

ADVANCED METER ENERGY USAGE DATA PRIVACY/SECURITY ADVISORY

At Cape Hatteras Electric Cooperative (CHEC), we are always looking for ways to modernize and upgrade the components of our distribution system to create a more reliable grid . In pursuit of this goal, in 2013, we deployed Advanced Metering Infrastructure (AMI) to member homes and businesses, cutting costs from manual meter reading and allowing us to harness technology to better serve you.

CHEC's advanced meters store and communicate member electric energy use data ("meter data"), including the amount of energy used and the time interval during which the energy was used. At its most basic level, your meter data allows us to accurately bill you for your energy consumption. But the use of this data offers additional member benefits and services:

- Additional ability to inform you about your energy use, better equipping you to realize savings
- Through data analysis, the ability to improve the products and services we offer – as just one example, the potential to contact members when data suggests they have an under-performing or malfunctioning appliance causing inordinate energy consumption and unwanted costs
- To furnish and improve demand response programs, curbing costs both to program participants and the membership as a whole
- Enhanced efforts to optimize performance of distributed energy resources
- Potential future benefits as technology advances

CHEC takes seriously the valid security and privacy concerns involving meter data and the associated personal information unique to you as a member ("membership info"). This advisory addresses the measures we take to safeguard your security and privacy, and applies to all such information we maintain, except for combined/aggregated meter data, unassociated with membership info.

Your safeguards include:

- We will not sell, rent or license the data specific to your meter or membership
- We pledge our confidential treatment of your meter data or membership info, consistent with legal and regulatory requirements
- We will restrict our use of meter data to member service - billing, planning, grid management, and development and advertising of member service programs designed to minimize rates, such as demand response or distributed energy resource programs
- We will not share member data or membership info with third parties for any purpose inconsistent with these safeguards, and then only after ensuring such parties will appropriately maintain its confidentiality, including non-disclosure agreements, or similar protections
- Such third parties will similarly be forbidden from using meter data or membership info for their own marketing or other commercial purposes
- Your meter data and membership info will not be provided to third parties for the purpose of sending you advertisements for products or services unaffiliated with CHEC.
- We have implemented several initiatives to strengthen our cyber security and resilience; including PCI compliance, cyber awareness education, end point protection, advanced data encryption and managed security services which provides 24/7 security services, monitoring and protection of our critical network assets.

CHEC will restrict access to meter data and membership info to:

- You; and anyone you have authorized to review, administer, and/or pay on your account
- Our authorized employees
- Our service providers, subject to the aforementioned appropriate safeguards for security and privacy, and then only to enable or enhance services intended to maintain/improve member service or minimize member costs
- In the event of an emergency, where we believe in good faith that disclosure is necessary to protect rights and property, or to protect your safety or the safety of others, to such persons or entities necessary to address the crisis, including but not limited to emergency service providers
- To government, law enforcement, judicial, or other persons to whom disclosure is required by law

We repeat here our pledge that your meter data will only be used for purposes consistent with providing you superior member service and to deploy programs and services designed to minimize your energy costs.