

# **COLUMBIAGRID Confidentiality Policy**

## **STATEMENT OF INTENT**

ColumbiaGrid, a Washington nonprofit corporation, was formed to improve the operational efficiency, reliability, and planned expansion of the Northwest transmission grid. ColumbiaGrid itself does not own transmission facilities, but its members (“Members”) and other parties to its agreements (“Qualified Non-Member Parties”) own and operate an extensive network of transmission facilities. Members and Qualified Non-Member Parties are referred to in this policy collectively as the “Parties.”

ColumbiaGrid’s processes are transparent and open to all interested persons. ColumbiaGrid values broad participation and interaction with stakeholders, including customers, transmission providers, states, and tribes, and provides a nondiscriminatory forum for interested persons to receive and bring forward pertinent information concerning the regional interconnected transmission system. ColumbiaGrid’s participation in the energy industry, however, often results in its receipt of sensitive information from a variety of industry stakeholders, including Parties and non-Parties (collectively, “Entities”), as well as the creation of sensitive information by ColumbiaGrid in the course of its duties. It is in the interest of ColumbiaGrid, the Parties, and the public to protect this information from improper disclosure to any Entity. The following policy is intended to balance the importance of a transparent and open process with the need to protect sensitive information. All ColumbiaGrid personnel, including directors, officers, employees, and independent contractors are expected to protect the confidentiality of all information they receive or produce in the course of their duties in accordance with the terms of this policy.

## **COMPONENTS**

### **1. Applicability.**

This policy applies to all ColumbiaGrid personnel, including directors, officers, employees and independent contractors who have access to Protected Information.

### **2. Written Agreements.**

As a condition of employment, each director, officer, employee, and independent contractor (“Personnel”) must enter into a written agreement with ColumbiaGrid consistent with the policies stated herein.

### **3. FERC Regulations.**

3.1 Transmission Providers. The Federal Energy Regulatory Commission (“FERC”), the federal agency that regulates the interstate transmission of gas and electricity, has adopted several regulations governing companies that provide gas or electric transmission service (“Transmission Providers”). For example, 18 C.F.R. Part 358 restricts Transmission Providers, along with their employees, contractors, consultants, and agents, from providing nonpublic transmission function information to certain Personnel with marketing functions. Also, Order

No. 890 requires Transmission Providers to protect information that qualifies as Critical Energy Infrastructure Information. Many of ColumbiaGrid's Parties are Transmission Providers and may, from time to time, provide Personnel with information that, because it is subject to federal regulations, must be treated as Protected Information. To the extent that ColumbiaGrid is or may be subject to FERC regulations, these policies are intended to comply with those regulations.

3.2 Duty of Directors and Officers. Directors and officers of ColumbiaGrid are expected and required to be knowledgeable of FERC orders and regulations applicable to ColumbiaGrid. To the extent that those orders and regulations apply to ColumbiaGrid, ColumbiaGrid's directors and officers will ensure compliance by ColumbiaGrid and its Personnel.

#### 4. Definitions.

4.1 Aggregated Information. "Aggregated Information" means any information that is not submitted by or relating to a single entity, such as entity-specific demand, net energy, capacity additions, reserves, purchases, and sales.

4.2 Protected Information. "Protected Information," as used herein, includes the following:

4.2.1 Confidential Information. "Confidential Information" means any information, regardless of the manner in which it is furnished, marked as "Confidential Information" or with similar wording at the time it is furnished.

4.2.2 Critical Energy Infrastructure Information or CEII. "Critical Energy Infrastructure Information" ("CEII") means specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (i) relates details about the production, generation, transportation, transmission, or distribution of energy; (ii) could be useful to a person in planning an attack on critical infrastructure; and (iii) does not simply give the location of the critical infrastructure.

4.2.3 Operational Data. "Operational Data" means: (a) operational or transmission system data arising out of the performance of ColumbiaGrid services under an agreement among ColumbiaGrid and any of the Parties ("Functional Agreement"), including utility-, plant-, or facility-specific data and including redispatch bids or results; or (b) CEII, that are (i) obtained from a Party or observed by ColumbiaGrid in its activities with a Party or (ii) obtained or observed in ColumbiaGrid's performance of services under a Functional Agreement.

4.2.4 Transmission Function Information. "Transmission Function Information" means information as defined in 18 C.F.R. § 358.3, as amended, relating to the planning, directing, organizing, or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.

4.2.5 Information Protected By a Specific Contractual Agreement. From time to time ColumbiaGrid may enter into contractual agreements requiring the treatment of certain information in accordance with such contractual agreements. In that case, the information

covered by such contractual agreements should be marked with a reference to the particular agreement when such information is submitted to ColumbiaGrid.

4.2.6 All Media Included. Protected Information includes any form in which that information exists, whether oral, written, film, tape, computer disk, electronic storage, or any other form of media.

4.2.7 Exceptions. Protected Information does not include information: (1) in the public domain or generally available or known to the public; (2) disclosed to a recipient by a Third Person who had a legal right to do so; (3) independently developed by the recipient or known to the recipient prior to its disclosure; (4) normally disclosed by entities in the Western Interconnection without limitation; (5) disclosed in aggregated form; (6) required by law to be disclosed; or (7) for which the source of the information has given its prior written consent for disclosure.

5. Labeling of Protected Information. Entities submitting Protected Information to ColumbiaGrid are required to appropriately label that Protected Information as Confidential Information, Operational Information, CEII, Transmission Function Information, or Standards of Conduct Information when requesting protected treatment for such information. If more than one category of Protected Information applies, the Entity submitting the information shall label such information with each applicable category. Any claims for treatment as Protected Information must be made in good faith.

5.1 Failure to Label. If an Entity submitting information to ColumbiaGrid fails to label that information in accordance with one of the categories of Protected Information, that Entity waives any protections under this policy.

5.2 Result of Incorrect Labeling. If an Entity submits information to ColumbiaGrid labeled with a category of Protected Information, ColumbiaGrid will follow the procedures for that category of Protected Information regardless of any labeling error.

5.3 Labeling Obligations of ColumbiaGrid. ColumbiaGrid has no obligation to independently analyze unlabeled information that it receives from other Entities, including Parties, to determine if it is Protected Information under this policy. However, ColumbiaGrid must appropriately label any information that is produced by ColumbiaGrid or Personnel and protect it accordingly.

6. Nonuse and Nondisclosure.

6.1 Policy Statement. Personnel, during the period of their relationship with ColumbiaGrid and thereafter, will not disclose to anyone outside ColumbiaGrid, or use for any purpose other than in connection with their work for ColumbiaGrid, any Protected Information, except as set forth in this policy. Personnel are required to treat any Protected Information they receive or produce in accordance with the protections provided to the applicable category of Protected Information under this policy.

6.1.1 Confidential Information. Confidential Information may be disclosed, reproduced, summarized, or distributed only in pursuance of the authorized duties of Personnel on behalf of ColumbiaGrid, and in accordance with this policy.

6.1.2 Operational Data. ColumbiaGrid will not disclose any Protected Information marked as Operational Data without the prior written consent of the source of the Operational Data.

6.1.3 CEII. ColumbiaGrid will protect from improper disclosure any Protected Information marked as CEII that ColumbiaGrid receives in connection with its performance of services under a Functional Agreement. If an Entity designates information as “Critical Energy Infrastructure Information” at the time it is furnished, ColumbiaGrid will not post the information on the public portion of ColumbiaGrid’s website. If any person seeks information designated as CEII through the Procedure to Access CEII set forth on ColumbiaGrid’s website, ColumbiaGrid will immediately notify the disclosing Entity to seek its consent to release the information. If the disclosing Entity does not consent, ColumbiaGrid will not release the CEII and will inform the requesting person of the disclosing Entity’s decision. Further, if information designated by an Entity as CEII is made part of a filing submitted by ColumbiaGrid with FERC, ColumbiaGrid shall take reasonable steps to ensure the protection of the information according to 18 C.F.R. § 388.112(b).

6.1.4 Information Protected by Contractual Commitment. If, in connection with the performance of its services under a Functional Agreement or otherwise, ColumbiaGrid enters into any contractual commitment to protect information, ColumbiaGrid will comply with the terms of the commitment. To the extent that there is a conflict between such a contractual commitment and the terms of this policy, the contractual commitment will apply.

6.2 Procedure When More Than One Category of Protected Information Applies. If more than one category of Protected Information applies to the Protected Information, such as when Protected Information is labeled as both Confidential Information and CEII, the most restrictive of the disclosure procedures should be applied to the Protected Information.

6.3 Transmission Function Information. If an Entity furnishes information marked as “Transmission Function Information” or “Standards of Conduct Information” at the time of its furnishing, ColumbiaGrid will not disclose the information to any Entity or other Personnel with marketing functions, unless the disclosure is consistent with 18 C.F.R. Part 358. ColumbiaGrid will make this determination only after the appropriate procedure for the release of Protected Information described in § 6.1.1 through 6.1.4 has been followed, if applicable, and would result in the disclosure of the information.

6.4 Confidentiality Agreements Required for Disclosure. If, in accordance with this policy, ColumbiaGrid will disclose Protected Information in response to a request, ColumbiaGrid may not disclose such information without obtaining an executed confidentiality agreement from the requesting Entity.

6.4.1 Disclaimer of Warranty. The confidentiality agreements required for disclosure under this section must provide that any data and analysis provided under this policy

is being provided as is and that any reliance by the user on such data or analysis is at its own risk. Such agreements must make clear that any such data or analysis is not warranted by ColumbiaGrid or its Members and that neither ColumbiaGrid nor its Members is responsible for any such data or analysis, for any errors or omissions in such data or analysis, or for any delay or failure to provide any such data or analysis to any requesting Entity. This disclaimer of warranty shall also be made clear on the ColumbiaGrid website and in other relevant distributions.

6.5 Notification Required. ColumbiaGrid must, promptly upon receipt of a request for Protected Information (or receipt of a notice of a request by an administrative or judicial forum for the public disclosure of Protected Information), notify the Entity that is the source of the Protected Information and other affected Entities of the request.

6.6 Disclosure Under Statute or Administrative or Judicial Order. ColumbiaGrid will use reasonable efforts to maintain the confidentiality of all Protected Information; provided however that ColumbiaGrid may disclose Protected Information if required to do so by statute, by administrative or judicial order, or by protective order of an authorized administrative or judicial body. An Entity whose Protected Information is sought to be released under this section may, in its sole discretion and at its sole cost and expense, undertake any challenge to the disclosure.

6.6.1 Confidentiality Agreements. In accordance with § 6.4 ColumbiaGrid will attempt, where permissible under the law, to obtain executed confidentiality agreements from the Entities receiving Protected Information under this section, but such confidentiality agreements are not a prerequisite for disclosure under this section.

7. Dispute Resolution Procedures. In the event a dispute arises related to the designation of Protected Information under this Policy, representatives of the disputing Entities with authority to settle the dispute shall meet and confer in good faith in an effort to resolve the dispute. If the dispute is not so resolved, the dispute may, if the disputing Entities unanimously so elect, be resolved by arbitration.

7.1 Arbitration Procedures. Any arbitration initiated under this Policy shall be conducted before a single neutral arbitrator appointed by the Entities. If the Entities fail to agree upon a single arbitrator within ten days of the referral of the dispute to arbitration, each Entity shall choose one arbitrator who shall sit on a three member arbitration panel. The two arbitrators so chosen shall within 20 days select a third arbitrator to chair the panel. In either case, the arbitrators shall be knowledgeable in electric industry matters, including electric transmission issues, and, unless otherwise agreed by the Entities to the dispute, shall not have any current or past substantial business or financial relationships with any Entity to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Entities an opportunity to be heard and shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

8. Surrender of Protected Information Upon Termination. Upon termination of their relationship with ColumbiaGrid, Personnel must surrender to ColumbiaGrid all Protected Information gained in connection with their work for ColumbiaGrid, including all memoranda, notes, lists, records, and other documents together with all copies and reproductions thereof,

made or compiled by Personnel or made available to Personnel concerning the business of ColumbiaGrid or any Parties or other Entities. Nothing contained in this paragraph is intended to prevent Personnel from utilizing their general knowledge, intellect, experience, and skills for gainful employment after termination of their relationship with ColumbiaGrid.

Adopted & Approved by ColumbiaGrid Board of Directors  
February 18, 2009