

DEWEYSQUAREGROUP

ORIGINAL

1020 16th Street 916 447
Suite 20 916 447
Sacramento, CA 95814 deweys



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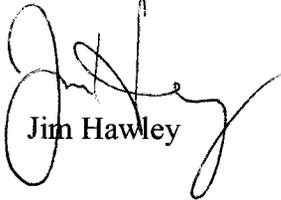
Dear Arizona Corporation Commission:

Please find enclosed Mission:data Coalition's comments for:

Docket No. RU-00000A-14-0014

Feel free to email me at jim.hawley@deweysquare.com or call at 916-447-4099 for any questions. Thank you.

Sincerely,


Jim Hawley

Arizona Corporation Commission
DOCKETED

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DOCKETED BY 

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BOB STUMP, CHAIR
GARY PIERCE
BRENDA BURNS
SUSAN BITTER SMITH
BOB BURNS

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BEFORE THE ARIZONA CORPORATION COMMISSION

In the Matter of the Commission Inquiry into
Amendment of the Commission's Rules Related to
Public Service Corporations' Release of Customer
Information Including Amendment of the Rules to
Specifically Address Privacy and Confidentiality
Concerns Related to Smart Meters

Docket No. RU-00000A-14-0014

COMMENTS OF THE MISSION:DATA COALITION, INC.

Arizona Corporation Commission
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FOR THE MISSION:DATA COALITION

Jim Hawley
Dewey Square Group
1020 16th Street, Suite 20
Sacramento, California 95814
Tel: (916) 447-4099
Email: jim.hawley@deweysquare.com

Dated: November 7, 2014

BOB STUMP, CHAIR
GARY PIERCE
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SUSAN BITTER SMITH
BOB BURNS

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**INFORMAL COMMENTS OF THE
MISSION:DATA COALITION, INC.**

1. Introduction

The Mission:data Coalition¹, a national coalition of technology companies delivering data-enabled consumer-focused energy services and solutions², appreciates the opportunity to submit these comments in response to the Corporation Commission's "Second Request for Informal Comments," dated October 23, 2014, regarding draft amendments of the Commission's rules governing privacy protection for smart meter customers. Arizona has been a leader in grid modernization. To fully realize the benefits of this investment, consumers should have convenient, electronic access to the best available information about their own electricity use in order to support innovative new services, such as:

- "no-touch" energy audits
- end use, device-specific recommendations to significantly reduce energy use

¹ www.missiondata.org

² Our members are developing innovative information technologies to achieve significant energy savings in both the residential and commercial sectors at scale. They include Alarm.com, Bidgely, BlueLine Innovations, BrightPower, BuildingIQ, the Cleanweb Initiative, EcoFactor, EnerNOC, EnergyHub, Genability, Home Energy Analytics, iControl Networks, Lucid, People Power, Plotwatt, Rainforest Automation, Retroefficiency, Solar City, Stem, ThinkEco, Verdafero, Utilisave and WattzOn.

- recommendations for and sizing of solar installations
- frictionless verification of efficiency or demand response curtailments

Buildings represent approximately 40% of total U.S. energy use and it has been estimated that 20% of this amount – 8% of total U.S. energy use – could be saved with cost-effective efficiency measures.³ Technology solutions represent some of the most cost-effective of these measures. To achieve these savings for consumers, Mission:data actively supports two low-cost steps to deliver value for consumers:

- (1) providing consumers access to their electricity usage and cost data through the implementation of the industry-led nationally-recognized standards, in particular the Energy Services Provider Interface (ESPI) or “Green Button Connect” standard, and
- (2) providing consumers access to their usage data in real-time through a direct connection between the smart meter and the Home/Business Area Network (HAN/BAN).

The revised draft rules not only implement reasonable privacy and security protection for Arizona consumers but also take an important step – set forth in the proposed R14-2-2207 and R14-2-2208 – to ensure that consumers can realize tangible energy and monetary savings from this State’s investments in advanced metering. There are several benefits that will accrue to Arizona electricity consumers:

Consumer Empowerment: Electricity consumers, like consumers in other sectors of the economy, have a fundamental right to take full advantage of the best available practices and technology to improve their quality of service. Consumers have unique interests, including energy savings, increased performance or environmental considerations, which means that policies should focus on providing consumers with access to their own usage information for them to use as fits their particular needs and interests. Such a policy framework is consistent with federal policy, best practices from other states and long-standing NARUC resolutions that seek to provide consumers with “the benefits of the deployment of the smart grid promises.”⁴

³ K. Carrie Armel, Abhay Gupta, et. al., *Is Disaggregation the Holy Grail of Energy Efficiency? The Case of Electricity*, Precourt Energy Efficiency Center, Stanford University, Technical Paper 2012-05-1, 2012, p. 3.

⁴ NARUC Resolutions, July 2010

Energy Efficiency: Energy usage information can have a dramatic impact on energy usage and energy efficiency potential. Improving data access policies will increase the ability of consumers to achieve significant savings in energy costs, both through regulated energy programs and other initiatives. Providing consumers with access to their electricity usage and pricing data, particularly real-time data, combined with tools to use that data to better manage energy, has the potential to achieve reductions in household energy use by as much as 12 percent according to a review of studies by the American Council for an Energy Efficient Economy.⁵ The potential savings made possible by the combination of advanced meter data (in the hands of consumers) and software tools to help consumers understand and manage their energy use represent a tremendous, cost-effective opportunity to help consumers save energy and money.

Economic Development: Mission:data members are entrepreneurs and innovators who are actively developing products and services to help consumers save energy and participate more intelligently in energy markets. Ensuring that data access policies are given full consideration will help drive a robust market for energy management services.

2. Customer and Third Party Access to Energy Data via the Utility Website.

R14-2-2207 et. seq. establish that customers have a right to access their account information, personally identifiable information and customer usage data, and the right to share their own usage data with any third party of their choice. Mission:data applauds the revised draft rule's enunciation of these core principles, while recommending changes to ensure that the Commission's objectives are fully attained.

First, to enable new energy efficiency and demand response solutions to scale, new data-driven energy management tools must be easy for consumers to adopt and use. The process for obtaining customer authorization must be simple, straightforward and easily accomplished on a website. In general, R14-2-2207(C) establishes the framework for a straightforward, consistent process that allows the customer to authorize the utility -- through written, oral or electronic means -- to share his or her energy usage information with a third party. It should be clarified that either the utility or a third party should be able to use a customer consent form and that the

⁵ Karen Ehrhardt-Martinez, Kat Donnelly, et.al. *Advanced Metering Initiatives and Residential Feedback Programs: A Meta-Review for Household Electricity-Saving Opportunities*, American Council for an Energy Efficient Economy (aceee.org), Report Number E105, June 2010, p. iii.

consent process will be completed promptly. This allows third parties to initiate a request, which is valuable in cases where a third party is acting as the customer's contractual agent. In either case, of course, affirmative customer consent would be required. The Commission should also ensure that utilities, in developing the consent form, collaborate with each other and third parties to ensure that the authorization process is uniform, prompt, simple and straightforward.

Second, in defining standard usage data in R14-2-2208A, Mission:data recommends that the Commission clarify that each day's usage data with the level of granularity matching the intervals programmed into the customer's smart meter and in a machine-readable format, be made available to the customer by the next day as standard data. Utilities should embrace a common data format, consistent with ongoing national standards such as the ESPI "Green Button Connect" standard being adopted in other states. The adoption of common standards across different utility areas and states is critical to enabling the adoption of innovative new energy management services and products from other states and delivering prompt value to Arizona consumers. Development of the tariffs to differentiate between standard and non-standard data, the timeframe for processing data requests, charges associated with processing a request or obtaining non-standard data should be developed in consultation with interested third parties to ensure that these do not present an unintended barrier to the development of innovative new products and services.

Third, R14-2-2208B establishes that a customer's access to his or her standard energy usage data is to be provided as part of basic utility service without additional charge to the customer, in electronic machine-readable form, in conformity with nationally recognized standards. Mission:data strongly supports these provisions, but suggests a clarification to make it clear that the basic service obligation also includes providing energy usage data to the third party designated by the customer. The first sentence in R14-2-2208 could be clarified to read that

"As part of basic Utility service, a Utility shall provide to a Customer, or a Third Party designated by a Customer, access to the Customers standard Customer Usage Data in electronic machine-readable form on the Utility's website, in conformity with nationally recognized standards and best practices in a manner that ensures adequate protections of the Utility's system security and continued privacy of the Customer Usage Data during transmission. Such access shall be provided without additional charge..."

Such a clarification would ensure that Arizona's rules are consistent with the requirements of other states such as Colorado.

R14-2-2208B provides a utility the option of seeking a waiver of customer access requirements if such access is not within the utilities' existing technological or data capabilities. Mission:data believes that customers should have access to their energy data in whatever granularity it is available to the utility from the meter. Utilities in states like Texas and California are providing interval data in 15-minute or hourly intervals. The cost of upgrading the information technology infrastructure to accommodate the additional storage and make this available securely to consumers and their authorized third parties is modest, particularly when the magnitude of consumer benefits are considered.⁶ While cost-effectiveness may be a challenge for very small utilities, the presumption should be that utilities will provide customers and authorized third parties with their electricity usage and price information with only a modest information technology (IT) investment. The Commission should establish a date by which such functionality can be enabled.

Finally, Mission:data urges the Commission to ensure that pricing, tariff, charge and other information is also made available electronically on the utility's web site in easy-to-understand language so that third party energy management products can accurately calculate costs.

3. Customer Access to Data via the Home Area Network.

In order to maximize energy savings for consumers, real-time data should be made available to the consumer via the Home Area Network (HAN) radio contained within smart meters, if available. According to the American Council for an Energy Efficient Economy (ACEEE), the combination of real-time data and tools providing specific feedback about how to save energy delivers household efficiency gains up to *three* times household savings achieved with data that is not real time.⁷ Real-time data enables disaggregation, the use of algorithms that allow the

⁶ In some rate cases, consumer demand side benefits represent 40% of the total benefits of Advanced Metering Infrastructure. See Resolution E-4527, California Public Utilities Commission, September 27, 2012, p. 5. The cost of the information technology and storage needed to provide the benefits of AMI information to consumer are typically a very small percentage of the cost of AMI.

⁷ Erhardt-Martinez, iii. The Commission may also be interested in the experience of British Columbia Hydro, which deployed smart meters equipped with HAN capability. Notwithstanding BC's very low electricity rates, consumer response has been strong and a pilot run in 2013 achieved a 6% reduction in usage with in-home displays. See <http://rainforestautomation.com/blog/real-time-energy-usage-launched-bc-hydro-customers>.

customer to identify energy used in a household by *device*. This in turn enables the consumer to obtain automated personalized recommendations such as “Reduce your pool pump run time by 30 minutes per day to save \$__ per month” or “Buying a new dryer could save you \$__ per year.” Device-specific recommendations enable consumers to achieve much more powerful savings.

To achieve these much more powerful gains, it is important that utilities who have acquired smart meters with HAN radios, now a standard feature in smart meters, activate that capability so that the consumer can receive information directly from their meter. As meters are replaced, they should be replaced with meters with a HAN radio so that consumers can obtain their own real-time data.⁸ The implementation of real-time data access for consumers should encompass collaboration among utilities to ensure a common approach to validate HAN devices, as well as resources for consumer education about the energy-saving potential of the HAN. Without standardized methodologies or testing procedures, hardware companies will incur duplicative costs for certification of their HAN/BAN devices’ compatibility with each utility network. Early deployments have seen expensive, utility-by-utility validation requirements for each device (and, sometimes, for each type of meter or firmware version). Ultimately, broadly-embraced industry standards should be leveraged so that consumer devices can achieve scale efficiently.

4. Privacy Requirements.

While Mission:data generally supports the proposed privacy requirements in sections R14-2-2209 and 2210, as well as the proposed requirement that utilities and their contractors or agents adopt reasonable safeguards to protect private customer information, we have several concerns with the proposed language and suggest revisions as noted.

First, Mission:data believes that the provision in R14-2-2205B prohibiting contractors from using data for a secondary purpose is overly restrictive: a contractor should be permitted to use customer data for purposes where it has secured the customer’s opt-in approval. If utilities can use data for a secondary purpose with opt-in approval, then a company under contract with the utility should be able to do the same. Otherwise the effect of the rule is to discriminate between

⁸ Not only should utilities install HAN interfaces, they should plan to keep them updated as there have been some challenges in upgrading between SEP versions.

utility and companies who may be contractors, which Mission:data does not believe is the Commission's intent. Mission:data would recommend rephrasing 2205B to read

B. The Contract between the Utility and its Agents or Contractors shall specify that all Agents and Contractors are held to the same confidentiality and privacy standards as the Utility, its employees and its operations. These contracts shall also prohibit Agents or Contractors from using any information supplied by the Utility for secondary purposes without customer authorization or opt-in approval."

In the interest of ensuring uniformity, a contractor seeking to use data for a secondary purpose thus would be subject to R14-2-2210. In such case, for example, the contractor should be under an obligation to disclose with specificity to the customer the secondary purpose for which the data would be used and obtain the customer's authorization.

While Mission:data supports provisions in R14-2-2205C, it is concerned by the wording in R14-2-2005B, which imposes utility-scale privacy requirements on companies that have contracted with utilities to provide certain services. Further R14-2-2205D should permit contractors to retain information only for as long as reasonably necessary (such as for audit purposes), as authorized by the Commission or for a purpose authorized by the customer. .

Further, as drafted, R14-2005(E) requires that any unauthorized disclosure of private customer information in violation of the utility contract be deemed a material violation that requires the Utility to cease providing such information to the contractor or agent, whether the disclosure causes material harm or not, a harsh result that could put a third party out of business for a disclosure in which no customer harm occurs or which is otherwise immaterial.

Mission:data suggests that a material breach be deemed in the event that the contractor engages in a "pattern or practice of accessing, storing, using or disclosing" private customer information in violation of its contractual obligations.

Finally, Mission:data agrees that consumers should have the right to revoke consent at any time, but that with respect to the notice provisions in Section 2209B(8), customers should be reminded that the legal power to revoke consent at any time does not relieve them of any of their contractual obligations.

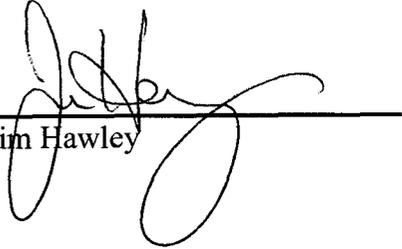
5. CONCLUSION.

Mission:data appreciates the opportunity to submit comments regarding Arizona's privacy and data access rules and would be pleased to provide any assistance that the Commission may request. Thank you for your consideration.

Dated: November 7, 2014

Respectfully submitted,

FOR THE MISSION:DATA COALITION, INC.



Jim Hawley