Consumer Privacy Policy
CPUC Smart Grid Rulemaking R.08-12-009
Consumer Privacy & Access Workshop

Christopher Warner, Jana Corey, Anna Foglesong
Pacific Gas and Electric Company
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Customer Privacy Goals

- Goal: Protect citizens' right to privacy (see CA Constitution, Art. I, Sec. 1

- Method: Fair Information Practice (FIP) Principles
    1. Transparency
    2. Individual Participation
    3. Purpose Specification
    4. Data Minimization
    5. Use Limitation
    6. Data Quality & Integrity
    7. Data Security
    8. Accountability & Auditing

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SB 1476 and other CPUC Existing Rules

1. Transparency

- <u>SB 1476, Public Utilities Code Section 8380 (c)</u>

   If an electrical corporation or gas corporation contracts with a third party for a service that allows a customer to monitor his or her electricity or gas usage, and that third party uses the data for a secondary commercial purpose, the contract between the electrical corporation or gas corporation and the third party shall provide that the third party **prominently discloses that secondary commercial purpose to the customer.**

- <u>CA Business and Professions Code Section 22575</u>

   Requires online posting of a privacy and third party access policies of California businesses, including California energy utilities

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2. Individual Participation

- **SB 1476, Public Utilities Code Section 8380 (b) (1)**

    An electrical corporation or gas corporation shall not share, disclose, or otherwise make accessible to any third party a customer's electrical or gas consumption data, except as provided in subdivision (e) **or upon the consent of the customer.**

- **CA Civil Code Section 1633.1 et seq.**

    Authorizing the use of electronic transactions / signatures to satisfy laws requiring records to be in writing

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3. Purpose Specification

- SB 1476, Public Utilities Code Section 8380 (e) (2)

Nothing in this section shall preclude an electrical corporation or gas corporation from disclosing a customer's electrical or gas consumption data to a third party **for system, grid, or operational needs, or the implementation of demand response, energy management, or energy efficiency programs**, provided that, for contracts entered into after January 1, 2011, the utility has required by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure, and **prohibits the use of the data for a secondary commercial purpose not related to the primary purpose of the contract without the customer's consent.**

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SB 1476 and other CPUC Existing Rules

4. Data Minimization

CPUC rate cases and general regulation

- CA Public Utilities Code Section 6354(e)

  Energy utilities must report to municipalities the names and addresses of customers who transport gas or electricity, **for purposes of enforcing taxes and fees**. Municipalities shall not disclose such customer information to third parties

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SB 1476 and other CPUC Existing Rules

5. Use Limitation

5.SB 1476, Public Utilities Code Section 8380 (e) (2)

Nothing in this section shall preclude an electrical corporation or gas corporation from disclosing a customer's electrical or gas consumption data to a third party for system, grid, or operational needs, or the implementation of demand response, energy management, or energy efficiency programs, provided that, for contracts entered into after January 1, 2011, the utility has required by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure, and **prohibits the use of the data for a secondary commercial purpose not related to the primary purpose of the contract without the customer's consent.**

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SB 1476 and other CPUC Existing Rules

6. Data Quality & Integrity

CPUC Regulation of Utility Operations and Services

- PG&E Customer Information Privacy Policy

"We understand that system and data security is a top priority for our customers. PG&E takes **extensive measures to ensure the integrity of our systems and to secure and protect customers and customer data**…"

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SB 1476 and other CPUC Existing Rules

7. Data Security

- SB 1476, Public Utilities Code Section 8380 (d)

An electrical corporation or gas corporation shall use **reasonable security procedures and practices to protect a customer's unencrypted electrical or gas consumption data from unauthorized access, destruction, use, modification, or disclosure.**

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8. Accountability & Auditing

Public Utilities Code Sections 581- 584

- Public Utilities Code Sections 584

Every public utility shall furnish such reports to the commission at such time and in such form as the commission may require in which the utility shall specifically answer all questions propounded by the commission. The commission may require any public utility to file monthly reports of earnings and expenses, and to file periodical or special reports, or both, concerning any matter about which the commission is authorized by any law to inquire or to keep itself informed, or which it is required to enforce. All reports shall be under oath when required by the commission.

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Appendix – Detailed regulations and policies

1. Transparency
   - CA Business and Professions Code Section 22575 – **Requires online posting of a privacy and third party access policies** of California businesses, including California energy utilities
2. Individual Participation
   - CA Civil Code Section 1633.1 et seq. – **Authorizing the use of electronic transactions / signatures** to satisfy laws requiring records to be in writing
   - CPUC Decision No. 90-12-121; 39 CPUC 2d 173 (1990) – CPUC policies in "Customer List OII" (I.90-01-033) **restricting access by third parties to confidential customer information possessed by utilities unless the customer provides written permission and prohibiting access by law enforcement except pursuant to legal process (i.e., warrant or subpoena)**; directing the IOUs to notify the CPUC in writing ninety days prior to any contemplated change in policies regarding release or use of customer information
3. Purpose Specification
   - CPUC Decision No. 00-07-020, 7 CPUC 3d 380, 422-425 – In connection with low income energy assistance programs, reaffirming prior CPUC decisions **distinguishing between access of utility contractors to customer specific information** (where no express customer consent is required as long as third party is a contractor of the utility whose use of the information is limited to an approved utility program and subject to confidentiality and non-disclose requirements) **and access of third parties to such information** (where customer consent is required)
4. Data Minimization
   - CA Public Utilities Code Section 6354(e) – Energy utilities must report to municipalities the names and addresses of customers who transport gas or electricity, **for purposes of enforcing taxes and fees**. Municipalities shall not disclose such customer information to third parties
5. Use Limitation
   - CA Public Utilities Code Section 583 – Prohibits disclosure of confidential information provided by CPUC-jurisdictional public utilities to the CPUC **unless ordered released by the CPUC**
   - CPUC Decision No 97-12-088, 77 CPUC 2d 422 (1997), and D.06-12-029 – Adopting affiliate transaction rules, including **prohibiting the disclosure of customer information to affiliates or non-affiliates without prior affirmative customer written consent** (Affiliate Rule IV.A.)
6. Data Quality & Integrity
   - PG&E Customer Information Privacy Policy (accessibly from home page) – "We understand that system and data security is a top priority for our customers. PG&E takes **extensive measures to ensure the integrity of our systems and to secure and protect customers and customer data**…"
7. Data Security
   - PG&E Customer Information Privacy Policy (accessible from PG&E internet home page) – "…We **safeguard customer information on secure systems with restricted access, and have implemented appropriate security controls to protect the information when it is stored or transmitted by us**. Our contractors acting on our behalf are required to comply with our privacy policy"
8. Accountability & Auditing

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