##### August 27, 2014

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Staff Attorney

**RE: Update to the Board of Directors –Data Privacy Activities**

**Update on Data Privacy Activities –**

On August 25, 2014, the Board Certification Program Committee met and approved the Third Party Data Privacy Practices Certification Process that will be used to create the NAESB Certification Program for Third Party Data Privacy Practices. The certification program will be supported by the process document, which outlines the requirements for certification, the REQ.22 – Third Party Access to Smart Meter-based Information Model Business Practices, and the Specification for Data Privacy Governing Third Party Access.

The REQ Data Privacy Task Force, chaired by Christine Wright of the PUC of Texas, was assigned the task of investigating the necessity for a specification and if needed, developing a recommendation under 2014 RXQ Annual Plan Item 6.b. A recommendation on the specification was completed by the task force on June 25, 2014. The specification is based on REQ.22 which contains model business practices to be employed by utilities and third party services providers when maintaining and communicated smart meter based information. The model business practices were endorsed by the NARUC Board of Directors through a July 20, 2011 resolution. The specification document developed by the task force is only applicable to the data privacy practices of third parties. The task force met on August 12, 2014 to review the single set of formal comments submitted on the recommendation and developed late comments for the consideration of the RXQ Executive Committee in response. On August 20, 2014, the RXQ Executive Committee approved the recommendation on the specification as revised by the late comments of the task force.

As background, this effort was initiated by a request submitted by Big Data Energy Services in February 2014 asking NAESB to consider the development of a certification program to allow third party service providers to certify their data privacy practices are compliant with the REQ.22 model business practices. In April, the Board of Directors approved moving forward with consideration of the certification program, asking the Board Certification Program Committee to consider the request of Big Data Energy Services and the REQ Data Privacy Task Force to develop any needed specification document to support the program.

The certification program allows third party service providers to become certified by NAESB as compliant with the NAESB data privacy protocols described in the standard and provides a level of uniformity and transparency in addition to legal documentation that retail customers may consider as they select third party service providers. The program mirrors the model used for the Accredited Certification Authorities and Demand Response and Energy Efficiency Measurement and Verification Services or Products certification programs. Through these programs, entities seeking certification must submit an affidavit that they are compliant with the requirements of the program and provide third party audits to support the affidavit.