



News Release

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## Data explosion from new Smart Grid may threaten privacy: Commissioner Cavoukian

New white paper outlines how Commissioner Cavoukian's *SmartPrivacy* concept can be used to address the privacy concerns raised by the *Smart Grid*

TORONTO – The Smart Grid brings many benefits – but privacy protection must be built into the design of this new technology *before* an explosion of personal data erupts, Ontario's Information and Privacy Commissioner, Dr. Ann Cavoukian, cautioned today in a new white paper.

Modernization efforts are underway to make the current electrical grid “smarter.” The infrastructure that will support the future Smart Grid will be capable of informing consumers of their hourly and real-time energy use, even at the appliance level, but the privacy implications are potentially very serious.

“The overarching privacy concern associated with Smart Grid technology is its ability to greatly increase the amount of information that is currently available relating to the activities of individuals within their homes – their habits and behaviours,” said the Commissioner.

Intimate details of hydro customers' habits, from when they cook or take showers, to when they go to bed, plus such security issues as whether they have an alarm system engaged, could all be discerned by the data automatically fed by appliances and other devices to the companies providing electric power.

This morning, the Commissioner and co-authors, Jules Polonetsky and Christopher Wolf, co-chairs of the Washington-based Future of Privacy Forum, issued a white paper, *Smart Privacy for the Smart Grid: Embedding Privacy in the Design of Electricity Conservation*, which emphasizes the importance of building privacy directly into Smart Grid technology, as the default option.

“The smart grid will provide benefits for the economy and the environment and could mean savings for individual consumers,” said Jules Polonetsky. “But the success of the grid will be completely dependent on consumers trusting that their data is being handled responsibly. If companies do not get privacy right from the start, billions will have been spent in vain.”

“The information collected on a Smart Grid will form a library of personal information, the mishandling of which could be highly invasive of consumer privacy,” said Christopher Wolf. “There will be major concerns if consumer-focused principles of transparency and control are not treated as essential design principles, from beginning to end.”



The paper outlines Commissioner Cavoukian's *SmartPrivacy* concept and how it can be used to address the privacy concerns raised by the *Smart Grid*.

*SmartPrivacy* represents a broad arsenal of protections, encapsulating everything necessary to ensure that all of the personal information held by an organization is appropriately managed. These include: privacy laws, regulation and independent oversight; accountability and transparency; audit and assessment; market forces, education and awareness; data security; and fair information practices. But all of these are built upon the foundation of *Privacy by Design*.

“While each of these elements is important, *Privacy by Design* – where privacy is built in from the outset as the default function – is the key,” said the Commissioner.

“Once energy consumption information flows outside of the home, consumers may have questions such as: *Who will have access to this intimate data, and for what purposes? Will I be notified? What are the obligations of companies making smart appliances and Smart Grid systems to build in privacy? How will I be able to control the details of my daily life in the future?*”

Organizations involved with the Smart Grid, responsible for the processing of customers' personal information, must be able to respond to these questions, said the Commissioner. “And the best response is to ensure that privacy is embedded into the design of the Smart Grid, from start to finish – end to end.”

As the Smart Grid is only in its early stages of development, now is the perfect time to build *SmartPrivacy* into the Smart Grid, stressed Commissioner Cavoukian. “Consumer control of electricity consumption and consumer control of their personal information must go hand-in-hand. Doing so will ensure that consumer confidence and trust is gained, and that participation in the Smart Grid contributes to the vision of creating a more efficient and environmentally friendly electrical grid, as well as one that is protective of privacy. This will result in a positive sum (win/win) outcome, where both environmental efficiency *and* privacy may co-exist. We must reject the traditional zero-sum approach where we are expected to choose one interest over another – you can, and must, have both.”

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