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Privacy by Design allows secure third party access energy innovations to grow

Utilities can confidently permit third party access to customer energy usage data by implementing the global standard for privacy protection

TORONTO, January 29, 2013 – A *Privacy by Design* approach is essential for maintaining trust and confidence in the benefits of Smart Grid technology. Utilities allowing third party access to customer energy usage data (CEUD) for new initiatives such as energy conservation products and services must offer consumers end-to-end security. Companies such as app developers, consumer service providers, software vendors, device manufacturers, home security companies and others will benefit from the ability to access data if utilities can confidently protect customer information.

In a new white paper released today, "<u>Privacy by Design</u> and Third Party Access to <u>Customer Energy Usage Data</u>," Ontario, Canada's Information and Privacy Commissioner, Dr. Ann Cavoukian, and Jules Polonetsky, Co-Chair, of the Future of Privacy Forum, explore the issue of third party access to CEUD and its benefits, as well as the potential privacy risks. It examines the potential new products and services created by third party access which may support conservation and new market opportunities.

Utilities hoping to offer these types of innovative products and services can only do so if they have control over their CEUD. This includes allowing customers to download their CEUD in machine-readable format and disclose it to a third party of their choice, or to allow or direct their utility provider to disclose their CEUD to a third party. Conversely, privacy considerations must be addressed in the areas of information technology, accountable business practices, and networked infrastructure when planning for third party access to CEUD. By adopting a *Privacy by Design* approach, third parties can ensure that privacy is proactively embedded within third party CEUD data flows, right from the outset.

"Privacy by Design, the global standard for privacy protection, can ensure that CEUD in full accessed by third parties remains secure and anonymous," said Commissioner Cavoukian. "This white paper dispels the myth that privacy stifles innovation — the opposite is true, it is an enabler of innovation and demonstrates how timely disclosure of CEUD will be protected end-to-end, creating a win-win solution for all parties involved."



"Providing consumers and the companies they approve with access to consumer energy data provides a huge privacy opportunity for utilities," said Jules Polonetsky, Director of the Future of Privacy Forum. "If the *Privacy by Design* principles are followed, consumers can make smart privacy choices that will provide them with transparency about their energy usage and can power innovative services."

Privacy by Design has already been incorporated into several CEUD designs and operations. Case studies discussed in the white paper include the White House "Apps for Energy" contest, the MaRS Data Catalyst project, and an in-depth look at the successful San Diego Gas and Electric's Smart Pricing Green Button Program and privacy seal implementations.

"The Smart Grid is an increasingly sophisticated network that allows our customers to have greater control of their energy usage, offering them more choices and convenience," said Caroline Winn, SDG&E Vice President of Customer Services and Chief Customer Privacy Officer. "As we work collaboratively with our customers to integrate these exciting new technologies, we remain committed to protecting our customers' data and making sure energy privacy is built into the smart grid every single step of the way. We are proud to be working with Dr. Ann Cavoukian to adopt *Privacy by Design* principles in all our Smart Grid efforts."

Privacy by Design was unanimously approved as an international framework for privacy protection in 2010, and has been translated into 29 languages. *Privacy by Design* seeks to proactively embed privacy into the design specifications of information technologies, organizational practices and networked system architectures. To achieve the strongest protection possible, *Privacy by Design* should ideally be applied when initiatives are in their nascent stages.

To mark International Privacy Day, Commissioner Cavoukian has released a special video message that can be viewed here: http://youtu.be/vaoHg0o-NAI.

About the IPC

The Information and Privacy Commissioner is appointed by, and reports to, the Ontario Legislative Assembly, and is independent of the government of the day. The Commissioner's mandate includes overseeing the access and privacy provisions of the *Freedom of Information and Protection of Privacy Act* and the *Municipal Freedom of Information and Protection of Privacy Act*, as well as the *Personal Health Information Protection Act*, which applies to both public and private sector health information custodians. The Commissioner's mandate also includes helping to educate the public about access and privacy issues.

About the Future Privacy Forum

<u>The Future of Privacy Forum (FPF)</u> is a Washington, DC based think tank that seeks to advance responsible data practices. The forum is led by Internet privacy experts Jules Polonetsky and Christopher Wolf and includes an advisory board comprised of leading figures from industry, academia, law and advocacy groups.

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