

**Orange County Power Authority**  
**Policy Number 023: Changes to Default Rate Product Policy**

**Purpose**

Each Orange County Power Authority (“OCA”) Member Agency has discretion to select the Default Rate Product for the customers in its respective jurisdiction. Prior to service launch, each Member Agency selected a Default Rate Product.

Although OCA’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 OCA’s fiscal, energy procurement, operational, and customer communication activities, and OCA needs to appropriately plan for these changes.

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

**Definitions**

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

**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 written notification to OCA 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 3 below.

Notwithstanding the foregoing, OCPA Chief Executive Officer and the Member Agency may mutually agree upon a different notification schedule.

2. Activities Subsequent to Member Agency Notice. Upon receipt of a Member Agency's notice, OCPA 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 OCPA's data manager and Customer Service Center to make necessary operational adjustments;
  - d. Evaluate fiscal impacts of Default Rate Product change;
  - e. Examine OCPA Rates and any rate impacts;
  - f. Coordinate and work with SCE on billing considerations;
  - g. Prepare for and deploy customer communications efforts. See Section 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. OCPA will implement any change to the Default Rate Product in the month of October following the Member Agency's notification to OCPA of the Member Agency's Default Rate Product change pursuant to Section 1, above. The transition will take effect on the individual customer's first meter-read date in October.

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

4. Customer Communications. OCPA will notify customers subject to a Member Agency's Default Rate Product change. OCPA 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.

- b. Optional Additional Notifications. In addition to the two required notices referenced in Section 4.a., above, OCPA will coordinate with a Member Agency that 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. OCPA will cover the cost of the required customer notices for the Member Agency's first Default Rate Product change. Subsequent Default Rate Product changes will be subject to reimbursement by the Member Agency within sixty (60) days of receipt of an invoice from OCPA for the cost of the customer notices.
- 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 OCPA Chief Executive Officer 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 Rate Product no more than one (1) time every two (2) years.
- 7. Customer Opt Actions. A customer may take an Opt Action at any time by notifying OCPA.