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Subject: Artificial Intelligence Policy			Policy No.: 158
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Objective:

This policy governs the use of generative artificial intelligence (AI) technologies within . This AI usage policy aims to enable Jemez Mountains Electric Cooperative Inc. to use AI technologies responsibly and consistent with the Jemez Mountains Electric Cooperative’s mission and objectives. At the same time, this policy seeks to mitigate legal and privacy risks associated with the use of AI.

I. Purpose of AI Use:

- a. AI technology at Jemez Mountains Electric Cooperative Inc. may be used as permitted by Jemez Mountains Electric Cooperative Inc. leadership. AI technology may not be used for any purposes that would violate this policy, any other Jemez Mountains Electric Cooperative Inc. policy, or in a manner that would intentionally or where a reasonable person knows or should know would cause harm to the Jemez Mountains Electric Cooperative Inc.
- b. If you have any questions regarding this policy, please contact the General Manager.

II. Definitions

- a. Artificial Intelligence – “artificial intelligence” or “AI” has the meaning set forth in 15 U.S.C. 9401(3): “a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. Artificial intelligence systems use machine- and human-based inputs to (A) perceive real and virtual environments; (B) abstract such perceptions into models through analysis in an automated manner; and (C) use model inference to formulate options for information or action.” Examples of AI systems include, but are not limited to: ChatGPT, Google Gemini, Microsoft Copilot, Bing Chat, and Amazon CodeWhisperer.
- b. Large Language Models (LLM) – machine learning models that are a type of AI that comprehend and generate outputs such as human language text. ChatGPT is an example of an LLM.
- c. Hallucinations – inaccurate and/or fabricated answers to a user prompt generated by LLMs that appear authentic.
- d. If one is unsure whether a software tool or website employs generative AI technology, and falls within the scope of this policy, please contact the General Manager or the Information Technology Manager.

III. Standards for Using AI:

- a. This policy applies to all employees and contractors of Jemez Mountains Electric Cooperative Inc. for all work performed on behalf of Jemez Mountains Electric Cooperative Inc., regardless of where or how the work is performed.
- b. AI usage by an employee or contractor of the Jemez Mountains Electric Cooperative Inc. must be approved in writing by the General Manager.



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- c. *[Alternative language to III(a): Generative artificial intelligence (AI) is still a new and rapidly evolving technology. There are many unknown risks to sensitive information held by Jemez*

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- d. ***Mountains Electric Cooperative. As such, all use of generative AI while performing work for Jemez Mountains Electric Cooperative is prohibited. Cooperative email addresses, credentials or phone numbers cannot be used to create an account with these technologies, and no cooperative data of any kind may be submitted (copied, typed, etc.) into these platforms.]***
- e. Employees and contractors (including lawyers and CPA's) are strictly prohibited from using an approved AI system in a manner that has potential to harm individuals, discriminate, or violate privacy or other applicable laws. Examples of permissible use for AI include, but are not limited to, note-taking, drafting of correspondence, drafting of blog or social media posts, or generating definitions. Examples of impermissible use for AI include, but are not limited to, the creation of works that involve current or potential new intellectual property for Jemez Mountains Electric Cooperative Inc., any inputting of sensitive, confidential, or protected cooperative data, or [other confidential, protected, proprietary or sensitive data].
- f. Human Review – Employees may not solely rely on AI-generated work as their final work-product, and all work including AI outputs must be reviewed by Jemez Mountains Electric Cooperative Inc. employees to ensure accuracy, reliability, and adherence to Jemez Mountains Electric Cooperative Inc. other existing policies. Generative AI has known issues with “hallucinations,” or false, incorrect or misleading outputs. All Jemez Mountains Electric Cooperative Inc. employees using AI should be aware of hallucinations and the risk posed by them.
- g. Employees shall disclose in writing that AI was used during the process of creating any work-product.

IV. Data Privacy and Security:

- a. AI usage must comply with all relevant data privacy regulations and internal Jemez Mountains Electric Cooperative Inc. data privacy and data usage policies.
- b. Data used to train and operate AI systems must be handled securely and in compliance with applicable laws, regulations, and rules to prevent unauthorized access or disclosure. ***Jemez Mountains Electric Cooperative Inc. employees shall not input confidential, proprietary, or other Jemez Mountains Electric Cooperative Inc. data into AI systems like ChatGPT, Google Gemini, or other third-party services unless specifically given permission to do so from the General Manager. (Questions about data privacy and security as it relates to AI usage should be directed to the General Manager and Information Technology Manager.)***
- c. When using third-party AI systems, cooperative employees must use due diligence to ensure vendors and their products meet the standards set forth in this policy and such systems are in the best interest of the cooperative.
- d. Questions about data privacy and security as it relates to AI usage should be directed to the General Manager.



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V. Transparency:

- a. AI systems and models developed internally must be transparent and explainable, especially when making decisions that impact individuals or operations.
- b. The Cooperative will avoid the use of “black box” models that lack transparency when contracting with potential vendors. A “black box” model is a system that does not reveal any information about its internal workings or is so complex as to not be easily interpreted by humans.

VI. Intellectual Property:

- a. *Cooperative employees and contractors shall not use any AI outputs that include unauthorized use of protected intellectual property, such as copyrighted or trademarked materials, that could expose Jemez Mountains Electric Cooperative Inc. to legal liability.*
- b. *Employees and contractors shall not input any information into AI systems with any of Jemez Mountains Electric Cooperative Inc.’s intellectual property, including, but not limited to, copyrighted materials, publications, trademarks or logos. This includes intellectual property licensed from third parties that restricts its input into an AI system.*
- c. *If an employee or contractor is uncertain about using AI impacts intellectual property rights, the employee or contractor shall consult with their manager and, if determined as appropriate, contact Jemez Mountains Electric Inc. legal counsel.*

VII. Continuous Learning and Improvement:

- a. Jemez Mountains Electric Cooperative Inc. encourages ongoing education and training for employees involved in AI development or use. Training for employees across the cooperative will be managed by the General Manager and Information Technology Manager to ensure consistent standards for AI usage by all Jemez Mountains Electric Cooperative Inc. employees.

VIII. Compliance, Reporting and Monitoring:

- a. Employees wanting to use AI for work **must seek approval from their manager prior** to such use.
- b. Any concerns or incidents related to AI use shall be immediately reported to the General Manager.
- c. ***Employees and contractors must retain documents containing AI use in accordance with existing document retention policies.***
- d. Jemez Mountains Electric Cooperative Inc. IT department monitors AI systems use to ensure a safe and secure working environment and to minimize risks to the cooperative.



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- e. Employees and contractors are to report any suspected violations of this policy to the General Manager and Information Technology Manager. Any violation of this policy will result in disciplinary action, up to and including termination.

IX. Review:

- a. This policy will be reviewed periodically and updated as needed to reflect changes in technology, regulations, or business practices.
- b. Cooperative will conduct periodic reviews of AI usage and AI system performance to promote ongoing compliance with applicable laws, regulations, industry standards, and internal policies.
- c. *AI systems licensed from vendors shall be periodically reviewed to ensure continued compliance with this and other applicable cooperative policies.*

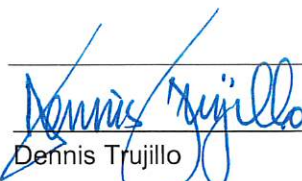
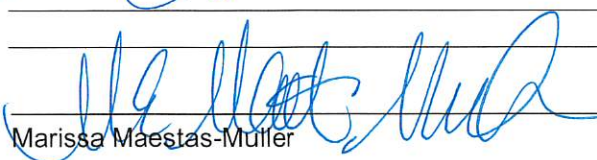


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(Signature Page)

APPROVED: _____

 Dennis Trujillo	_____, Chairman of the Board	Date: <u>10/31/2025</u>
 Marissa Maestas-Muller	_____, Policy Committee Chair	Date: <u>10/31/25</u>

