

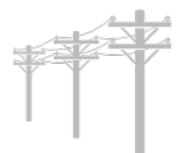


## PRIVACY POLICY

Effective Date: June 17, 2022

### POLICY AT A GLANCE

PEC is committed to upholding our Value of **Safety** by securing Personal Information and Confidential Business Information using reasonable and appropriate privacy and confidentiality protections. This is fundamental to the way we run our business.



## PURPOSE

- 1.1. Pedernales Electric Cooperative (“PEC” or “Cooperative”) recognizes the importance of having effective and meaningful privacy and confidentiality protections in place when it collects, uses, discloses, and retains Personal Information or Confidential Business Information of Members. The purpose of this Privacy Policy (“Policy”) is to establish the standards to be applied across PEC in carrying out its responsibility and commitment to respecting the privacy and confidentiality of Personal Information or Confidential Business Information.
- 1.2. PEC’s [Online Privacy Statement](#) and [Terms of Use](#) explain the use and treatment of information collected through PEC’s online interfaces, including its website, mobile applications, and applications PEC uses on social media platforms.
- 1.3. In addition to protecting Member Personal Information or Confidential Business Information in PEC’s possession, PEC has implemented an Identify Theft Red Flags Program meant to detect, prevent, and mitigate risks of identity theft to its Members in connection with the opening or maintenance of membership accounts.

## 2. SCOPE

- 2.1. This Policy applies to the PEC Board of Directors (“Board”) and all PEC employees.
- 2.2. This Policy applies to the collection, use, disclosure, and retention of Personal Information or Confidential Business Information by PEC or PEC’s authorized third-party business partners, and is subject to change without notice.
- 2.3. This Policy does not address data confidentiality requirements between PEC and its third-party business partners; those requirements are located within the applicable contracts or other forms of authorization.
- 2.4. This Policy does not limit PEC’s ability to use, manage, disclose, and retain its Records as PEC determines to be necessary and appropriate, or as required by law.

## 3. POLICY AND IMPLEMENTATION

### 3.1. Collection of Personal Information or Confidential Business Information

- 3.1.1. PEC collects Personal Information or Confidential Business Information in accordance with applicable laws and in observation of the legal rights of its Members.
- 3.1.2. PEC strives to limit its collection of Personal Information or Confidential Business Information to the minimum amount necessary to support PEC business.
- 3.1.3. Personal Information or Confidential Business Information is (1) provided to PEC directly by its Members, (2) collected automatically by PEC through interactions with its Members, and (3) obtained from third-parties in relation to PEC business.
- 3.1.4. Personal Information or Confidential Business Information that PEC may collect includes, but is not limited to, the following: Name, address, address history, date of birth, telephone number(s), email address(s), Social Security number, driver’s license number, government-issued identification number, credit information, capital credit/patronage account information, PEC elections/voting information, and



payment and account information. Account information may include information on a member's property and appliances, service history, and information maintained for meter reading purposes (e.g., warning about a dog in the yard or gate lock combination).

**3.1.5.** PEC may obtain Personal Information or Confidential Business Information as part of the following activities:

- 3.1.5.1.** Membership account management (including account set-up, billing, payment processing, collections, etc.).
- 3.1.5.2.** Electric services and outage management.
- 3.1.5.3.** Capital and patronage account management.
- 3.1.5.4.** Governance activities (including election activity and comments submitted for consideration by the Board during public meetings).
- 3.1.5.5.** Real estate acquisitions for planned electric distribution or electric transmission projects.
- 3.1.5.6.** Membership surveys to identify needs or improve service.
- 3.1.5.7.** Involvement with PEC's community support programs.
- 3.1.5.8.** Accessing or engaging PEC through PEC's website.
- 3.1.5.9.** Viewing, commenting on, or otherwise interacting with a PEC social media account and/or PEC social media posting.

### **3.2. Access to Personal Information or Confidential Business Information**

**3.2.1.** Members may request access to their Personal Information or Confidential Business Information by requesting it in writing through mail or email in accordance with Section 300.4 of PEC's [Tariff and Business Rules](#).

### **3.3. Security of Personal Information or Confidential Business Information**

- 3.3.1.** PEC maintains Personal Information or Confidential Business Information with commercially reasonable and appropriate technical, administrative, and physical safeguards that strive to protect against loss, unauthorized access, destruction, misuse, modification, and improper disclosure.
- 3.3.2.** PEC has implemented procedures related to data protection for Personal Information or Confidential Business Information. Any employee who fails to comply with any applicable PEC Policy or procedure may be subject to disciplinary action up to and including termination.
- 3.3.3.** PEC attempts to limit access to Personal Information or Confidential Business Information to PEC employees with a "need to know" and authorized third-party business partners necessary to conduct PEC business.
- 3.3.4.** PEC generally requires its authorized third-party business partners (e.g., related organizations, affiliates, vendors, or contractors) to use and maintain Personal Information or Confidential Business Information only to the extent necessary to perform their obligations within their agreements with PEC.



### **3.4. Identify Theft Identification Program**

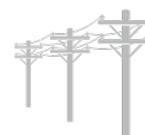
- 3.4.1.** Pursuant to the [Fair and Accurate Credit Transactions Act \(“FACTA”\)](#), PEC has established an Identity Theft Red Flags Program to identify possible identity theft risks as it relates to PEC business.
- 3.4.2.** PEC generally performs the following activities as part of its Identity Theft Red Flags Program:
  - 3.4.2.1.** Identify relevant identity theft Red Flags in PEC business.
  - 3.4.2.2.** Detect identity theft Red Flags as they may occur.
  - 3.4.2.3.** Prevent and mitigate identity theft by responding appropriately to identity theft Red Flag occurrences.
  - 3.4.2.4.** Review and update the Identity Theft Red Flag Program to ensure it addresses current activities of PEC and related identity theft methods and risks.
- 3.4.3.** The Chief Executive Officer, or designee, shall oversee the implementation and maintenance of the Identity Theft Red Flags Program and will periodically review the program to determine compliance with the requirements.
- 3.4.4.** The Chief Executive Officer, or designee, shall annually present to the Board of Directors a status report on the Program, describing the effectiveness of the Identity Theft Red Flags Program, any service provider arrangements, any significant incidents involving identity theft and management’s response, and recommendations, if any, for material changes to the Identity Theft Red Flags Program.

### **3.5. Use of Personal Information or Confidential Business Information**

- 3.5.1.** PEC generally limits its use and disclosure of Personal Information or Confidential Business Information to the minimum amount of information necessary to conduct PEC business and for the original intended purpose, or another purpose as explicitly authorized by law or Policy.
- 3.5.2.** Personal Information or Confidential Business Information may be used or disclosed by PEC in the following ways:
  - 3.5.2.1.** Information may be shared with PEC’s authorized third-party business partners necessary to assist in carrying out PEC business, such as providing electric services, conducting billing, processing payments, and executing management functions, including legal, election, audit, and collection services.
  - 3.5.2.2.** Information may be compiled in aggregate form for PEC management activities.
  - 3.5.2.3.** Information may be disclosed to, and shared with, credit risk assessment companies or credit reporting agencies for credit-related activities (e.g., credit assessments, reporting of bad debts, etc.).
  - 3.5.2.4.** Information may be disclosed when required by law, such as in response to a search warrant, subpoena, or court order.
  - 3.5.2.5.** Information may be used for investigations into employee misconduct or for law enforcement investigations related to PEC business.



- 3.5.2.6. Information may be provided, when appropriate, to protect PEC’s legal rights or during emergencies or otherwise if safety is believed to be at risk.
  - 3.5.2.7. PEC may use a member’s Personal Information to send email, telephone, or text message communications related to their service or PEC business, unless the member opts-out. To opt-out of these communications, the Member must either contact PEC with their opt-out request, or follow the opt-out instructions sent with the initial communication.
  - 3.5.2.8. Information may be disclosed at the request of, or with the permission of, the Member. Records about a Member will not be disclosed under PEC’s [Open Records Policy](#) without the permission of the Member unless required by law.
  - 3.5.2.9. Information may be disclosed, to the extent allowed by law, to a person with a superior property interest in the premises at which service is being provided (e.g., a landlord), in order to prevent waste or harm to those premises.
  - 3.5.2.10. PEC membership lists consisting of names, addresses, election district, and unique line information may be disclosed to a Member in connection with PEC election activities, subject to PEC’s [Bylaws](#) and the [Membership List Policy](#).
  - 3.5.2.11. The names and mailing addresses of Members who voted in any, or each, director district election for a certain period (the “Voter History List”) may be disclosed to a qualified candidate for an election, subject to PEC’s [Election Policy and Procedures](#).
  - 3.5.2.12. Comments submitted for consideration by the Board during public meetings will be maintained for the official record of the meeting and may be disclosed.
  - 3.5.2.13. Records regarding responses to surveys may be published. Published responses will not reveal the Member’s name, but instead will be published anonymously.
  - 3.5.3. Personal Information or Confidential Business Information may not be used or disclosed by PEC in the following manners:
    - 3.5.3.1. PEC will not sell, rent, loan, or exchange lists of names and mailing addresses of Members, except as allowed by PEC’s Membership List Policy.
  - 3.5.4. PEC strives to be transparent with its practices for the collection, access, use, and disclosure of Personal Information or Confidential Business Information. Any disputes over access, correction, questions about this Policy, or other matters regarding Personal Information or Confidential Business Information may be directed to PEC by going to <https://www.pec.coop/about-us/contact-us/>. The Cooperative will generally resolve any questions or problems that arise regarding the use of Personal Information or Confidential Business Information in accordance with the PEC Tariff and Business Rules as to Member Complaints in Section 300.14.4.
- 3.6. Retaining Personal Information or Confidential Business Information**
- 3.6.1. PEC generally retains Personal Information or Confidential Business Information for as long as required to perform the purposes for which the information was collected. PEC may retain the information for longer based on the legal basis for which that information was obtained and/or whether additional legal/regulatory obligations mandate that PEC retain the information. PEC may also retain the Personal



Information or Confidential Business Information for the period during which a claim may be made in relation to the Member's dealings with PEC.

- 3.6.2.** PEC generally retains Personal Information or Confidential Business Information in accordance with PEC's Record Management Policy, Record Management Procedure, and Records Retention Schedule.

## 4. DEFINITIONS

- 4.1. Confidential Business Information** – Information that PEC has designated as confidential or proprietary due to contractual or legal requirements and/or as otherwise necessary for Cooperative business purposes. Confidential Business Information may include, but is not limited to: capital credit/patronage account information, PEC elections/voting information, payment and account information, and/or service history.
- 4.2. Personal Information** – This term may vary based on applicable laws and regulations, but may include without limitation information, that alone or in conjunction with other information identifies an individual, such as an individual's name, contact information, or date of birth in combination with one or more of the following: (i) Social Security number; (ii) driver's license number; (iii) government-issued identification number; (iv) bank or credit information; (v) biometric information; and/or (vi) information about an individual's health or medical treatment.
- 4.3. Records** – Any information, regardless of medium or characteristics, made or received and retained by PEC in observance of legal obligations or in the transaction of PEC business.
- 4.4. Red Flag** – A pattern, practice, or specific activity that indicates the possible existence of identity theft.
- 4.5. Red Flag Rules** – Federal laws requiring the Federal Trade Commission and banking regulatory agencies to issue regulations to address the threat of identity theft as set forth in the Fair Credit Reporting Act ("FCRA") as amended by the Fair and Accurate Credit Transaction Act ("FACTA"), 15 U.S.C. 1681 et. seq.

## 5. POLICY ENFORCEMENT

The Chief Executive Officer will enforce this Policy. Violation of this Policy may result in disciplinary action, up to and including, termination.

## 6. REFERENCES AND RELATED DOCUMENTS

[Online Privacy Statement](#)

[Terms of Use](#)

[Tariff and Business Rules](#)

Identity Theft Red Flags Program

[Fair and Accurate Credit Transactions Act \("FACTA"\)](#)

[Open Records Policy](#)



[Bylaws](#)

[Membership List Policy](#)

[Election Policy and Procedures](#)

<https://www.pec.coop/about-us/contact-us/>

Record Management Policy

Record Management Procedure

Records Retention Schedule

[Business and Commerce Code, Sec. 521.001, Identity Theft Enforcement and Protection Act](#)

Date adopted:	April 23, 2009
Last reviewed:	June 17, 2022
Review frequency:	Annually
Amendment dates:	December 14, 2009, June 17, 2022
Effective date:	June 17, 2022
Approver:	Board of Directors
Applies to:	Board of Directors and All PEC Employees
Administrator:	Chief Executive Officer
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.

