

Policy Title	Changes to Default Rate Product		
Policy Number	CPA2020-13	Effective Date	Original: 02/06/2020



Policy No. 13 for Changes to Default Rate Product

I.

PURPOSE

Each of the Clean Power Alliance of Southern California’s (“CPA”) Member Agencies has discretion to select the Default Rate Product for the customers in their respective jurisdictions. Prior to service launch, each Member Agency selected a Default Rate.

Although CPA’s Joint Powers Agreement contemplates that each Member Agency may change its individual Default Rate Product, the Joint Powers Agreement does not specify a process.

A change in the Default Rate Product will impact CPA’s fiscal, energy procurement, operational, and customer communication activities, and CPA needs to appropriately plan for these changes.

CPA enacts this Policy in order to specify a process for a Member Agency to change its Default Rate Product while providing CPA sufficient notice and time to prepare for that change.

II.

DEFINITIONS

1. **“Board”** means the Board of Directors of CPA.
2. **“CPA Rates”** means the rates applicable to a customer class as established in CPA’s rate schedule. For example, rates D, GS-1, AL-2-F, TOU-GS-1-A.
3. **“CPA Rate Product”** means a rate product approved by the Board and available to CPA customers. For example, Lean Power, Clean Power, or 100% Green Power. A CPA Rate Product is distinguishable from CPA Rates.
4. **“Default Rate Product”** is a CPA Rate Product option which each Member Agency selected as the default for the Member Agency’s customers. The Member Agency’s selection established the CPA Rate Product (e.g., Lean Power, Clean Power, or 100% Green Power) that every customer in the Member Agency’s jurisdiction would be given unless the customer takes an Opt Action.
5. **“Member Agency”** is a “Party” as that term is defined in Section 1.16 of CPA’s Joint Powers Agreement.
6. **“Opt Action”** means an affirmative action taken by an individual CPA customer account either (a) to choose a CPA Rate Product that is different from the Default Rate Product for the customer’s current service location, or (b) to opt out of CPA service.

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III.

PROCESS REGARDING CHANGES TO A MEMBER AGENCY'S SELECTION OF THE DEFAULT RATE PRODUCT

1. **Advance Notice.** If a Member Agency intends to change its Default Rate Product for the Member Agency's customers, a Member Agency shall provide notification to CPA of the Member Agency's decision to change its Default Rate Product before January 1 of the year in which the Default Rate Product change will occur. See Section III.3.

Notwithstanding the foregoing, CPA and the Member Agency may mutually agree upon a different notification schedule, as long as such notification is provided by April 1, 2020.

2. **Activities Subsequent to Member Agency Notice.** Upon receipt of a Member Agency's notice, CPA may engage in any of the following activities:
 - a. Purchase or prepare to purchase the appropriate amount of resources to meet the expected change in demand when the Default Rate Product is changed;
 - b. Complete or prepare to complete additional regulatory compliance and reporting requirements, if any;
 - c. Coordinate with CPA's data manager and Customer Service Center to make necessary operational adjustments;
 - d. Evaluate fiscal impacts of default rate product change;
 - e. Examine CPA Rates and any rate impacts;
 - f. Coordinate and work with SCE on billing considerations;
 - g. Prepare for and deploy customer communications efforts. See Section IV.4, below, for additional detail;
 - h. Identify and address any other operational impacts or issues and take steps to mitigate those impacts/issues; or,
 - i. Take any other action necessary to effectuate the Member Agency's change in Default Rate Product.

3. **October Default Rate Product Change Implementation.** CPA will implement any change to the Default Rate Product in the month of October following the Member Agency's notification to CPA of the Member Agency's Default Rate Product change pursuant to Section IV.1, above. The transition will take effect on the individual customer's first meter-read date in October.

Notwithstanding the foregoing, CPA and the Member Agency may mutually agree upon a different implementation schedule.

4. **Customer Communications.** CPA will notify customers subject to a Member Agency's Default Rate Product change. CPA will lead, with support from the Member Agency, the development and dissemination of customer notices.
 - a. **Required Notifications.** Any customer accounts subject to a Member Agency's Default Rate Product change shall be sent a minimum of two (2) notifications. A minimum of one (1) notice shall be sent prior to the change going into effect.

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- b. **Optional Additional Notifications.** In addition to the two required notices referenced in Section 4.a., above, CPA will coordinate with a Member Agency who wishes to develop and distribute additional customer notices and/or conduct additional communications such as on-bill messaging, bill inserts, social media campaigns, jurisdictional newsletters, etc.
 - c. **Cost of Customer Notices.** CPA will cover the cost of the required customer notices for the Member Agency's first Default Rate Product change. Subsequent Default changes will be charged to the Member Agency.
- 5. **Exceptions to Application of Default Rate Product Change.** Notwithstanding anything contained in this Policy, in no event shall a Member Agency's change in the Default Rate Product affect the following:
 - a. **Prior Customer Opt Actions.** Any customer account that has affirmatively taken any Opt Action.
 - b. **Additional Exceptions.** The CPA Executive Director is authorized to determine additional exceptions for customers that would be excluded from the parameters of a Default Rate Product change or to implement the change on a different schedule than as set forth herein.
- 6. **Frequency of Default Rate Product Change by a Member Agency.** A Member Agency may change its Default Product no more than one (1) time every two (2) years.
- 7. A customer may take an Opt Action at any time by notifying CPA.