

# REC On-bill Tariff Stakeholder Meeting

**June 30, 2021**

## Main Session Chat Questions and Dialogue

Name	Questions/Comments	Responses Shared
Stephen Bickle, Liberty Homes	RE Energy Advisors - Can you provide more information on what their training will be, what they will be doing, and what kind of billing data and analytics tools they will have access to? (Chat)	<b>Peter Muhoro:</b> REC currently has several energy advisors and will be doing the energy audits. As the program stands up, we will evaluate how we can add more in the future. Our REC energy advisors have various certifications, are certified auditors and can access the billing data as they have already been doing. They have been helping members with high bill complaint already so this program is a continued upgrade to what they do
Judy Lamana	Who is funding the REC Energy Advisors? It would be so great if REC could go BIG on this outreach and assessment process.	
Scott Williams	Does the tariff transfer to future property owners until repayed?	<p><b>Rory McIlmoil:</b> That's the idea, Scott. But that all depends on whether the property owner (in the case of owner-occupied properties) wants to pay off the remaining principle before selling (or if the seller requires that), or whether the buyer and seller agree to transfer the tariff since the buyer will also benefit from the energy savings.</p> <p><b>Peter Muhoro:</b> Yes, the tariff stays with the location so if someone moves, it stays with the location. Part of why we selected this program is because it even has the capability to be used on rental properties.</p>

Holmes Hummel	Clarification: Any utility in Virginia can propose a tariff that includes upgrades to non-electric heating sources, and the utility regulators in Virginia can make the same judgment made by regulators in Kansas, Kentucky, and Arkansas to approve it. The limit to electric efficiency upgrades mentioned on Tammy’s last slide applies specifically to programs that are benefiting from the expedited conditional approval enacted unanimously by the Virginia state legislature.	<b>Peter Muhoro:</b> Holmes, thank you for your clarification. REC’s program will focus on running the program based on the enacted law by the legislature but we believe there are more opportunities in the coming years to expand to beyond all electric homes. As the first electric co-op in the Commonwealth to do this program, we want to make sure we do it well, and right, and hopefully many more will be able to do it, for all homes, not just all-electric homes.
Scott Williams	What is the minimum requirement for estimated savings (in \$ or %) and maximum acceptable estimated tariff repayment term? (Chat)	<b>Peter Muhoro:</b> Our goal is to target a 20% in savings as a benchmark. We are still finalizing the repayment terms but will likely be either 10 or 15 years. On average, most PAYS programs show about 10 years for repayment  <b>Rory McIlmoil:</b> A 15 year cost recovery/repayment term will allow for greater investment, and thus greater bill savings for participants. However, 15 years may exceed the life of the investments/equipment. So what How\$mart KY did is say “15 years max, or 75% of the useful life of the upgrades, whichever is less.”
Judy Lamana	Tammy, have you been able to discern what percent of upgraded homes increase their energy usage? Meaning they are choosing to use their \$ savings for more comfort?	
Paula Walker	Are there tax implications for the property owner for the upgrades?	<b>Joyce Bodoh:</b> Paula, participants will receive a Pearl certification. This will be tied to the location so that the property should increase in value as a result of the energy efficiency upgrades.

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Scott Williams	Since REC owns the equipment for 10-15 years, who is responsible for repairs if needed?	<b>Joyce Bodoh:</b> Scott, the equipment is owned by the member and will be covered under warranty if there is an issue.
Sandford Reaves	Will the local Human Services Dept. and Churches be educated on program and used to get the word out?	
Andrea Miller, Member Owner	Please add this to Cooperative Living so that people without Internet learn about this	
Judy Lamana	Some folks won't have any air-conditioning at all. I hope Green Together can put in a mini-split of some kind so these people can be comfortable. They won't have reliable REC payment records to show, but perhaps something else will do.	

## Stakeholder Listening Session Room #1: Contractor Enrollment and Management

Name	Questions/Comments	Responses Shared
Tom Handley, REC	If someone uses heating/cooling from non-electric sources, they would be disqualified from participation. Does this include occasional use of gas logs or heat stove?	Tammy: primary heating source

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<p>Chris Meyer, LEAP</p>	<p>Does EEtility have proprietary auditing software and management package that would want contractors to use/engage with?</p> <p>Question on modeling approach and software.</p> <p>What does a diverse contractor mean? For example, LEAP is a non-profit whose staff is quite diverse. We utilize multiple different HVAC contractors that are also diverse. How is all of that going to be reviewed/qualified?</p> <p>Also, will there be an expectation for a contractor to bring additional funding from say the DHCD HIEE program? Weatherization assistance Program? That is how we can cover the deferral issues such as roof leaks.</p> <p>Ideally, your contractors should be able to also leverage the other programs available especially for low-income clients. However, not all contractors can do that.</p> <p>Sounds like you might need programs for low-income folks and one for market rate folks</p> <p>Will auditors be aware of all of the different types of programs available to each homeowner?</p> <p>Homeowners want to get as many services as possible at the start of the process</p> <p>I think you're going to need some kind of travel compensation for contractors depending on location of the member.</p>	<p><b>Tammy:</b> don't want contractors to be energy auditors, but just contractors. Do the SOW assigned to them. Not bidding on jobs, but providing a pricing schedule once a year (can modify and adjust as necessary). Allows to determine most cost-effective SOW.</p> <p>Tammy: Send in pictures with timestamps and then will be run through proprietary software with EEtility.</p>
<p>Ron Morris</p>	<p>No comments/dropped off</p>	

<p>Frank Mosely, SEED for all, VA GND</p>	<p>Timeline for criteria? How will those individuals be included if they have a limited history of work?</p> <p>Will there be any training provided for contractors to qualify?</p> <p>What methods will be used for contacting contractors for eligibility?</p> <p>Would certain infractions that have nothing to do with the improvements needed disqualify someone from the whole program? e.g. Leaky roof but need HVAC? Are there ways for REC to support this population?</p> <p>What role will REC play in directing individuals to recourses to alternatives? Especially with no energy audit?</p>	
<p>Stephen Bickel</p>	<p>No comments</p>	
<p>Lesley Fore, Community housing partners solutions</p>	<p>Will there be an RFQ for contractors or will they just apply?</p>	
<p>Louis O’Berry, REC</p>	<p>With program being open to everyone, some people may need assistance on front end. Not a one size fits all. Outside of social/philanthropic orgs, USDA 504 grants can cover some home repair to get houses up to standard for use in the program.</p>	
<p>Tammy Agard, EETility</p>	<p>Member Enrollment Process</p>	<p>There is always a house visit, if something disqualifying, they wont do the audit (put on hold) Looking to convey resources to refer person to</p>
<p>Erin Puryear</p>	<p>No questions</p>	

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<p>Richard Walker</p>	<p>Is there an established criteria to pick contractors, which will show diversity of contractor base? What's the formula for selection?</p> <p>Managing a weatherization energy efficiency program in Buckingham County, and only used 1 contractor for all residents that approved from energy assistance program, bothered him and wants to make sure not the case here. (did not utilize any diverse measures in selecting contractors). Taking longer to get to residents, and a lot of African Americans in rural VA are leery about having someone who doesn't look like them coming into the home to do the work.</p> <p>Have created a list of contractors in 22 counties that hope can be involved in program.</p> <p>Weatherization program also doesn't utilize most cost-effective ways to ensure that house is more energy efficient.</p> <p>Wouldn't a full initial audit help identify other measures that need to be replaced or fixed prior to putting them on hold? Would have an idea of everything that was potentially wrong?</p>	<p>Tammy: hasn't been determined yet – work with REC – but want a 60% diverse contractor network.</p>
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## Stakeholder Listening Session Room #2: Member Experience

Name	Questions/Comments	Responses Shared
<p>Scott Williams</p>	<p>Do we know what REC is planning to name the program? Tariff is not well understood or compelling language. It conjures up images of the revolutionary war.</p>	

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Michael Murphy	<p>Strongly suggest that REC work with vendors to make it as user/layperson friendly as possible.</p> <p>People do not know what an on-bill tariff program is.</p> <p>Suggest REC do a spread about this in Cooperative Living and write it assuming a 7<sup>th</sup> grade reading level (average reading level in US).</p> <p>The description of this program needs to meet members where they are in terms of their level of understanding.</p>	
Jason Skaggs	<p>Thank you for sharing information. I work for REC in the member services department. Daily I speak with people who are concerned about high bills. It seems like this could be member initiated through a phone call about high bills and Member Services could bring up this program as a solution. Am I understanding this correctly?</p>	<p><b>Wesley Holmes:</b> I am not able to address specifically how this will work at REC, but that is in keeping with how it is done with other utilities. I have also seen utilities use usage data and do targeted messaging to those members.</p>
Karen Campblin	<p>The service area for REC is large. When they talk about members, they are not only talking about people who may participate as members, but also those who may participate as service providers.</p> <p>Will there be consideration in the selection of vendors to prioritize vendors who are local?</p> <p>Additionally, I hope there is intentional effort to fund smaller service providers and not one or two larger vendors. People like to see local folks enter their home. This is important particularly in the first phase of this program. People coming out to view homes need to be personable, understand the area, and local.</p>	<p><b>Wesley Holmes:</b> Understood. There is a focus on providing equitable opportunities. Local context is essential, and REC understands the importance of that.</p>

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<p>Scott Williams</p>	<p>I would like to see more information on how this mechanism transfers to the next owner of the building. If you could communicate that up front during these information sessions would be helpful.</p> <p>I wonder about the opportunity to promote that you can get someone to come and do an audit. I would suggest putting a piece in Cooperative Living with the example of you have a one square foot hole in your house, use audit as an engagement opportunity.</p>	<p>Karen Campblin: To address Scott's previous comment, I have seen other programs use property upgrades as a selling feature.</p>
<p>Karen Campblin</p>	<p>This process is going on through August. Looking at everyone here on this call, even though we tripled people on the call we are still industry heavy.</p> <p>Will there be more of a summary update at the next meeting to say since the past two meetings here is what we have developed? I would suggest focusing on allies and members on the call today to champion what is shared in the third meeting to drum up support among member owners.</p> <p>How is the final plan going to be adopted and approved by REC? Will membership have opportunity to weigh in? If so, there needs to be more information shared ahead of time to summarize what this program is, what the member role is, and what is next.</p>	

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Faith Dewarf	<p>Homeowner and have been for many years. How will she know if her bill is high or not? Houses are all different with different square footage and usage patterns? Will REC tell her?</p> <p>I have a better understanding of this program now, but I have not been mentioning it to others because not many people know what this is.</p> <p>Regarding how this program is characterized, when I see “tariff” it seems like money coming out of my pocket. “PAYs” seemed like even more money coming out of my pocket. The name of the program is important.</p>	
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Stakeholder Listening Session Room #3: REC Program Design and Outreach

Name	Questions / Comments	Responses Shared
Andrea Miller	<p>Thank you for adding these meetings to the Website, but it is very difficult to find.</p> <p>People with a higher energy burden are given first choice. How about people who know about the program and want to participate.</p> <p>Members who pay their bills at REC offices should also receive a notification of the program. People who pay at an office frequently do not have Internet or computers.</p> <p>Would REC consider creating a small yard-sign or something that people who participate can advertise on their property?</p> <p>When will the program be available?</p>	

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Asa Foss	Will there be an option for system upgrades vs full house?	
Rory McIlmoil	<p>Identified funding source? What will the interest rate estimate be? Manufactured home replacement?</p> <p>Does REC plan/envision any future increases in the residential monthly fixed/facilities charge? Such an increase could impact the calculation of bill savings (80/20 split) and by extension the “cost effectiveness” of PAYS investments.</p> <p>How might other financing options that may ultimately be available through DMME be coupled with REC’s PAYS program?</p> <p>Is REC working with local low-income service agencies (DSS, community action, etc) to develop a referral and resource-sharing network to ensure all available resources are directed to eligible low-income PAYS participants (which would allow REC to spread PAYS funds to more customers)?</p> <p>Looking at REC’s residential rate schedule, have y’all modeled how a typical PAYS investment performs based on your seasonal and tiered-usage rates?</p>	
Seth Heald	<p>How will outreach be performed? What are RECs proactive marketing outreach for not just those identified as struggling.</p> <p>Will the program allow efficiency upgrades for members who already have solar?</p> <p>Rory’s point about replacing mobile homes, I heard a USDA official speak a couple of years ago about USDA funding for mobile home replacement. Has or will REC be availing itself of that or similar funding sources?</p> <p>Do REC board members plan to participate in the PAYS program?</p>	

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Steven Ellis	What guarantees are there for the subcontractors. What is the quality control and retention for subcontractor deployment?	
Sanford Reaves	What are RECs proactive marketing outreach? Churches?	
Emily Piontek	Additional clarity on marketing such as the channels and materials being used.	
Judy Lamana -	<p>How much \$ will be spent on outreach and the advisors that visit the home? Whose money will it be? Govt, shareholder, members, etc.</p> <p>I hope this program is successful for REC. It certainly has worked elsewhere, so I assume it will be similar here. We need to go big and make it well-funded. I would like to see a second, different phase planned for -- an education phase on energy conservation. The top thing to do for climate change is to reduce energy use. Weatherizing the home certainly sets the stage for that and may actually produce the result. I would just hope for an energy conservation education element.</p> <p>Engage NGOs to get the word out. Can there be a second step to the program – energy conservation? Education, reward program to change behaviors.</p>	
Holmes Hummel	<p>The more people participate the more surplus benefit stream and that in turn encourages more people to participate.</p> <p>Electric cooperatives with experience offering PAYS programs have found their participants are producing surplus benefits for all members in the entire cooperative - primarily by eliminating wasted energy driven by extreme weather conditions, when it is most expensive for the entire system.</p> <p>Will the program design assure surplus benefits are returned to the participants in the form of incentive payments to participate - creating a virtuous cycle that motivates more participation?</p>	

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Peter Anderson	Goals for annual participation over a long period of time? 10 years Does REC have an energy saving target? Are there any implications for the relationship with ODAC?	
EJ Scott	How are the recommendations that were submitted used and leverage the list sent?	
Lori Shreaves	What type of training do REC's Energy Advisors receive?	
Karen Cober	How does this impact commercial customers?	
Morgan Messer	I saw there were some questions earlier about the transition of a home and what happens to a current project/payment plan. Who holds the responsibility of communicating the PAYS program to the potential home buyer to make sure they have no surprises after the purchase of the house?	

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