489-rgb.pdf.

[38] Billingsley, Jessica. "Decoupling Growth From Jobs: The New AI-Driven Market Economy." *Rolling Stone*, 14 Apr. 2025, https://www.rollingstone.com/culture-council/articles/decoupling-growth-from-jobs-new-ai-driven-market-economy-1235315598/

[39] "About Everlaw." *Everlaw*, https://www.everlaw.com/about/. Accessed 11 May 2025.

[40] Stryker, Cole. "What is Agentic AI?" *IBM*, https://www.ibm.com/think/topics/agentic-ai. Accessed 12 Nov. 2025.

[41] "ThomsonReuters Reveals New Agentic AI in CoCounsel Legal." *Thomson Reuters*. 5 Nov. 2025. https://www.thomsonreuters.com/en/press-releases/2025/november/thomson-reuters-reveals-new-agentic-ai-in-cocounsel-legal.

A successful AI tool for people like lawyers will be one that enables practitioners to maintain extremely high confidence and save time on tasks that provide their clients with better service. Policy Pulse achieves this outcome by taking documents that are otherwise difficult to track and providing faster sourcing, more accurate recall, and immediate summarization. This “sweet spot” allows lawyers to find what they are looking for and do the necessary deep dive into legal interpretation at a faster rate than is currently possible. Lawyers will not have to bill as many hours reviewing documents, and will be able to spend more of their available time applying appropriate analysis to the appropriate documents. This will save time, money, and improve outcomes across the board.

CONCLUSION

While the future of AI development is unknown, it is useful to have a set of principles to adopt now to think about how AI should be adopted as it works today. Right now, AI chatbots are not the human replacement they purport to be. While they are useful at supplying general information quickly to end users, they still have easily identifiable weaknesses that are not appropriate for most professionals. In order for an AI tool to be useful to a business, their client, and the eventual human user, it must meet three criteria:

1. **It must be built for a particular purpose.** Having access to the modern version of the Library of Alexandria is great, but not if it is inundated with extraneous information it prevents someone from finding the very specific use cases or information they are relying upon. A tool must be built so that it is useful for a particular need.
2. **It must be trustworthy.** The tendency for AI to provide incorrect information means that all parties must be sure that the information a tool provides is correct, both factually and by type of information.
3. **It must improve outcomes.** Completing tasks faster while sacrificing quality is not an improvement. AI tools must be able to provide real value for users and end-clients.

Policy Pulse has built a tool with these three guiding principles leading its development. It is purpose-driven for regulatory and political professionals, it is trustworthy since it only sources information directly from governing bodies’ dockets and websites, and it improves outcomes by streamlining access and shortening necessary review time. Policy Pulse believes that AI, when used appropriately, will help political, regulatory, and legal processes improve, and thereby help form better policies, regulations, and laws.