



How Utilities Can Give Building Owners the Information Needed for Energy Efficiency while Protecting Customer Privacy

Many utilities maintain unnecessarily restrictive policies for building owners to get basic energy usage information needed to operate their buildings efficiently. Utilities, utility regulators, and boards of publicly owned utilities should implement reasonable policies to protect customer privacy while delivering aggregated building usage information to the majority of building owners who need it.

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I. Introduction

It is surprising that owners of many large, energy-intensive buildings cannot get even the most basic information about the total energy usage in their buildings, even with the smartest “smart meters” in place. These building owners must manage

their buildings blind to how much energy is used.

The problem arises in buildings with multiple tenants with their own utility accounts, such as apartment buildings, shopping malls, and office buildings. To obtain an accurate total of all the energy used in such a building, the owner must rely on the utility

to deliver aggregated building usage information (ABUI) (e.g. 102,000 kilowatt-hours in June 2015) summed up from multiple customer accounts. Building owners need ABUI to obtain Energy Star scores,¹ for benchmarking,² for routine management of building systems, to assess opportunities to make efficiency repairs and improvements, and more.

Many utilities make it very difficult for owners to get ABUI because of concern about the privacy of each customer's account information. The aggregated total does not, on its own, contain any personally identifiable information of any included utility customers. But in a few instances, such as buildings with one tenant, there is a risk of "re-identification" – a building owner might be able to use the anonymous ABUI to discern facts about the utility usage of an individual tenant in the building. Some utilities and advocates have argued any risk of re-identification means a utility may only deliver ABUI to a building owner if the owner has the permission of each included customer or tenant, often on a utility's paper-based forms.

There is no reason for such an overly broad and strict policy. It sacrifices the many beneficial uses of ABUI in order to guard against narrow risks that can be fully addressed in less restrictive ways. Utilities, utility commissions, and boards of publicly owned utilities in many states³ have struggled to

implement a reasonable policy to deliver ABUI to building owners who need it while also assuring customer privacy is protected.

In this article we offer a solution. We first examine the privacy question raised when utilities deliver ABUI to building owners. We find that in the vast majority of scenarios, utilities may deliver ABUI to building owners without compromising customers' confidentiality

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interests in any way. This is true of commercial and multifamily residential buildings. To handle the situations where ABUI could convey information about a customer, such as in buildings with only a few tenants, we offer specific protective measures for utilities to consider. Useful guidance is available in the practices of federal agencies that routinely publish aggregated information compiled from sensitive personal information.

Many utilities have argued it is difficult to meet energy savings

goals,⁴ yet many utilities maintain unnecessarily restrictive policies for building owners to get basic energy usage information needed to operate their buildings efficiently. Utilities, utility regulators, and boards of publicly owned utilities should implement reasonable policies to protect customer privacy while delivering ABUI to the majority of building owners who need it.

II. Customers' Interests in Assuring Owners Have ABUI

Most utilities treat customer usage information as confidential information.⁵ In some places, such as California and New Jersey,⁶ confidentiality is required by statute, and in some places it is required by utility commission regulations.⁷ Even if not required by statute or regulation, utilities commonly have privacy policies to treat customer usage information essentially as confidential information.⁸ Customers' interests in preserving the confidentiality of usage information are important and well established.

Customers also have strong interests in favor of allowing building owners to have ABUI. This customer interest is not established or embodied in policy, but it is compelling and should be included in any assessment of the privacy question posed. The building

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