



San Diego Community Power
Member Agency's Default Service Change Policy

Effective Date: July 27, 2023 Policy Number 2023-11

PURPOSE

This policy provides the framework for San Diego Community Power (SDCP) Board of Directors and staff to evaluate and implement member agency's changes of their default service.

Default service is defined as the selected SDCP service level which each member agency has selected as the default for the member agency's customers. The member agency's selection established the SDCP service level (i.e. PowerOn, which is at least 50% renewable, and/or Power100, which is 100% renewable and carbon-free) that every customer in the member agency's jurisdiction would be served under unless the customer takes an Opt Action to change their service level selected by the member agency by either opting down to PowerOn if the default is Power100 and/or opt up to Power100 if their default is PowerOn; or completely opt out of SDCP service and return to SDG&E's bundled service.

Each of the SDCP member agencies has discretion to select the default service for the customers in their respective jurisdictions. Prior to service launch, each member agency selected a default service that customers within its jurisdiction would be enrolled in and served under. Although Recital 6(c) of the SDCP Joint Powers Agreement contemplates that each member agency can opt up or change its individual default service, the Joint Powers Agreement does not specify a process through which this can be done. A change in the default service will impact SDCP's fiscal, energy procurement, operational, and customer communication activities, and SDCP needs to appropriately plan for these changes. SDCP adopts this Policy in order to specify a process for a member agency to change its default service while providing SDCP sufficient notice and time to prepare for that change.

GENERAL CRITERIA

1. Notice of Default Service Change. If a member agency intends to change the default service for its customers, the member agency shall approve the change by an affirmative vote of the member agency's governing body. The member agency shall then provide written notice to SDCP of its decision to change the default service at least 12 months before the year in which the default service change will occur. The notice shall include a verified copy of the member agency's action changing the default service and any other information requested by SDCP.
2. February Default Rate Product Change Implementation. SDCP will implement any change to the default service in the month of February following the member agency's 12 month's prior notice to SDCP of the member agency's default service change. The service change will take effect on the customer's first meter-read date on or after February 1.
3. Activities Subsequent to Member Agency Notice. Upon receipt of a member agency's notice to change its default service, SDCP may engage in any or all of the following activities:
 - a. Purchase or prepare to purchase the appropriate amount of resources to meet the expected change in energy and generation capacity when the default service is changed.

- b. Complete or prepare to complete additional regulatory compliance and reporting requirements, if any.
 - c. Coordinate with SDCP's data manager and Customer Service Center to make necessary operational adjustments.
 - d. Evaluate financial and procurement impacts of default service change.
 - e. Examine SDCP rates and any rate impacts.
 - f. Coordinate and work with SDG&E on billing considerations as needed.
 - 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.
 - i. Take any other action necessary to effectuate the member agency's change in default service.
4. Customer Communications. SDCP will proactively notify customers subject to a member agency's default service change. SDCP will lead, with support from the member agency, the development and dissemination of customer notices.
 - a. **Required Notices**. Any customer accounts subject to a member agency's default service change shall be sent a minimum of two (2) notices at the time of the default service change. The first notice will be sent at least thirty (30) days prior to the service change and the second notice sent within thirty (30) days after the service change. These notices may be sent electronically and/or via regular mail.
 - b. **Optional Additional Notices**. In addition to the two required notices referenced in Section 4.a., above, SDCP 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**. SDCP will cover the cost of the required customer notices for the member agency's first default service change. Subsequent default service changes will be charged to the member agency.
5. Frequency of default service change by a Member Agency. A member agency may change its default service no more than one (1) time every two (2) years.
6. Exceptions to application of default service change. Notwithstanding anything contained in this Policy, in no event shall a member agency's change in default service affect the following:
 - a. **Prior Customer Opt Actions**. Any customer account that has affirmatively taken any Opt Action.
 - b. **Additional Exceptions**. SDCP's Chief Executive Officer is authorized to determine additional exceptions for customers that would be excluded from the parameters of a default service change or to implement the change on a different schedule than as set forth herein.
7. Customer Default Service Change: Nothing in this policy is intended to modify the rights of an individual customer to change their default service at any time by notifying SDCP.