**Financial institutions** Energy Infrastructure, mining and commodities Transport Technology and innovation Life sciences and healthcare



### Artificial Intelligence: The future is now

Maya Medeiros, Partner Nav Dhunay (Imaginea Energy) January 31, 2018



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#### **Speakers**



#### Maya Medeiros

Partner Norton Rose Fulbright Toronto

Ms. Medeiros' practice focuses on the creation, protection, management, monetization and enforcement of intellectual property assets in Canada, the United States and around the world.



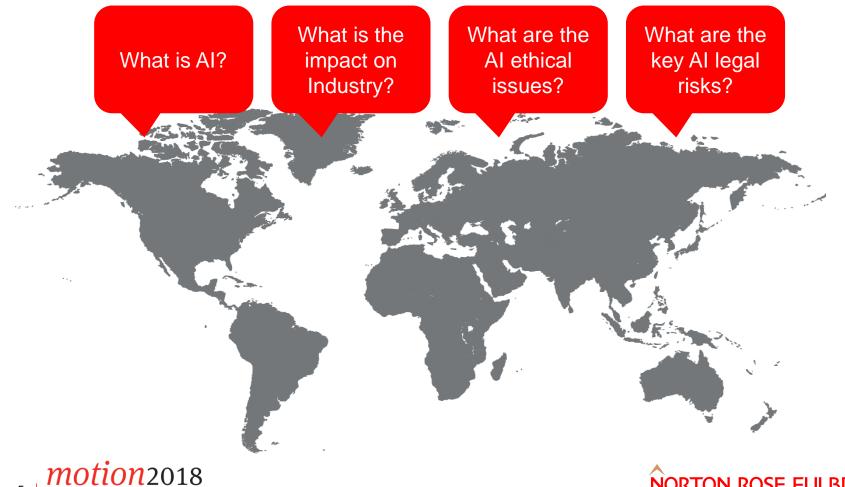


# 66

Success in creating AI could be the biggest event in the history of our civilisation. But it could also be the last, unless we learn how to avoid the risks. Alongside the benefits, AI will also bring dangers, like powerful autonomous weapons, or new ways for the few to oppress the many. It will bring great disruption to our economy.

Professor Stephen Hawking, quoted in Maya Oppenheim, Stephen Hawking: Artificial Intelligence Could be the Greatest Disaster in Human History, The Independent, 20 October 2016





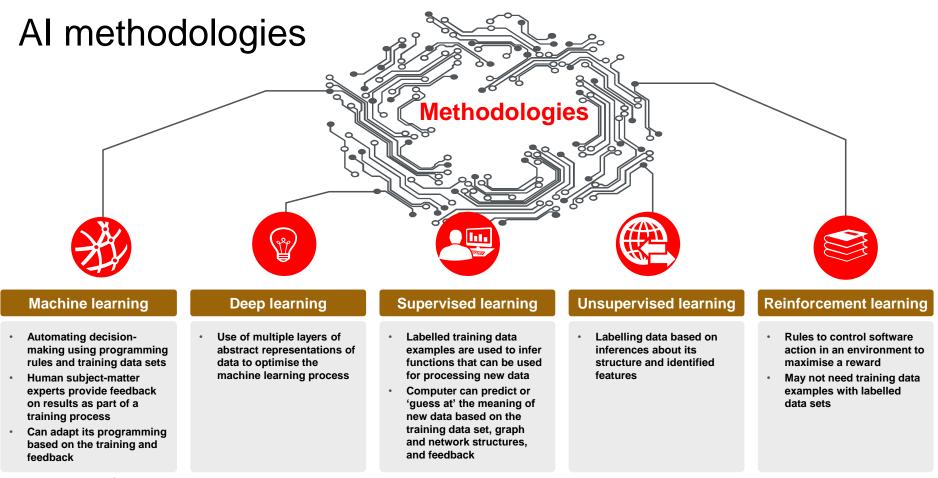
5 discussing what matters **NORTON ROSE FULBRIGHT** 

# 66

AI is a field of computer science that includes machine learning, natural language processing, speech processing, expert systems, robotics, and machine vision.







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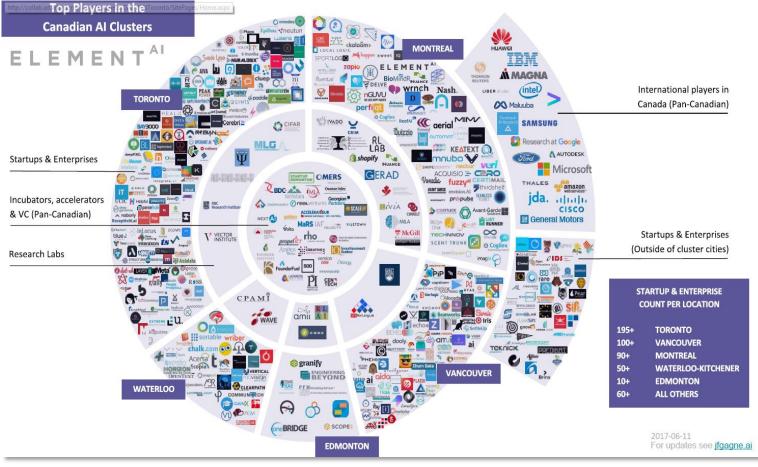
# 66

#### The total global market for robots and artificial intelligence will reach US\$152.7bn by 2020, and estimates that the adoption of these technologies could improve productivity by 30% in some industries.

America Merrill Lynch







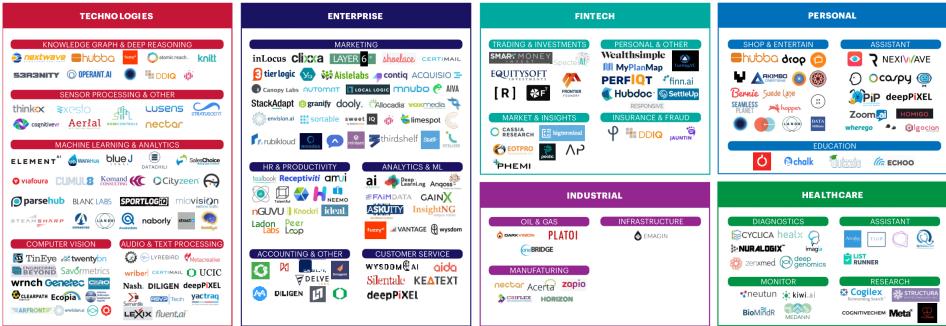




#### **CANADIAN AI STARTUP LANDSCAPE**

LAST UPDATED – NOV 2017 - vBETA





Disclaimer: Categorization is directional only. Based on an analysis of 228 Canadian companies by Accenture internal research.

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Together with the Canton of Solothurn, the four companies Adaptricity, AEK, Alpig, and Landis+Gyr are investigating how the energy flow in a power distribution grid can be optimised and controlled through artificial intelligence in the town of Riedholz. The findings will minimise investments in costly grid expansion and decrease electricity costs. The SoloGrid project is being promoted by the Swiss Federal Office of Energy as a lighthouse project, and supported financially by the Canton of Solothurn.

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TAG: DEMAND RESPONSE	THE SUNDAY TIMES	
Artificial Intelligence seen as a key technology to enable better balancing of UK's energy market Sth January 2017  Avards, News  Advanced Algorithmic Platform, artificial Intelligence, cloud service, demand response, energy, Hersd-Watt University, machine learning, National Grid, portfolio of storage assets	Oliprice.com, Contributor The Number One Source For Oll And Energy News Artificial Intelligence Is Crucial For The Energy Industry 05/16/2017 10:54 am ET	ijУ
motion2018		



Landis Gv

manage energy better

### Energy sector

#### **Energy trading**

- AI will optimize energy trading
- Pilot energy trading platforms using distributed ledger technologies are already emerging
- Financial institutions are piloting commodity trading platforms
- Next logical step will be to use machine learning to predict trends and autonomously execute transactions

## Facility operation and maintenance

- Self-learning weather forecasting models are already being used to predict output from solar and wind power plants
- Machine vision will be used to facilitate onsite maintenance checks in conjunction with drone technology

#### Distributed energy resources

- Machine learning will assist with the integration of variable generation, and could optimize participation as demand-side response
- Upside Energy is developing algorithms for grid prediction and demand response portfolio management

#### Utilities

- AI will facilitate automated trading and consumer tariff switching, making virtual power plants possible
- AI will be able to optimize smart appliances (and other demand-side response), energy storage, and distributed energy sources





### Infrastructure, mining and commodities sector





Penny Stewart discusses the rise in the use of machine-learning algorithms on mine sites

Penny Stewart 22 Dec 2016 12:18 Opinion

## HE FUTURE OF HUMANITY'S FOOD SUPPLY IS IN THE HANDS





# Infrastructure, mining and commodities sector (cont'd)

#### **Precision agriculture**

Al is being used to target fertilizers to specific fields and crops, 

 using drone technology

#### Waste management

- Processes using AI are emerging that can be used to enhance sustainability in the waste sub-sector (including recycling), particularly in relation to 'smart cities'
- Al may be used in waste collection, including driverless rubbish collection vehicles

#### Mining

- Autonomous drills and haulage (trucks and trains), managed by operators many miles away in central control centres
- Robotics and sensor-based ore sorting, including automated real-time mixing of aggregates from multiple mines
- Drones for exploration, surveys, and mine operations
- Big data analysis for more accurate prediction of mine locations





#### Financial institutions sector



#### Deutsche Bank launches maxblue robo-advisor

AnlageFinder robo-advisor for experienced and first-time investors / development in cooperation with fintech fincite / maxblue app for mobile securities trading

=	Q	FINANCIAL TIMES
HOME	WORLD U	K COMPANIES MARKETS OPINION WORK & CAREERS LIFE & ARTS
	F	bo-advice + Add to myFT CA prepares for the march of 'robo advisers' atchdog eases way for free online providers to offer help for smaller investors





## Financial institutions sector (cont'd)



#### **Robo advisors**

- Online wealth management services: provide automated, algorithmic portfolio management or investment recommendations
- Particular focus for regulators: UK's Financial Conduct Authority has set high standards for robo-advisors
- Deutsche Bank: is reported as "having launched AnglageFinder, a robo-advisory service that asks customers about their investment objectives, terms and risk appetite and puts together customised asset allocations based on their responses"



#### **Consumer finance**

- Australia's ANZ Group: is reported as having used IBM's Watson AI computer "as a tool for financial advisors to use as they liaise with customers"
- ANZ trained Watson: by loading it with information including product disclosure statements, market data, financial statements and terms and conditions of its wealth products
- Data sets: ANZ narrowed down to a thousands-long list of questions what customers were likely to ask their advisors and created a thesaurus to help Watson understand non-standard terminology that might be used in a client query

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#### Life sciences and healthcare sector



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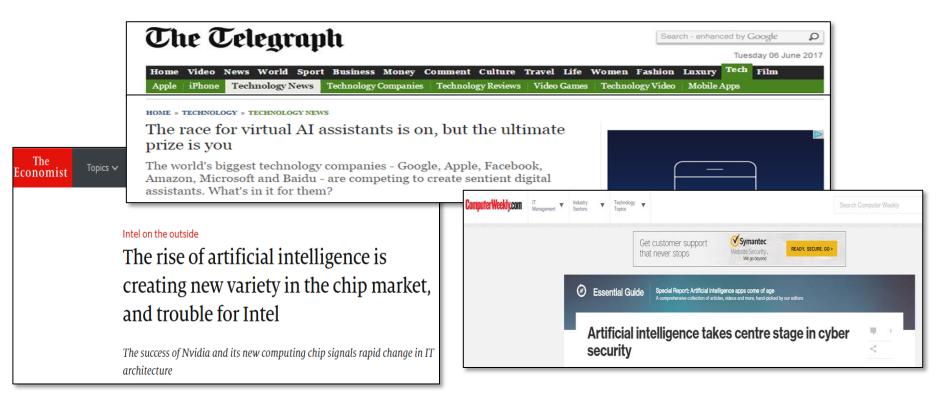
### Life sciences and healthcare sector (cont'd)

Regulatory issues?	Big data analytics	<ul> <li>Google's DeepMind Health Project and IBM Watson for Oncology are leveraging Big Data analytics to detect and diagnose disease and provide personalised treatment plans</li> </ul>
		<ul> <li>Microsoft is reported as having launched Project Hanover with the Knight Cancer Institute to develop AI to personalize drug prescriptions for patients, using machine learning to understand how a tumour is reacting to treatments</li> </ul>
	Predicted outcomes	<ul> <li>Veterans Affairs (U.S.) is reported as having used AI to predict medical complications and treat combat wounds, leading to better healing and lower medical costs</li> </ul>
	Virtual doctors and nurses	• University of Essex and the UK's National Health Service are reported as developing automated online doctors to treat patients which would save millions of pounds per year in health care costs
		• Your.MD has developed a 'personal health assistant' which offers users personalized advice about their medical complaints, taking into account the user's symptoms, and then matching these against a 'map' of clinical data
	Robotic	<ul> <li>Google is developing with Ethicon (a division of Johnson &amp; Johnson) a robotics-assisted surgical platform to develop improved healthcare delivery in operating theatres</li> </ul>
	assisted surgery	<ul> <li>These 'surgical robots' are intended to give operators greater control and accuracy than is possible by hand, minimising trauma and scarring, and enabling quicker post-surgical healing</li> </ul>
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### Technology and innovation sector



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### Technology and innovation sector (cont'd)

- Mobile assistants: tech giants are competing to develop the dominant mobile AI assistant for consumers
- Cyber security: AI used to predict malware and report anomalies
  - Technology and Innovation sector businesses can use AI to reconstitute their own business models - by, for example, automating customer support or gaining customer insight. There are also huge opportunities for them to develop and sell AI solutions to other businesses.

Mike Rebeiro, Head of Technology and Innovation, Norton Rose Fulbright

- Intelligent sales: silicon chip manufacturer uses AI to segment customers into groups with similar needs and buying patterns
- Augmented governance: the board of global tech giant uses AI as a 'co-pilot' to improve board decision-making

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#### Transport sector

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	HOME WORLD UK COMPANIES MARKETS OPINION WORK & CAREERS LIFE & ARTS
	Special Report The Future of Cities
	Driverless vehicles $+ \text{Add to myFT}$ Driverless vehicles learn to get along with city transport $\equiv \underset{UK}{\text{BUSINESS}} \text{MORE}$
HYBRID MOBILITIES	
AI Captain!	
Maritime Robotics to Revolutionise Shipping (And Piracy)	UPS tests drone delivery system
	BI Intelligence ♥ ⊙ Feb. 23, 2017, 4:44 PM

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#### Transport sector (cont'd)

Shipping	<ul> <li>Unmanned ships to operate autonomously (with remote human monitoring)</li> <li>Shipping businesses are considering using AI to analyse market conditions to forecast more accurately (and price for) market movements</li> </ul>
Unmanned aerial vehicles (UAVs)	<ul> <li>Manufacturers of UAVs for the military are considering ways to use AI-enabled UAVs to respond actively and intelligently to battlefield and environmental scenarios</li> <li>Major logistics businesses and retailers also wish to deploy fleets of UAVs for autonomous deliveries</li> </ul>
Rail	<ul> <li>Driverless trains</li> <li>Nightly engineering work on Hong Kong's subway system is scheduled and managed by an AI program designed to use human knowledge taken from a variety of experts and to comply with all local regulations</li> </ul>
Road	Autonomous (driverless) vehicles are currently being trialled in many countries
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#### What are the AI ethical issues?

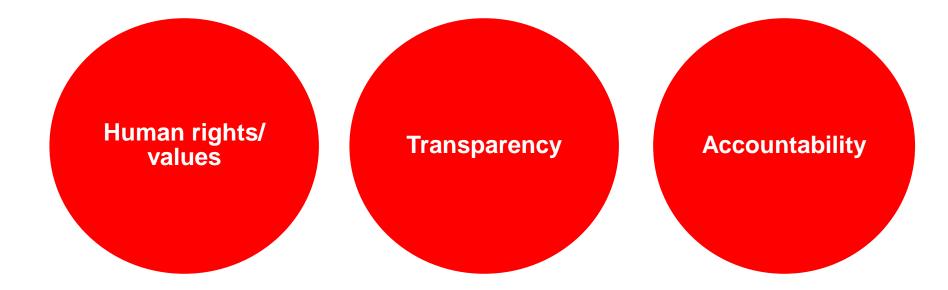


# 66

For AI to be accepted for use in a given market (for example, by achieving sufficient end user uptake), as a matter of commercial reality the use of AI will need to be perceived by the participants in that market as meeting certain minimum ethical standards. What these are will vary according to the type of AI at issue and the relevant sector in which it is deployed.

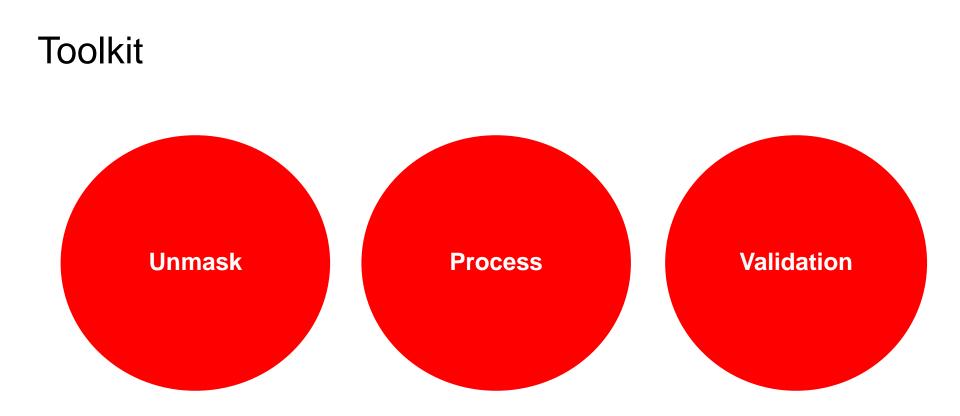


#### Ethical AI requires ...







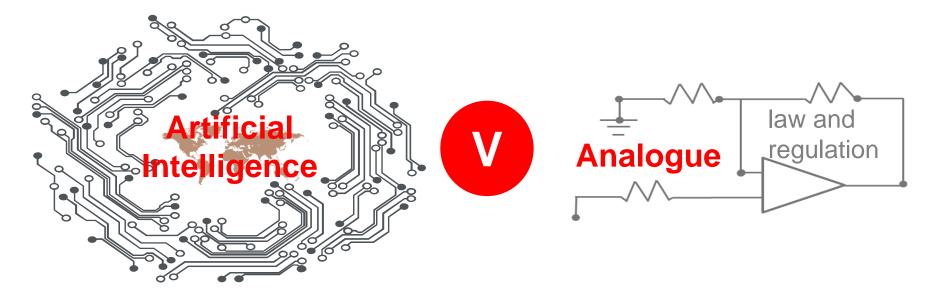






## What are the key AI legal risks?

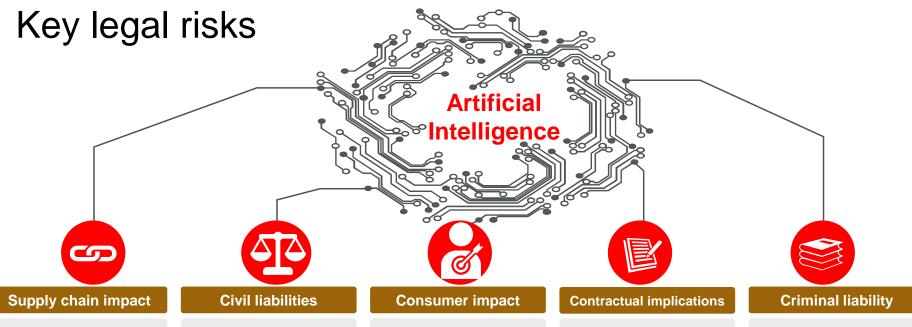




We are entering into an AI digital era governed by analogue law and regulation



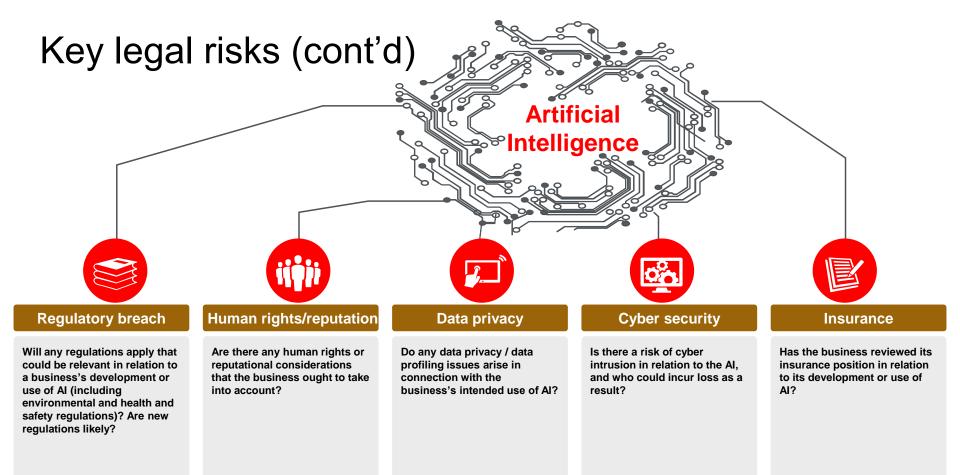




Does the development/use of Al by the business change which Al supply chain participant(s) may be potentially liable in connection with it, compared with how liability is typically allocated now? What types of civil liabilities might arise for the business, or in connection with its supply chain? If consumers could be affected by AI developed or used by the business, could the use of AI in relation to consumers adversely affect the liability profile of the business? Might any such liabilities need to be reallocated by new contractual liability or indemnification schemes where appropriate? Is there a risk of criminal liability for the business in connection with AI?

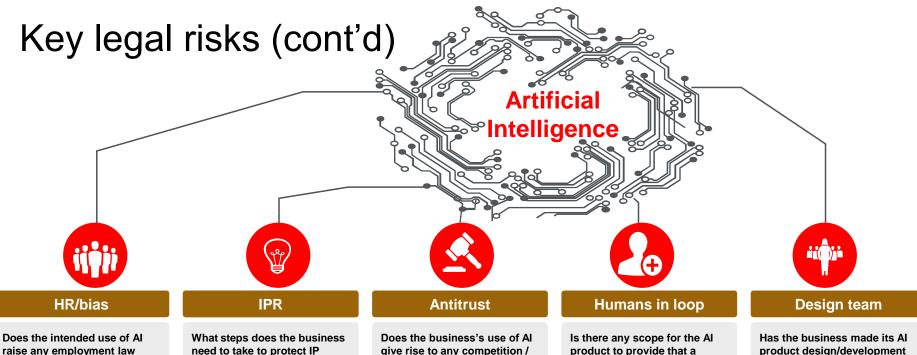












raise any employment law issues, or issues of bias in relation to the business and the provision of its goods, services and facilities?

need to take to protect IP rights in connection with any Al it develops, and to protect itself from IP infringement claims in its use of AI?

give rise to any competition / antitrust issues?

product to provide that a human has the power to intervene before decisions by the system are finalized in order to check them, or to override them afterwards?

product design/development team aware of the need to factor the issues above into the pre-product design phase of an AI project?



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## imaginea io

## NAV DHUNAY

co-founder & chief technology officer



@ndhunay







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THEMSELVES

## **EXCEPTIONAL FOUNDATION**

10+

... years of data gathered from 1000+ wells

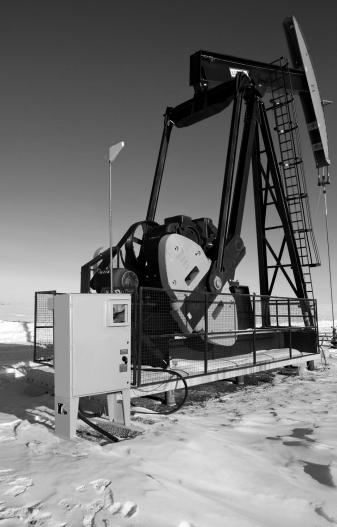
70/30

... percentage of horizontal / vertical wells in data lake.

5 ms ... sampling rate of high resolution data.

33M+

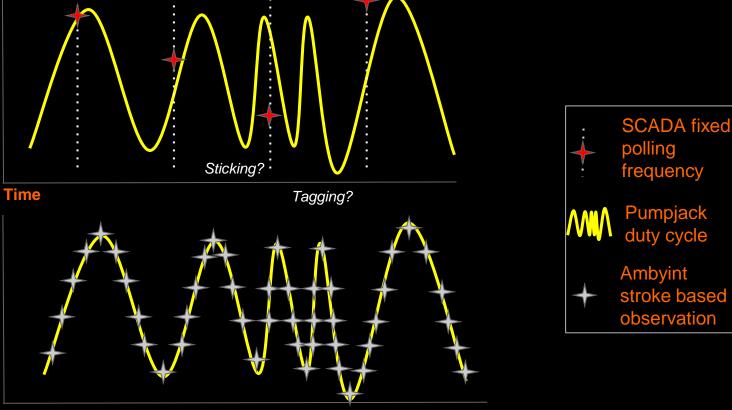
... dynamometer cards generated with expert classification!





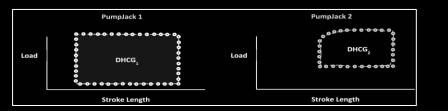
#### Ambyint



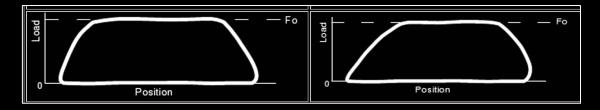


## SCADA DATA LIMITATIONS

## **COGNITIVE CARD RECOGNITION**

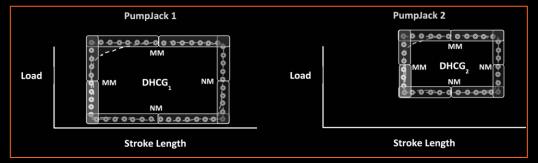


Visual pattern recognition (traditional approach) diagnosis systems are inherently flawed



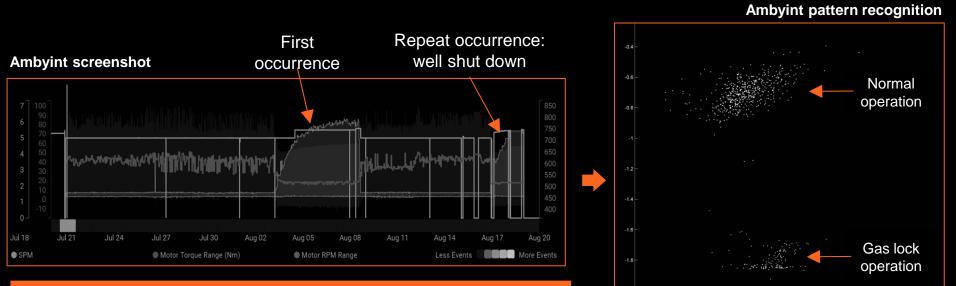
Humans only see macro-level changes, missing the subtle details hidden due to poor data quality or high friction

Ambyint data science utilizes micro-pattern diagnosis + expert-categorized data lake to resolve this flaw



## **TORQUE BASED ANALYTICS**

Teaching the machine to predict and diagnose gas lock in oil wells.



-2.2

Operator calculating 1-3 month paybacks

## CONVERGENCE

IoT

Blockchain Al

## Google DeepMind



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