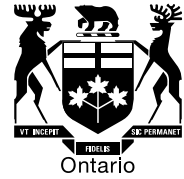


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BY EMAIL

February 25, 2019

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: OEB Staff Interrogatories
Independent Electricity System Operator (IESO), in the Capacity of the Smart
Metering Entity
Access to Non-personal Data by Third Parties at Market prices
OEB File Number: EB-2018-0316**

Pursuant to Procedural Order No. 1, please find attached the interrogatories of OEB staff in the above referenced proceeding.

Yours truly,

Original Signed By

Michael Bell
Project Advisor, Application Policy and Climate Change

cc: All Parties in EB-2018-0316



ONTARIO ENERGY BOARD

OEB Staff Interrogatories

**Independent Electricity System Operator in its Capacity of the Smart
Metering Entity**

Access to Non-personal Data by Third Parties at Market prices

EB-2018-0316

February 25, 2019

1.0 *Is the SME's proposal that access should be provided at Market Prices appropriate?*

Staff – 1

Reference: B-5-1, Attachment 2 – Third Party Access Update: Presentation and Discussion with IESO's Stakeholder Advisory Committee

Preamble: At Slide 5 of the presentation, the SME states:

“Since the last SAC discussions, the SME has been focusing on the following key areas of the project:

- Finalizing Data Pilots and collecting learnings...”

Questions:

- a. Please describe how the lessons learned through the various pilot projects support the IESO's proposal that a market based approach to data pricing is viable/appropriate.
- b. Please describe how the lessons learned through the various pilot projects support the IESO's proposed Terms of Access Principles.
- c. Please identify through what budget pilot projects are funded and how the costs of these pilots will be recovered (e.g. SME ratepayers versus IESO fees case).

1.0 Staff – 2

Reference: B-5-1, Attachment 1 – Third Party Access Implementation Plan

Preamble: At Slide 11 of the presentation, the SME states:

“Since the last SAC discussions, the SME has been focusing on the following key areas of the project:

- Market research, costing and valuation analysis, financial model and data products catalogue...”

Questions:

- a. Please describe the scope and results of the costing and valuation analysis completed.
 - i. Who performed the costing and valuation analysis?
 - ii. Did the analysis result in the determination of a market price/value – or range of prices/value – for the available data? If applicable, what prices/value for data were determined to be likely acceptable by the market?
- b. Please elaborate on the “financial model” described on slide 11.
 - i. What is the purpose of the financial model and how was the model used to inform the SME’s application?
- c. Please provide the data products catalogue identified on slide 11.
 - i. To the extent available, please provide the costing and valuation analysis for each product included in the catalogue.
 - ii. Please confirm which of the products included in the catalogue will be available to third parties.
- d. Please file all materials supporting the market research, cost and valuation analysis, financial model and data products catalogue.

1.0 Staff – 3

Reference: B-5-1, Attachment 1 – Third Party Access Implementation Plan

Preamble: At Slide 27 of the presentation, the SME identifies potential third party clients for MDM/R data.

Questions:

- a. Will the SME market/advertise its products to potential customers, and if so, how?
- b. Has a budget been established to fund these marketing/advertising activities?
 - i. Please provide the forecast budget for marketing/advertising (if applicable).
 - ii. How will costs associated with marketing/advertising be recovered?

1.0 Staff – 4

Reference: Exhibit A, Tab 1, Schedule 1, Page 2

Preamble: The application states in paragraph 4:

Any reference to “data” in this application means any of the information and data related to the metering of consumers' consumption or use of electricity in Ontario, including the information required to be collected by the OEB as noted in paragraph 3, above.

The information noted in paragraph 3 is:

...the following information associated with each smart meter (modified where necessary to sufficiently render it non-personal information):

- (a) The postal code;
- (b) The distributor rate class;
- (c) The commodity rate class; and
- (d) Occupant change data.

Question: Please clarify whether the data to be released to third parties will included consumption information aside from what is tied to the 4 factors identified above.

3.0 *Is the SME's licence amendment proposal appropriate?*

3.0 Staff – 5

Reference: Exhibit B, Tab 6, Schedule 1, Page 2

Preamble: The application states:

In this application, the SME is seeking similar licence amendments as those provided in the decision on wireless attachment as described above to allow it to:

- provide access to the data to any person who meets the terms of access established by the SME and enters into a Data Use Agreement with the SME; and
- annually report the net revenue generated by Third Party Access which will be tracked in the Benefits Account, a sub-account of the BVA.

Question:

- a. Please file specific proposed language for the requested licence amendments, for the OEB's consideration. Please include any appropriate conditions concerning privacy protection, as contemplated in section 53.8, paragraph 4, of the *Electricity Act, 1998*.

4.0 Are the IESO/SME's proposals and methodology for calculating net revenues generated by third party access and the proposed allocations of those revenues to Smart Metering Entity Charge rate payers appropriate?

4.0 Staff – 6

Reference: B-5-1, Attachment 1 – Third Party Access Implementation Plan

Preamble: At Slide 19 of the presentation, the SME states:

“The products the SME will offer, will provide ratepayer value through their public benefit and/or financial return.”

Questions:

- a. Please clarify what is meant by ratepayer value through their public benefit and how these public benefits might be measured.

4.0 Staff – 7

Reference: Exhibit B, Tab 3, Schedule 1, Page 1

Preamble: At Exhibit B, Tab, Schedule 1, Page 1, the SME states:

“The market price that the SME will be charging will ensure full cost recovery of all of its costs related to data extraction and additional analysis, as required, from third parties, such that the SME's ratepayers will not subsidize third party access.

The SME will track its costs associated with providing third party access and recover these through the price charged to third parties for access.”

Questions:

- a. How will the SME ensure that revenues exceed costs (e.g., is there a true-up mechanism for unforeseen costs)?

4.0 Staff – 8

Reference: Exhibit B, Tab 3, Schedule 1, Page 2

- a. Please file the BDR cost allocation study referenced at Exhibit B, Tab, Schedule 1, Page. 2.

- b. Has the SME adopted all recommendations provided in the BDR report? If no, please identify the recommendations not adopted and provide an explanation as to why it has not been adopted.
- c. On what basis does the SME propose to allocate net revenues to SME ratepayers?
- d. How does the SME propose to return the allocated net revenues to SME ratepayers and over what time period?

4.0 Staff – 9

Reference: Exhibit B, Tab 3, Schedule 1, Page 3

5.0 Preamble: At Exhibit B, Tab, Schedule 1, Page.1, the SME states:
“The SME will track all costs in providing third party access so that no third party access related costs will flow back or be charged to SME ratepayers unless third party access related work is required by regulatory or licence requirements.”

Questions

- a. Please clarify what is meant by “unless third party access related work is required by regulatory or licence requirements.”

7.0 Staff – 10

Reference: Exhibit B, Tab 3, Schedule 1, Page 1

- a) Please provide a template of what would be included in the annual report to show net revenues generated.

9.0 *In the event revenues from the Third Party Access program are less than the cost of developing and operating that program, what entity would be responsible for such deficit?*

9.0 Staff – 11

Reference: B-5-1, Attachment 1 – Third Party Access Implementation Plan

Preamble: At Slide 20 and 21 of the presentation, the SME overviews a potential financial formula that may be used to data pricing.

Questions:

- a. The pricing models demonstrated on slides 20 and 21 appear to demonstrate how the individual costs of fulfilling each data request will be recouped by third parties.
 - i. How will the costs incurred by the SME to-date to create the framework that will allow for third party data requests be recovered from third parties?
 - ii. How will the ongoing management and operational expenses related to the third party access program be recouped from third parties?
- b. The financial formula demonstrated on slide 21 suggests that external resources will be required in order to fulfil data requests. Please specify:
 - i. who these external parties are;
 - ii. the role they will play in fulfilling data requests;
 - iii. the level of access they will have to MDM/R data and if access to personal/confidential information is being provided, how the SME will ensure security is maintained.

10.0 *What steps has the IESO/SME taken to ensure that the data is sufficiently protected and to prevent its re-identification, and are those steps sufficient? What conditions, if any, should be included in the SME's licence to ensure privacy protection in respect of the data?*

10.0 Staff – 12

Reference: Exhibit B, Tab 1, Schedule 1, Page 1

Preamble: The application states: "The data being collected by the SME is not personal information; it is de-identified information. As the risk of re-identification is not zero, the SME will take steps to protect the data and prevent its re-identification."

Question: Please elaborate on the risk of re-identification, and what steps the SME will take to mitigate that risk.

10.0 Staff – 13

Reference: B-5-1, Attachment 1 – Third Party Access Implementation Plan

Preamble: At Slide 10 of the presentation, the SME states that in 2016 it undertook "Extensive privacy analysis and industry engagement."

Questions:

- a. Please describe at a high level the privacy analysis completed and the extent to which the learnings from the analysis will be implemented by the SME.
- b. Since 2016, what privacy analysis has the SME undertaken?