

California Public Utilities Commission
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PRESS RELEASE

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**CPUC ADOPTS RULES TO PROTECT THE PRIVACY
AND SECURITY OF CUSTOMER ELECTRICITY USAGE DATA**

SAN FRANCISCO, July 28, 2011 - The California Public Utilities Commission (CPUC), as part of its efforts to build a Smart Grid for California, today unanimously approved rules to protect the privacy and security of customer usage data generated by Smart Meters.

Today's decision applies to Pacific Gas and Electric Company, Southern California Edison, San Diego Gas and Electric Company, the companies that assist utilities in their operations, companies under contract with the utilities, and other companies that, after authorization by a customer or by the action of the CPUC, gain access to a customer's usage data directly from a utility.

In addition to the adopted rules protecting the privacy and security of usage data, today's decision requires utilities to provide pricing, usage, and cost data to customers online and updated at least on a daily basis. Each day's usage data, along with applicable price and cost details, and with hourly or 15-minute granularity (matching the time granularity programmed into a Smart Meter), must be available by the next day.

The CPUC said that data on energy consumption generated by Smart Meters and transmitted by the Smart Grid will prove critical to future conservation and grid management efforts. Enabling consumers and companies to assess and act on this information is key to advancing many of California's energy policies, such as promoting conservation, reducing demand in response to grid events and price signals, reducing summer peak demands, and efficiently incorporating renewable energy and electric vehicles into grid operations.

CPUC President Michael R. Peevey commented, “Our action today will protect the privacy and security of customer usage data while enabling utilities and authorized third-parties to use the information to provide useful energy management and conservation services to customers. The rules and policies we’ve adopted are the first such in the nation and should serve as a national model. They are also consistent with privacy and security principles adopted by the Department of Homeland Security and with the policies adopted in Senate Bill 1476, bringing California’s practices into conformity with the best national privacy and security practices.”

Added Commissioner Timothy Alan Simon, “I support today’s decision because it adopts reasonable privacy and security rules and expands consumer and third-party access to electricity usage and pricing information. I hope this decision stimulates market interest in the data. I also hope the data is meaningful and provides useful information for customers.”

“This decision is well thought out and strikes the right balance between privacy and security protection while ensuring customer access to billing and usage information. It enables utilities and authorized third-parties to use the information to provide useful and cost saving energy management and conservation services,” said Commissioner Catherine J. K. Sandoval. “I support ongoing vigilance in monitoring the experiences of customers, making sure that rules offer sufficient consumer protections, and adjusting approaches in response to future circumstances.”

“The privacy rules in today’s decision establish a solid framework for creating balance between protecting consumer privacy and fostering a new market for third-party participants,” said Commissioner Mark J. Ferron. “I see many possibilities of how the availability of Smart Grid data can help make the energy industry more service oriented. However, we must ensure that consumers and their data are protected from abuse.”

Phase 2 of the CPUC’s Smart Grid proceeding will explore whether the rules and policies adopted in today’s decision should also apply to community choice aggregators and electrical service providers.

The rules adopted today implement the protections ordered by Senate Bill 1476 and are also consistent with other sections of the Public Utilities Code and past CPUC privacy policies.

The proposal voted on is available at

http://docs.cpuc.ca.gov/WORD_PDF/AGENDA_DECISION/140188.pdf.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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