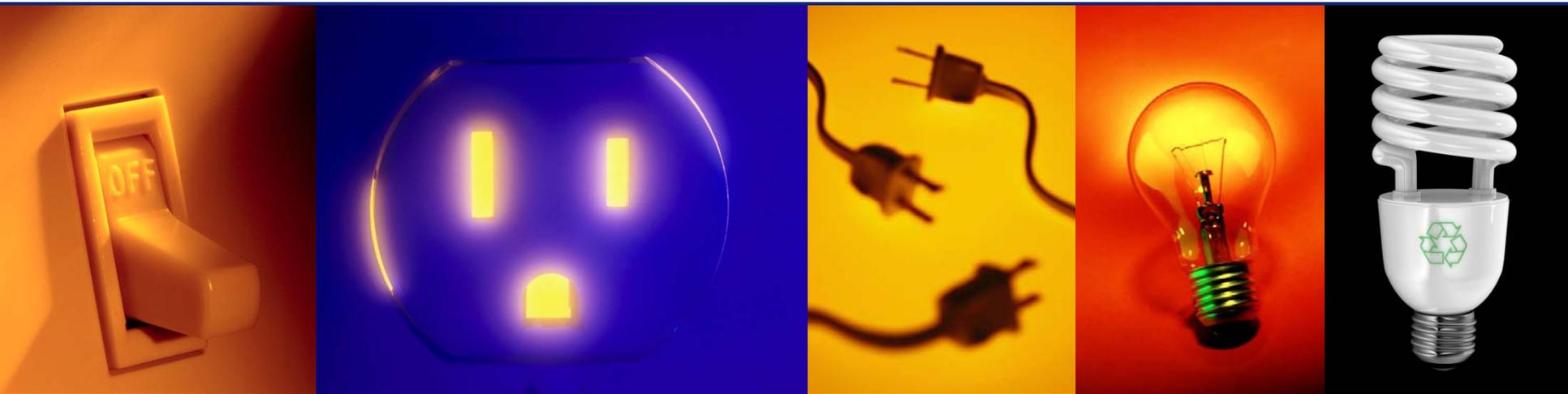


Department of Navy Resident Energy Conservation Program

2012



Background



- **In 1998, the Office of the Secretary of Defense (OSD) established policy for resident paid utilities in public-private venture (PPV) family housing**
 - Requires separation of rent and utilities
 - Requires transfer from project owner paid to resident paid utilities
 - PPV Partners have agreed to implement program consistent with OSD policy
- **Issue: Residents of rental housing typically consume more energy when not responsible for utilities – there is no incentive to conserve**
 - Excess energy costs impact PPV projects over the long-term and reduce net operating income, long term sustainment accounts and resident quality of life

Background (cont.)



DoN implemented pilot program (“Resident Energy Conservation Program” (RECP)) involving 7,000 Navy/Marine Corps privatized units in HI and SC

- Program implemented during 2010 with mock billing beginning in September
- Live billing began January 2011
- Army and Air Force commenced programs in 2003 and 2006, respectively

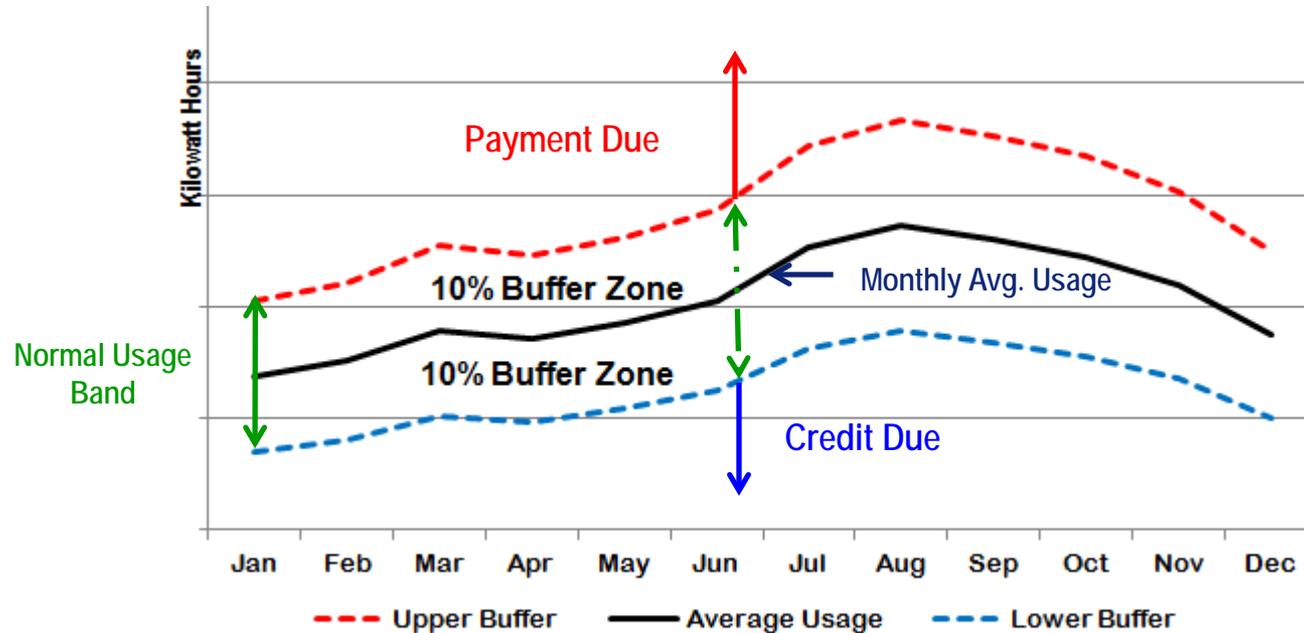
RECP Pilot Conservation Results



Live Billing at 20% Buffer: Jan-Dec 2011

- **8.5% reduction in usage relative to same months in 2010**
- **Over 10 million kilowatt hours (kWh) conserved**
- **Over 7,000 tons of greenhouse gas (CO₂) conserved**
- **Over \$2 million worth of electricity conserved**

RECP Methodology

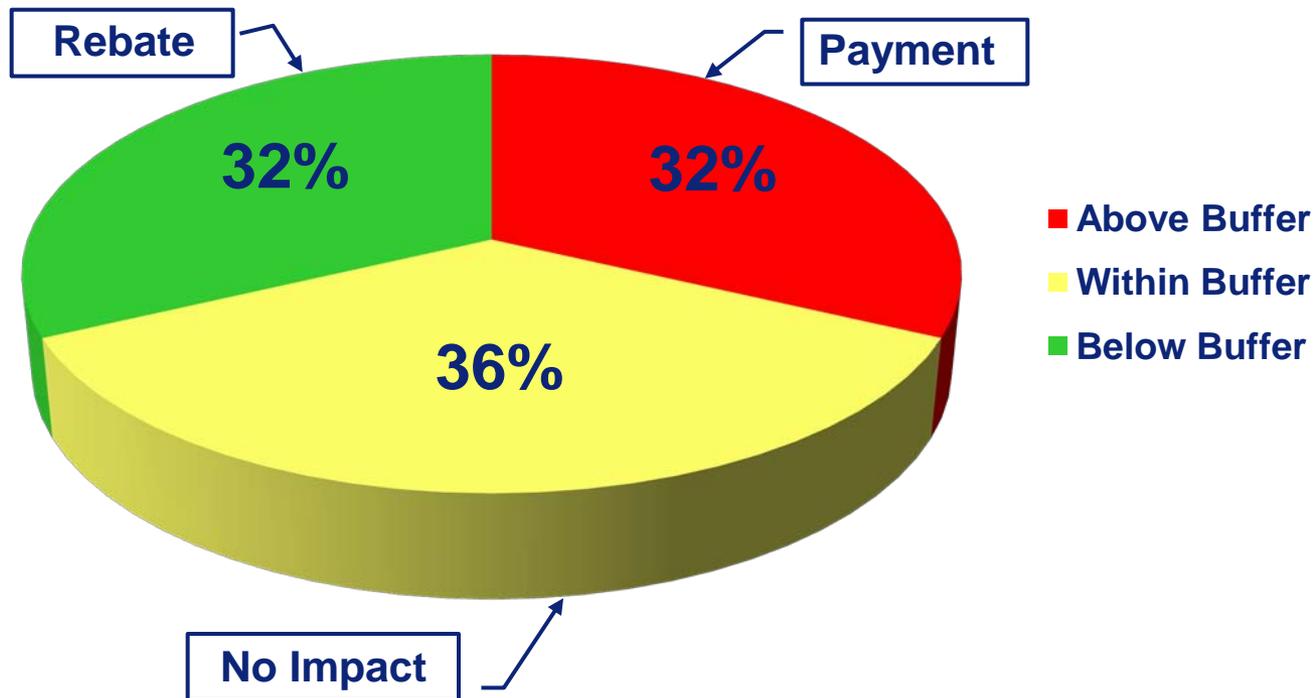


- Average use calculated monthly for like-type groups (LTG) of homes
- Usage within the Normal Usage Band does not impact the resident
- Usage above the Normal Usage Band is billed and usage below the band results in a rebate

Resident Billing Distribution



Anticipated Impact at 10% Buffer



Navy and USMC RECP Comparison



	Navy Roll Out	USMC Roll Out
Buffer	10%	10%
EFM / other handicap family member exemption	Application process	Application process for EFM, other handicap family not included
Wounded Warriors	Automatic exemption	Application process
Mock billing for new residents after live billing launch	None	1st three months (5 year sunset)
Billing/rebate trigger amount	\$25	\$25
Utilities included in program	Electric and gas	Initially electric only, gas to follow

RECP Implementation



- **Communications (2-3 months, ongoing)**
 - Multi-stage resident communications initiative
 - Extensive communications with commands, residents, and property management personnel (PAO coordination)
- **Pre-mock billing (3 months)**
 - Complete business agreements
 - Coordinate launch of mock billing
 - Address any metering/billing issues and begin performing energy audits
- **Mock billing – (3 months)**
 - Inception of mock billing – applies to every residence
 - Continue energy audits
- **Live billing – (Ongoing)**
 - Exceptional Family Member/Wounded Warrior exception



Questions?



BACK-UP SLIDES

Sample Electric Bill

Credit received or balance due

Monthly average usage for your like-type group

Your usage this month compared to other similar homes

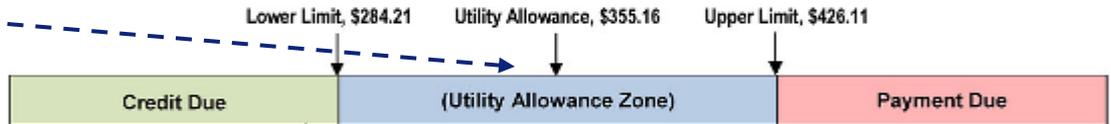
Your usage history

Your Account

Address	Account Number	987654321	Previous Balance	\$42.58
Scott J. Harper	Invoice Number	22334455	Payments (Thank you!)	(\$42.58)
1234 Anderson Avenue	From	Dec 1, 2010	Current Charge (Credit)	(\$12.64)
Honolulu, HI 96818	To	Dec 31, 2010	Balance Forward	(\$12.64)
	Length	31 days		
	Invoice Date	Jan 15, 2011		
Amount Due	\$0.00			

Service Details

Meter No	Begin Read	End Read	kWh	\$/kWh
66779988	12054	13386	1,332	0.20388
Upper Limit			2,090 kWh	\$426.11
Average of Like-Type Homes (Utility Allowance)			1,742 kWh	\$355.16
Lower Limit			1,394 kWh	\$284.21
Your Usage			1,332 kWh	\$271.57
Amount Owed/(Credit Amount)			-62 kWh	(\$12.64)



Your Usage Profile		
Month	kWh	Amount
Jan 2010	2,250	\$458.73
Feb 2010	2,200	\$448.54
Mar 2010	2,075	\$423.05
Apr 2010	1,965	\$400.62
May 2010	2,050	\$417.95
Jun 2010	2,150	\$438.34
Jul 2010	2,300	\$468.92
Aug 2010	2,365	\$482.18
Sep 2010	2,200	\$448.54
Oct 2010	2,250	\$458.73
Nov 2010	2,380	\$485.23
Dec 2010	1,332	\$271.57

