



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to
consider Smart Grid Technologies
Pursuant to Federal Legislation and on
the Commission's own Motion to
Actively Guide Policy in California's
Development of a Smart Grid System.

Rulemaking 08-12-009
(Filed December 18, 2008)

REPLY COMMENTS OF THE UTILITY REFORM NETWORK ON THE
PROPOSED DECISION OF PRESIDENT PEEVEY ADOPTING
RULES TO PROTECT THE PRIVACY OF CUSTOMER ELECTRIC
USAGE DATA



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RULES TO PROTECT THE PRIVACY OF CUSTOMER ELECTRIC
USAGE DATA**

Pursuant to Rule 14.3 and the schedule established by ALJ Sullivan, the Utility Reform Network (“TURN”) submits these replies to comments on the Proposed Decision of President Peevey (PD).¹ TURN replies to only a few issues. Our silence concerning an issue or a party’s comments does not imply a position one way or the other on that issue.

Reply to Utilities Concerning Cost of Third Party Access

Not surprisingly, the utilities alert everyone that the expectation of the PD that third party access can be achieved for a minimal cost is unrealistic. SDG&E notes that its incremental costs for the PowerMeter data transfer were only for specific work related to Google, and that an additional \$1.6 million would be necessary to implement full third party access. PG&E claims that implementing third party access will cost “millions.” SCE concurs that additional spending is necessary.

TURN believes that authorizing yet *more costs* to provide third party access to data is unnecessary, duplicative and continues to erode the already minimal cost effectiveness of the AMI projects. These costs were not included in

¹ The PD is entitled “Decision Adopting Rules to Protect the Privacy and Security of the Electricity Usage Data of the Customers of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company.”

the original forecasts of the cost effectiveness of AMI deployment.² The utilities have been authorized to spend *hundreds of millions of dollars* on “customer outreach and education” and “marketing” in the various AMI, demand response and dynamic pricing decisions over the past four years.

If additional money is necessary to implement the data transfer function, TURN believes it should be funded out of already authorized amounts. Given the potential benefits that third parties provide for customer presentation, this work should receive funding priority over the media-based “education” presently funded by the utilities. Such education is arguably a mix of education and public relations with more limited value than individualized customer data presentation. The Commission should order the utilities to shift unexpended funds from existing balancing accounts to fund third party access development work.

Response Regarding HAN Pilots

Several parties (EDF, TechNet, DRSG) argue that there is no need for more pilots. Just tell the utilities to turn on the HAN signal. In many ways, TURN agrees. We should not subsidize more pilots. The Commission should order the utilities to simply turn on the HAN signal *after* they have finalized implementation of the privacy protocols outlined in the proposed decision.

Response to OPOWER Regarding the Opt-Out Provision

² TURN has not reviewed the specific cost authorizations in all AMI decision. We believe that some money has already been authorized for OpenADE work.

OPOWER (and others) objects to the requirement that customers be given an option to “opt-out” of providing usage data to utility subcontractors.

OPOWER explains that customers are already able to opt-out of participating in their program (though this appears to be an optional program practice), but that having the data from all customers is essential to the evaluation of behavior-based conservation programs.

TURN is persuaded by OPOWER’s argument. However, our initial recommendation was motivated partly by the existing ‘loophole’ in § 8380(c) that would allow OPOWER to use data for secondary commercial purposes without obtaining customer authorization. We understand that this loophole will be fixed by a clean-up bill (SB 674, Padilla). In the meantime, we recommend that the Commission amend the opt-out requirement so as to require the notice and opportunity to opt-out from the data provision *only in the event* that the third party contractor seeks to use the customer-specific data for some secondary commercial purpose.

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Respectfully submitted,

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