



# TOWN OF APPLE VALLEY

## TOWN COUNCIL STAFF REPORT

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**To:** Honorable Mayor and Town Council      **Date:** January 24, 2017

**From:** Joseph Moon, Public Services Manager      **Item No:** 5  
Public Services Department

**Subject:** TOWN COUNCIL ESTABLISH AND ADOPT THE PRIVACY AND CUSTOMER CONFIDENTIALITY POLICY FOR APPLE VALLEY CHOICE ENERGY (AVCE)

**T.M. Approval:** \_\_\_\_\_      **Budgeted Item:**  Yes  No  N/A

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### RECOMMENDED ACTION:

That the Town Council establish and adopt the policies for privacy and customer confidentiality, protection of confidential information and Advanced Metering Infrastructure (AMI) data security and privacy, for Apple Valley Choice Energy.

### SUMMARY:

In accordance with CPUC Decision 97-10-031 and CPUC Decision 12-08-045, which extends privacy protections to customers of community choice aggregation, Apple Valley Choice Energy is proposing the establishment of the privacy and customer confidentiality policies.

### BACKGROUND:

Effective April 1, 2017, Apple Valley Choice Energy will become the default energy provider for residents in the Town of Apple Valley. California Public Utilities Commission (CPUC) Decision 97-10-031 and Decision 12-08-045 allows utilities to release Aggregated Data and Advanced Metering Infrastructure (AMI) Data to the public in certain proceedings and also extends privacy protections to customers. AMI data represents data collected from systems that measure, collect and analyze energy usage and communicate with metering devices such as electricity meters, either on request or on a schedule. Any usage information obtained through the use of the capabilities of Advanced Metering Infrastructure when associated with any information that can reasonably be used to identify an individual, family, household or residence, or non-residential customer, except that covered information does not include usage information

from which identifying information has been removed such that an individual, family, household or residence, or non-residential customers cannot reasonably be identified or re-identified. The Aggregated Data represents customers' energy usage and usage-related data (such as, billing, program participation, or account information) that has been summed, averaged, or otherwise processed such that the result does not contain information at the level of individual customers and an individual customer cannot reasonably be re-identified. The primary purposes for the collection of storage, use or disclosure of covered information are to provide or bill for electrical power, provide for system, grid, or operational needs, provide services as required by state or federal law or as specifically authorized by an order of the Commission, or plan, implement, or evaluate demand response, energy management, or energy efficiency programs under contract with a Community Choice Aggregator or an Electrical Services Provider, under contract with the Commission, or as part of a Commission authorized program conducted by a governmental entity under the supervision of the Commission. As such, Apple Valley Choice Energy seeks to establish policies outlining the collecting, storing, using and disclosing of energy usage information, in accordance with the '15/15 Rule as adopted by the CPUC in Decision 97-10-031 and 12-08-045.

**FISCAL IMPACT:**

There is no financial impact to the Town's budget.

**ATTACHMENT:**

1. Exhibit A – Apple Valley Choice Energy Privacy and Customer Confidentiality Policy
2. Exhibit B – Apple Valley Choice Energy Protection of Confidential Information
3. Exhibit C – Apple Valley Choice Energy Advanced Metering Infrastructure (AMI) Data Security and Privacy Policy



**Apple Valley Choice Energy  
Administrative Policies and Procedures**

Policy Title	ACVE Privacy and Customer Confidentiality Policy		
Policy Number	AVCE2017-01	Effective Date:	2/1/2017
Reference:	CPUC Decision 97-10-031		

**1.0 Definition of Terms**

**1.1 California Public Utilities Commission (CPUC)**

A regulatory agency that regulates privately owned public utilities in the state of California, including electric power, telecommunications, natural gas and water companies.

**1.2 Policy**

**1.3 Notice of Accessing, Collecting, Storing, Using, and Disclosing Energy Usage Information.**

Apple Valley Choice Energy (AVCE), its employees, agents, contractors, and affiliates shall maintain the confidentiality of individual customers’ names, service addresses, billing addresses, telephone numbers, email addresses, account numbers, and electricity consumption, except where reasonably necessary to conduct AVCE’s business of to provide services to customers as required by the California Public Utilities Commission (CPUC). Examples of reasonably necessary business purposes include but are not limited to when such disclosure is necessary to (a) comply with law, regulation, or court order; (b) enable AVCE to provide services to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; (e) resolve customer disputes or inquiries; (f) communicate about demand response, energy efficiency, energy management, and conservation programs, or (g) in situation of imminent threat to life or property. AVCE shall not, under any circumstances, disclose customer information for third-party telemarketing, e-mail, or direct mail solicitation. Aggregated data that cannot be traced to specific customers may be released at AVCE’s discretion.

Customer data, including individual customer names, addresses, and electric energy usage data, is collected via Southern California Edison’s metering systems. AVCE may share

customer data with contractors and vendors for purposes of providing services and operating programs. Contractors and vendors are required to agree to only use customer data for program operational purposes and protect it under the same standards as AVCE. AVCE maintains customer-specific energy usage and billing information for only as long as reasonably necessary, typically not more than five years unless otherwise necessary by law or regulation.

The effective date of this version of the Privacy and Consumer Confidentiality Policy is February 1, 2017. Notice of this policy will be provided when confirming a new customer account and annually to customers via an on-bill message to guide customers to the most updated version of AVCE's website at [www.AVChoiceEnergy.com](http://www.AVChoiceEnergy.com). Any changes to this policy between notification periods will be communicated through AVCE's website.

Customers having any questions or concerns regarding the collection, storage, use, or distribution of customer information, or who wish to view, inquire about, or dispute any customer information held by AVCE or limit the collection, use, or disclosure of such information, may contact Kisha McDonald, by phone at (760) 240-7601, via email at [kmcdonald@applevalley.org](mailto:kmcdonald@applevalley.org) or by mail at 14955 Dale Evans Parkway, Apple Valley, CA 92307.

**PRIVACY AND CUSTOMER CONFIDENTIALITY  
POLICY ACKNOWLEDGEMENT**

I have read the Privacy and Customer Confidentiality Policy and understand its provisions. I understand that to ensure the protection of the integrity of the Town's confidential information as well as the confidentiality of others, confidential information may not be shared with unauthorized individuals within or outside of the organization and may not be transmitted via email.

I accept responsibility for any action performed under my user name and password.

I understand that handling and use of confidential information in violation of the Privacy and Customer Confidentiality Policy may result in employee discipline, up to and including termination.

By signing this form, I agree to abide by the policy currently in place and I agree to review periodically any changes or modifications. I understand that my regular review of this policy is required. I understand updates to this policy are available on the intranet.

Employee  
(Print Name): \_\_\_\_\_ Emp. ID: \_\_\_\_\_

Employee  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Department Head  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

This document will be maintained in your personnel file.



**Apple Valley Choice Energy  
Administrative Policies and Procedures**

Policy Title	ACVE Protection of Confidential Information Policy		
Policy Number	AVCE2017-02	Effective Date:	2/1/2017
Reference:	CPUC Decision 97-10-031		

**2.0 Definition of Terms**

**2.1 California Public Utilities Commission (CPUC)**

A regulatory agency that regulates privately owned public utilities in the state of California, including electric power, telecommunications, natural gas and water companies.

**2.2 Policy**

**2.3 Ensuring Customer Confidentiality is Protected**

To ensure that all employees protect the integrity of the Town’s confidential information as well as the confidentiality of others, confidential information may not be shared with unauthorized individuals within or outside of the organization and may not be transmitted via email, except where reasonably necessary to conduct AVCE’s business or provide services to customers as required by the California Public Utilities Commission (CPUC).

**2.4 Procedure**

- A. Confidential information cannot be transmitted or forwarded to individuals within or outside of the organization who do not have an authorized need to know the information.
- B. Confidential information cannot be transmitted via email.
- C. Confidential information cannot be posted on the Town’s website.
- D. Employees must lock his/her computer when leaving their computer.
- E. Passwords may not be shared with any person and cannot be stored physically or digitally.
- F. Documents containing confidential information must be secured at all times.

- G. Documents containing confidential information must be shredded when destroyed when no longer used and as per the adopted retention schedule if applicable.
- H. Employees are responsible for any action performed under their user name and password.
- I. Examples of reasonably necessary business purposes include but are not limited to when such disclosure is necessary to:
  - 1. Comply with law, regulation, or court order;
  - 2. Enable AVCE to provide services to its customers;
  - 3. Collect unpaid bills;
  - 4. Obtain and provide credit reporting information;
  - 5. Resolve customer disputes or injuries;
  - 6. Communicate about demand response, energy efficiency, energy management, and conservation programs, or
  - 7. In situation of imminent threat to life or property.
- J. Failure to comply with the provisions of this policy and procedure may result in discipline up to and including discharge.

**PROTECTION OF CONFIDENTIAL INFORMATION  
POLICY ACKNOWLEDGEMENT**

I have read the Protection of Confidential Information Policy and understand its provisions. I understand that to ensure the protection of the integrity of the Town's confidential information as well as the confidentiality of others, confidential information may not be shared with unauthorized individuals within or outside of the organization and may not be transmitted via email.

I accept responsibility for any action performed under my user name and password.

I understand that handling and use of confidential information in violation of the Protection of Confidential Information Policy may result in employee discipline, up to and including terminations.

By signing this form, I agree to abide by the policy currently in place and I agree to review periodically any changes or modifications. I understand that my regular review of the policy is required. I understand updates to the policy are available on the intranet.

Employee  
(Print Name): \_\_\_\_\_ Emp. ID: \_\_\_\_\_

Employee  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Department Head  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

This document will be maintained in your personnel file.





**Apple Valley Choice Energy  
Administrative Policies and Procedures**

Policy Title	ACVE Advanced Metering Infrastructure (AMI) Data Security and Privacy Policy		
Policy Number	AVCE2017-03	Effective Date:	2/1/2017
Reference:	CPUC Decision 12-08-045		

**3.0 Definition of Terms**

**3.1 California Public Utilities Commission (CPUC)**

A regulatory agency that regulates privately owned public utilities in the state of California, including electric power, telecommunications, natural gas and water companies.

**3.2 Policy**

- A. AVCE shall implement reasonable administrative, technical, and physical safeguards to protect covered information from unauthorized access, destruction, use, modification, or disclosure.
- B. AVCE and all third parties shall provide reasonable training to all employees and contractors who use, store, or process covered information.
- C. AVCE shall collect, store, use, and disclose only as much covered information as is reasonably necessary or as authorized by the Commission to accomplish a specific primary purpose.

**3.3 Procedure**

**1. Transparency and Notification**

- A. AVCE shall provide customers with meaningful, clear, accurate, specific, and comprehensive notice regarding the accessing, collection, storage, use, and disclosure of AMI data: provided, however, that AVCE is using AMI data solely for a primary purpose on behalf of and under contract with utilities it is not required to provide notice separate from that provided by the utility.
- B. AVCE shall provide written notice when confirming a new customer account an at least once a year. The notice shall inform customers how they may obtain a copy

of AVCE's notice regarding the accessing, collection, storage, use, and disclosure of AMI data and shall provide a conspicuous link to the notice on the home page of their website and include a link to their notice in all electronic correspondence to customers.

1. The notice shall be labeled Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information and shall be written in easily understandable language and be no longer than is necessary to convey the requisite information.
  2. The notice and the posted privacy policy shall state clearly the identity of AVCE, the effective date of the notice or posted privacy policy, AVCE's process for altering the notice or posted privacy policy including how the customer will be informed of any alterations and where prior versions will be made available to customers, and the title and contact information including email address, postal address, and telephone number of an official at AVCE who can assist the customer with privacy questions, concerns, or complaints regarding the collection, storage, use, or distribution of covered information.
  3. The notice shall provide an explicit description of each category of covered information collected, used, stored, or disclosed, and for each category of covered information, the reasonably specific purposes for which it will be collected, stored, used, or disclosed, each category of covered information that is disclosed to third parties, and, for each such category, a description of the means by which customers may view, inquire about, or dispute their covered information, and the means, if any, by which customers may limit the collection, use, storage, or disclosure of covered information and the consequences to customers if they exercise such limits.
- C. AVCE shall provide to customers upon request convenient and secure access to their covered information in an easily readable format that is at a level no less detailed than that at which the covered entity discloses the data to third parties.

**2. Use, Disclosure, and Customer Authorization**

- A. AVCE may disclose covered information without customer consent to a third party acting under contract with the Commission for the purpose of providing services authorized pursuant to an order or resolution of the Commission or to the governmental entity for the purpose of providing energy efficiency or energy efficiency evaluation services pursuant to an order or resolution of the Commission.
- B. AVCE may disclose covered information to a third party without customer consent when explicitly ordered to do so by the Commission, or for a primary purpose being carried out under contract with an on behalf of AVCE provided that the covered entity disclosing the data shall, by contract, require the third party to agree to access,

collect, store, use, and disclose the covered information under policies, practices, and notification requirements no less protective than those under which the covered entity itself operates.

- C. Any entity that receives covered information derived initially from AVCE may disclose such covered information to another entity without customer consent for a primary purpose, provided that the entity disclosing the covered information shall, by contract, require the entity receiving the covered information to use the covered information only for such primary purpose and to agree to store, use, and disclose the covered information under policies, practices, and notification requirements no less protective than those under which the covered entity from which the covered information was initially derived operates.
- D. When AVCE discloses covered information to a third party under this subsection it shall specify by contract, unless otherwise ordered by the Commission, that it shall be considered a material breach if the third party engages in a pattern or practice of accessing, storing, using, or disclosing the covered information in violation of the third party's contractual obligations to handle the covered information under policies no less protective than those under which the covered entity from which the covered information initially derived operates.
- E. If AVCE finds that a third party contractor to which it disclosed covered information is engaged in a pattern or practice of accessing, storing, using, or disclosing covered information in violation of the third party's contractual obligations related to handling covered information, AVCE shall promptly cease disclosing covered information to such third party.
- F. Separate authorization by each customer must be obtained for all disclosures of covered information except as otherwise provided for herein.
- G. AVCE shall permit customers to cancel authorization for any secondary purpose of their covered information by the same mechanism initially used to grant authorization.
- H. AVCE shall permit the use of aggregated usage data that is removed of all personally-identifiable information to be used for analysis, reporting, or program management provided that the release of that data does not disclose or reveal specific customer information because of the size of the group, rate classification, or nature of the information.