

**SESSION TITLE:**

The Disclosure Conundrum: How do you ensure privacy while empowering change through transparency?

SPEAKER SUMMARIES:

Patricia Hoffman, Assistant Secretary, Electricity Delivery & Energy Reliability, U.S. Department of Energy

- Ms. Hoffman introduced the panelists and initiated the discussion on the disclosure conundrum.

Monisha Shah, Deputy Associate Director for Energy and Climate Change, White House Council on Environmental Quality

- Ms. Shah showcased the success that her organization has had in working with 35 utilities in the U.S. to empower every basic consumer to have access to their own energy use data.
- The Green Button Initiative has worked to take best practices from other sectors and leverage those practices to provide security and accessibility.

Helen Burt, Senior Vice President and Chief Customer Officer, PG&E

- Ms. Burt discussed the lessons learned and the best practices that her organization has developed with respect to smart meter privacy concerns.
- She discussed the value that can be delivered to consumers as utilities seek to strike the right balance between connecting customers with increased information and services and the countervailing privacy risks of collecting customer information.

Richard Sedano, Principal, Director of U.S. Programs, The Regulatory Assistance Project

- Mr. Sedano discussed his experience advising and working with regulators as they confront the privacy conflicts that arise as utilities operate as entities in the information business -- collecting and analyzing consumer data.

Michael Sachse, VP Regulatory Affairs & General Counsel, Opower

- Mr. Sachse explained the potential of smart meter technologies to drive progress on a number of fronts, including energy efficiency, climate change, and economic growth.
- He argued that the discussion cannot be limited to the topic of privacy. Rather the discussion needs to focus on how to develop tools that enable privacy to coexist with the ability to make sets of data available, interesting, and usable to consumers.

SESSION WRAP-UP

As a specific example of how the Department of Energy would like to engage and empower consumers, Ms. Shah explained the mission and logistics of the Green Button Initiative. The basic purpose of this program is to create a platform to provide every consumer with access to their own energy use data. In order to safely deal with the privacy issues surrounding collection of customer data, this program has worked to adopt best practices from other sectors where collection of customer data is done safely and securely.

All of the panelists discussed how utility executives are coming to the realization that utilities of the future are going to be in the information business, and their services will depend upon the management and use of that information. They stressed that any constructive use of this information technology must recognize that the collection of customer information is a subject that creates anxiety. Any regulation that is designed to eliminate this anxiety must also recognize the reason why utilities, customers, and regulators are interested in



the collection of energy data. That reason is more informed use of utility services to reduce consumption and lower costs, and these extremely important outcomes must be balanced against the privacy concerns to prevent overly burdensome regulation.

Panelists agreed that state utility commissioners have to take the lead in finding ways to permit new uses of information, while dealing fairly with privacy issues. This controversial process will involve many different stakeholders, and any resolution is likely to resemble an arbitration. Lessons from the telecommunications industry are likely to be helpful in resolving these privacy issues. Nationwide, the form of utility information disclosure programs are likely to be very different, and regulators should accept that a certain amount of experimentation will be constructive and safe if controlled in a way that is consistent with the utility business model.

Finally, panelists agreed that disclosure of consumer energy usage information will play an important role in many other cutting edge issues. Some examples of these issues involve learning how electric plug-in vehicles will impact demand, finding new ways of integrating renewable power into the grid, and learning how an entire portfolio can be operated more efficiently based on aggregated information.

ACTION ITEMS & TAKEAWAYS

- State utility commissions will most likely have to take the lead and find ways to experiment, and these actions will be controversial.
- Every consumer should have access to their own energy use data.
- The challenge should not be framed in terms of privacy alone. The challenge is having privacy coexist with the ability to make these sets of macro-data available and usable to individuals and to service providers in a safe and constructive system.